IMPORTANT NOTICE

THIS PRELIMINARY OFFERING MEMORANDUM IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR (2) PURCHASING THE NOTES DESCRIBED IN THIS PRELIMINARY OFFERING MEMORANDUM OUTSIDE OF THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), A QUALIFIED INVESTOR).

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

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

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

Confirmation of your representation: In order to be eligible to view this Preliminary Offering Memorandum or make an investment decision with respect to the securities described in this Preliminary Offering Memorandum, investors must be either (1) QIBs within the meaning of Rule 144A under the U.S. Securities Act or (2) persons who are outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act; *provided* that investors resident in a Member State of the EEA must be a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC and any relevant implementing measure in each Member State of the EEA). This Preliminary Offering Memorandum is being sent at your request. By accepting this email and by accessing the Preliminary Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers set forth in the attached Preliminary Offering Memorandum (collectively, the "Initial Purchasers") that:

(1) you acknowledge that you are receiving such Preliminary Offering Memorandum in electronic format; and

(2) you or the customers you represent are:

  (a) QIBs; or

  (b) outside the United States and that the electronic mail address that you gave us and to which this Preliminary Offering Memorandum has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the EEA, you are a qualified investor).

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

Under no circumstances shall the Preliminary Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial

Purchasers (as defined herein) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

This Preliminary Offering Memorandum is in preliminary form and is being furnished in connection with an offering exempt from registration under the U.S. Securities Act. You are reminded that the information in the attached document is in preliminary form, is not complete and may be changed.

This Preliminary Offering Memorandum has not been approved by an authorized person in the United Kingdom. The securities may not be offered or sold other than to (a) persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by us or (b) high net worth entities falling within article 49(2)(a) to (d) of the FSMA, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the FSMA (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

This Preliminary Offering Memorandum has been addressed to you in an electronic form. You are reminded that documents transmitted electronically may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, any person who controls any initial purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Offering Memorandum accessed by you in electronic format and any version that will be provided to you at a later date.

LSF10 Wolverine Investments S.C.A.

€515,000,000 Senior Secured Notes
(in a combination of fixed and floating rate notes)
€ % Fixed Rate Senior Secured Notes due 2024
€ Floating Rate Senior Secured Notes due 2024

LSF10 Wolverine Investments S.C.A., a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg (the "Issuer"), is offering € million aggregate principal amount of its % Fixed Rate Senior Secured Notes due 2024 (the "Fixed Rate Notes") and € million aggregate principal amount of its Floating Rate Senior Secured Notes due 2024 (the "Floating Rate Notes" and, together with the Fixed Rate Notes, the "Notes") as part of the financing for its acquisition (the "Acquisition") of all of the outstanding securities in Stark Group A/S (the "Target").

The Issuer will pay interest on the Fixed Rate Notes at a rate of % per annum, payable semi-annually in arrears on each and , commencing on , 2018. The Fixed Rate Notes will mature on , 2024. Prior to , 2020, the Issuer will be entitled, at its option, to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts (as defined herein), if any, plus the applicable "make-whole" premium. Prior to , 2020, the Issuer may redeem up to 10% of the aggregate principal amount of the Fixed Rate Notes originally issued (including the aggregate principal amount of any additional Fixed Rate Notes issued) in each calendar year at a redemption price equal to 103.00% of the principal amount thereof. Prior to , 2020, the Issuer may redeem, at its option, up to 40% of the original principal amount of the Fixed Rate Notes with the net proceeds from certain equity offerings at the redemption price set forth in this offering memorandum, provided that, *inter alia*, at least 50% of the original principal amount of the Fixed Rate Notes remains outstanding. At any time on or after , 2020, the Issuer may redeem all or part of the Fixed Rate Notes at the redemption prices set forth in this offering memorandum.

Interest on the Floating Rate Notes will accrue at a rate per annum, reset quarterly, equal to three-month EURIBOR (which shall never be less than zero) plus %. The Floating Rate Notes will mature on , 2024. The Issuer will pay interest on the Floating Rate Notes quarterly in arrears on each , , and , commencing on , 2018. Prior to , 2019, the Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, plus the applicable "make-whole" premium. At any time on or after , 2019, the Issuer may redeem all or part of the Floating Rate Notes at the redemption prices specified in this offering memorandum.

In addition, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount thereof (including accrued and unpaid interest and Additional Amounts, if any) upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain defined events constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any. However, a change of control will not be deemed to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with such event.

Upon completion of the offering of the Notes, the Issuer will issue the Notes under an indenture (the "Indenture") to be dated as of , 2018 (the "Issue Date"). Pending consummation of the Acquisition, the Initial Purchasers will, concurrently with the issuance of the Notes on the Issue Date, deposit the gross proceeds from the offering of the Notes into the Escrow Account (as defined herein), in the name of the Issuer. The Escrow Account will be controlled by the Escrow Agent (as defined herein) and pledged in favor of the Trustee on behalf of the holders of the Notes. The release of the Escrowed Property (as defined herein) will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement (as defined herein) promptly following the release of the funds from the Escrow Account. If the conditions to the release of the Escrowed Property have not been satisfied on or prior to the Escrow Longstop Date (as defined herein) or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the aggregate initial issue price of the Notes plus accrued and unpaid interest from the Issue Date to such special mandatory redemption date and Additional Amounts, if any.

The Notes will be senior secured obligations of the Issuer, will rank senior in right of payment to all of the Issuer's future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer's existing and future debt that is not so subordinated, including the Issuer's obligations under the Revolving Credit Facility (as defined herein). On the Issue Date, the Notes will be guaranteed on a senior basis by LSF10 Wolverine Bidco ApS, the direct subsidiary of the Issuer ("Bidco"). In addition, subject to the Agreed Security Principles (as defined herein), on the earlier of (a) the date on which a Post-Completion Guarantor (as defined herein) provides a guarantee of the Revolving Credit Facility and (b) 120 days from the date of completion of the Acquisition (the "Acquisition Completion Date"), the Notes will be guaranteed by each such Post-Completion Guarantor. The Notes Guarantees (as defined herein) will rank senior in right of payment to the respective Guarantor's (as defined herein) future debt that is expressly subordinated in right of payment to such Notes Guarantee and will rank *pari passu* in right of payment with the respective Guarantor's existing and future debt that is not so subordinated, including such Guarantor's obligations under the Revolving Credit Facility. On the Issue Date, the Notes will be secured only by a first-ranking charge over the Escrowed Property and the Issuer's rights under the Escrow Agreement (as defined herein) governing the Escrow Account (the "Escrow Charge"). On or prior to the Acquisition Completion Date, the Notes will be secured, subject to the Agreed Security Principles, by first-priority interests in the Completion Date Collateral (as defined herein). Additionally, within no later than (i) ten business days from the Acquisition Completion Date, the Notes will also be secured, subject to the Agreed Security Principles, by first-priority security interests in the Initial Post-Completion Date Collateral (as defined herein) and (ii) 120 days from the Acquisition Completion Date, the Notes will also be secured, subject to the Agreed Security Principles, by first-priority security interests in the Additional Post-Completion Date Collateral (as defined herein). The Completion Date Collateral, the Initial Post-Completion Date Collateral and the Additional Post-Completion Date Collateral are referred to herein as the "Post-Issue Date Collateral." The Revolving Credit Facility will be, and future hedging obligations and, subject to the Intercreditor Agreement (as defined herein), certain other indebtedness permitted to be incurred on a priority basis under the Indenture are permitted to be, secured by first priority security interests over, among other things, the Post-Issue Date Collateral, contractually ranking *pari passu* with the security interests securing the Notes. Under the terms of the Intercreditor Agreement, in the event of enforcement of the security interests over the Post-Issue Date Collateral, holders of Notes will receive proceeds from the Post-Issue Date Collateral only after the Revolving Credit Facility, certain hedging obligations, certain pension obligations and certain other indebtedness permitted to be incurred on a priority basis under the Indenture, if any, have been repaid in full. The validity, enforceability and, in respect of the security interests over the Collateral, priority and ranking of the Notes Guarantees and the security interests and the liability of the Guarantors, are subject to the limitations described in "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*." The Notes will be structurally subordinated to all obligations of the Issuer's subsidiaries that do not guarantee the Notes and effectively subordinated to any existing and future debt of the Issuer and the Guarantors that is secured by property or assets that do not secure the Notes, to the extent of the value of such property and assets.

There is currently no market for the Notes. Application has been made to The International Stock Exchange Authority Limited (the "Authority") for the listing of and permission to deal in the Notes on the Official List of The International Stock Exchange (the "Exchange"). There can be no assurance, however, that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained. The Exchange is not a regulated market pursuant to the provisions of Directive 2004/39/EC on markets in financial instruments, as amended.

This offering memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Investing in the Notes involves a high degree of risk. See "*Risk Factors*" beginning on page 29.

Issue price of the Fixed Rate Notes: % plus accrued interest, if any, from the Issue Date
Issue price of the Floating Rate Notes: % plus accrued interest, if any, from the Issue Date

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any other jurisdiction. The Notes and the Notes Guarantees may not be offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from registration *provided* by Rule 144A under the Securities Act ("Rule 144A") and to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). You are hereby notified that sellers of the Notes and the Notes Guarantees may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "*Notice to Certain Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

The Notes will be in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by global notes, which will be delivered in book entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream") on or about the Issue Date. Interests in each global note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See "*Book-Entry, Delivery and Form*."

Global Coordinator and Physical Bookrunner
Credit Suisse

Joint Bookrunners
Danske Bank **DNB Markets** **Nykredit Bank**

The date of this offering memorandum is , 2018.

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IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering is being made on the basis of this offering memorandum only. Any decision to purchase Notes in the Offering must be based on the information contained in this offering memorandum. None of the Issuer, the Guarantors or the initial purchasers of the Notes listed on the cover page (together, the "Initial Purchasers") have authorized anyone to provide you with any information or represent anything about the Issuer, the Target's financial results or this Offering that is not contained in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Guarantors or any of the Initial Purchasers. Neither the Issuer nor any of the Initial Purchasers are making an offering of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

This offering memorandum is confidential and has been prepared by the Issuer solely for use in connection with the Offering. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Notes is unauthorized, and any disclosure of any of the contents of this offering memorandum, without the prior written consent of the Issuer, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

THE NOTES (AND THE NOTES GUARANTEES) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE NOTES (AND THE NOTES GUARANTEES) 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.

None of the Initial Purchasers, nor any employee or affiliate of any Initial Purchaser, has authorized the contents or circulation of this offering memorandum and the Initial Purchasers, their employees and affiliates do not assume any responsibility for, and will not accept any liability for, any loss suffered as a result of, arising out of or in connection with this document or any of the information or opinions contained in it.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this offering memorandum and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer, any of their respective affiliates or any of the Initial Purchasers. This offering memorandum does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. The information contained in this offering memorandum is as of the date hereof. Neither the delivery of this offering memorandum nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time subsequent to that date.

The information contained in this offering memorandum has been furnished by the Issuer and other sources believed by the Issuer to be reliable. This offering memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. By receiving this offering memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision to invest in the Notes. The contents of this offering memorandum are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of the Issuer and its affiliates, the terms of the offering of any of the Notes, and the merits and risks involved.

In addition, for so long as the Notes are listed on the Official List of the Exchange and the rules and regulations of the Authority so require, the Issuer will also provide a copy of the foregoing information and reports to the Exchange.

Furthermore, for so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which the Issuer is neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from such reporting requirements under Rule 12g3-2(b) of the Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer.

This Offering is being made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The Notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission or any other United States federal, state or foreign securities commission or regulatory authority, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The Initial Purchasers reserve the right to withdraw this Offering at any time and to reject any commitment to subscribe for the Notes, in whole or in part. The Initial Purchasers also reserve the right to allot less than the full amount of Notes sought by investors. The Initial Purchasers and certain related entities may acquire a portion of the Notes for their own account. Persons into whose possession this offering memorandum or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See "*Plan of Distribution*" and "*Transfer Restrictions*."

The laws of certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Notes. Persons into whose possession this offering memorandum or any of the Notes come must inform themselves about, and observe any such restrictions. None of the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Security Agent or the other agents or their respective representatives is making any representation to any offeree or any purchaser of the Notes regarding the legality of any investment in the Notes by such offeree or purchaser under applicable investment or similar laws or regulations. For a further description of certain restrictions on the offering and sale of the Notes and the distribution of this offering memorandum, see "*Notice to Certain Investors*" and "*Transfer Restrictions*."

To purchase any of the Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell any Notes or possess or distribute this offering memorandum. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the Notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Issuer, its affiliates or the Initial Purchasers will have any responsibility therefor.

No action has been taken by the Initial Purchasers, the Issuer or any other person that would permit an offering of any of the Notes or the circulation or distribution of this offering memorandum or any offering materials in relation to the Issuer or their respective affiliates, or any of the Notes, in any country or jurisdiction where action for that purpose is required.

The Notes will be issued in fully registered form and will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Notes sold to qualified institutional buyers in reliance on Rule 144A will be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"). Notes sold outside the United States 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"). The Global Notes will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary. See "*Book-Entry, Delivery and Form.*"

The Issuer accepts responsibility for the information contained in this offering memorandum. The Issuer and the Guarantors have made all reasonable inquiries and confirmed to the best of its knowledge, information and belief that the information contained in this offering memorandum with regard to itself, its affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this offering memorandum are honestly held, and neither the Issuer nor the Guarantors are aware of any facts the omission of which would make this offering memorandum or any statement contained herein misleading in any material respect. The Issuer accepts responsibility accordingly.

The information contained under the headings "*Summary*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While the Issuer accepts responsibility for the accurate extraction and summarization of such information and data, the Issuer has not independently verified the accuracy of such information and data and accepts no further responsibility in respect thereof. However, as far as the Issuer or the Guarantors are aware, no information or data has been omitted which would render

reproduced information inaccurate or misleading. The information set forth 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 change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. The Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, but the Issuer accepts no further responsibility in respect of such information.

The Initial Purchasers make no representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or the future. The Issuer and the Guarantors have furnished the information contained in this offering memorandum.

None of the Trustee, the Security Agent, the Paying Agent, the Transfer Agent, the Calculation Agent or the Registrar (each as defined herein) is responsible for the contents of this offering memorandum or expresses any opinion as to the merits of the Notes under this offering memorandum.

The Issuer intends to list the Notes on the Official List of the Exchange, and will submit this offering memorandum to the competent authority in connection with the listing application. In the course of any review by the competent authority, the Issuer may be requested to make changes to the financial and other information included in this offering memorandum. Comments by the competent authority may require significant modification or reformulation of information contained in this offering memorandum or may require the inclusion of additional information, including financial information in respect of the Guarantors. The Issuer may also be required to update the information in this offering memorandum to reflect changes in its business, financial condition or results of operations and prospects.

The Issuer cannot guarantee that its application for the listing of the Notes on the Official List of the Exchange will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

Investing in the Notes involves risks. See "*Risk Factors*." It should be remembered that the price of securities and the income from them can go down as well as up.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND, IF BEGUN, MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO CERTAIN INVESTORS

United States

The Notes will be sold outside the United States pursuant to Regulation S and within the United States to qualified institutional buyers pursuant to Rule 144A. The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act and the Notes and the Notes Guarantees may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Transfer Restrictions*."

Canada

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

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

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

European Economic Area

This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the "Prospectus Directive"), as implemented in member states ("Member States") of the European Economic Area (the "EEA"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for us, the Issuer or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Issuer nor the Initial Purchasers have authorized, nor do we or they 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 the Notes contemplated in this offering memorandum.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer is being made or will be made to the public of any Notes which are the subject of the Offering contemplated by this offering memorandum in that Relevant Member State, other than: (i) to legal entities that are authorized qualified investors as defined in the Prospectus Directive; (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Notes to the public" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in each Relevant Member State.

MIFID II PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (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.

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 and are investment professionals as defined within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth bodies corporate and any other person falling within Article 49(2)(a) to (d) of the Order; (iii) persons outside the United Kingdom; and (iv) any other persons to whom it may otherwise lawfully be communicated or cause to be communicated (all such persons together being referred to as "relevant persons").

Each Initial Purchaser has represented and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in

investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA in respect of anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

This offering memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this offering memorandum are not permitted to transmit it to any other person. The Notes are not being offered to the public in the United Kingdom. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents.

Luxembourg

This offering memorandum has not been approved by and will not be submitted for approval to (i) the Luxembourg financial sector regulator (the *Commission de surveillance du secteur financier*) for the purposes of a public offering or sale in Luxembourg, of the Notes or admission to the official list of the Luxembourg Stock Exchange ("LuxSE") and trading on the LuxSE's regulated market of the Notes or to (ii) the LuxSE for the purposes of admitting the Notes to the official list of the LuxSE and trading on the LuxSE's Euro MTF market (the "Euro MTF Market"). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, or listed or traded on the LuxSE's regulated market or the Euro MTF Market, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public subject to prospectus requirements in accordance with the Luxembourg act of July 10, 2005, on prospectuses for securities, as amended.

Denmark

This Offering Memorandum has not been filed with or approved by the Danish Financial Supervisory Authority (*Finanstilsynet*), the Danish Business Authority (*Erhvervsstyrelsen*) or any other regulatory authority in Denmark. The Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Capital Markets Act (*Lov om kapitalmarkeder*), the Danish Financial Business Act (*Lov om finansiel virksomhed*) and Executive Orders (*bekendtgørelser*) issued pursuant thereto as amended from time to time.

Finland

This offering memorandum does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. The Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute a public offering of securities under Finnish law. Any offer or sale of the Notes in Finland will be made pursuant to a private placement exemption as defined under Article 3(2) of the Prospectus Directive and the Finnish Securities Market Act (746/2012, as amended) and any regulation made thereunder, as supplemented and amended from time to time. This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements under the Commission Regulation (EC) No. 809/2004, as amended, or the Finnish Securities Market Act or any other Finnish regulation. This offering memorandum has not been filed with or approved by the Finnish Financial Supervisory Authority.

Sweden

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

Norway

This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Norwegian Securities Trading Act of 2007 nor any other Norwegian enactment. Neither the Norwegian Financial Supervisory Authority (*Finanstilsynet*) nor any other Norwegian public body has examined, approved or registered this offering memorandum or will examine, approve or register this offering memorandum. Accordingly, this offering memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Norway other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Norwegian Securities Trading Act of 2007.

PRESENTATION OF FINANCIAL AND OTHER DATA

Historical Financial Information

The Issuer is a holding company formed in connection with the Transactions with no revenue-generating activities of its own and does not have any business operations, material assets or liabilities (other than those incurred in connection with its incorporation and the Transactions). See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—Following the completion of the Transactions, the Issuer will have no revenue generating operations of its own and will depend on cash flows from operating companies to make payments on the Notes*." Consequently, no financial information with respect to the Issuer is included in this offering memorandum, except for certain limited "as adjusted" financial data for the Ongoing Business as further adjusted to reflect certain effects of the Transactions as presented in the section entitled "*Capitalization*." All historical financial information presented in this offering memorandum is that of the Target and its consolidated subsidiaries. Accordingly, unless otherwise stated, all references to "we," "us," "our" or the "group" in respect of any financial information in this offering memorandum are to the Target and its subsidiaries on a consolidated basis.

This offering memorandum includes (i) the audited consolidated financial statements of the Target as of and for the years ended July 31, 2015, 2016 and 2017, including the related notes thereto, which have been prepared in accordance with IFRS (the "Audited Financial Statements"); and (ii) the unaudited condensed consolidated financial statements of the Target as of and for the three months ended October 31, 2016 and 2017, including the related notes thereto, which have been prepared in accordance with IAS 34 (the "Unaudited Interim Financial Statements" and together with the Audited Financial Statements, the "Financial Statements").

Within the Audited Financial Statements, the financial information as of and for the years ended July 31, 2016 and 2017 has been audited by Deloitte Statsautoriseret Revisionspartnerselskab and the financial information as of and for the year ended July 31, 2015 has been audited by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab. See "*Independent Auditors*" for a description of the reports of the independent auditors of the Target on the Audited Financial Statements. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. These standards require management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the Audited Financial Statements included in this offering memorandum and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." The financial statements contained in the F-Pages to this offering memorandum should be read in conjunction with the relevant notes thereto.

On July 10, 2017, in connection with our strategy to refocus our ongoing business operations primarily on B2B customers, we announced our agreement to divest our DIY brand, Silvan, to Aurelius Group. The sale of Silvan concluded on August 31, 2017. Additionally, we divested our Cheapy chain, a Swedish discount chain, which was sold in April 2014, and Oscar Perschard, a small Norwegian branch, which was sold in July 2014. We include the results of operation, financial position and cash flows from Silvan, Cheapy and Oscar Perschard in our Financial Statements as discontinued operations, which are shown separately from continuing operations in our Financial Statements. In this offering memorandum, unless otherwise indicated, references to any financial data are only to financial data from continuing operations and exclude the results of operations, financial position and cash flows of Silvan, Cheapy and Oscar Perschard.

In the future, we will report consolidated financial statements and other information for the Issuer and its subsidiaries prepared under IFRS. The fiscal year of the Issuer ends on July 31 of each calendar year and the first annual consolidated financial statements for the Issuer will be available in respect of the fiscal year ending July 31, 2018. The consolidated financial statements of the Target in this offering memorandum have not been adjusted to reflect the impact of any changes to the income statements, statements of financial position or cash flow statements that might occur as a result of purchase accounting adjustments to be applied as a result of the Transactions. However, the Issuer will account for the Acquisition using the acquisition method of accounting under IFRS and will apply purchase accounting adjustments in connection with the Acquisition to the financial statements for accounting periods subsequent to the Acquisition Completion Date. The application of purchase accounting could result in different carrying values for existing assets and liabilities and we may add additional assets to our statement of financial position, which may include intangible assets, such as goodwill, brand name, customer relationships, leasehold rights and software. We may also recognize different amortization and depreciation expenses. Due to these and other potential adjustments, our future financial statements could be materially different once the adjustments are made and may not be comparable to the Target's consolidated financial statements included in this offering memorandum. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Financial Statements*."

The financial information included in this offering memorandum was not prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). There could be significant differences between IFRS, as applied by us, and U.S. GAAP. We neither describe the differences between IFRS and U.S. GAAP nor reconcile our IFRS financial statements to U.S. GAAP. Accordingly, such information is not available to investors, and investors should consider this in making their investment decision. The financial information included in this offering memorandum is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information.

Unaudited Adjusted Financial Information for the Ongoing Business

This offering memorandum includes the (i) unaudited adjusted financial information for the Target's ongoing business for the years ended July 31, 2015, 2016 and 2017 and (ii) unaudited adjusted financial information for the Target's ongoing business for the three months ended October 31, 2016 and 2017 (collectively, the "Unaudited Adjusted Financial Information for the Ongoing Business"). The Unaudited Adjusted Financial Information for the Ongoing Business is presented to illustrate the effects of the Branch Closures and the Property Portfolio Adjustment on the Target's financial information, as described below. The Unaudited Adjusted Financial Information for the Ongoing Business is based on, and should be read in conjunction with, our Financial Statements included elsewhere in this offering memorandum as well as the sections entitled *"Selected Historical Financial Information*" and "*Unaudited Adjusted Financial Information for the Ongoing Business*."

The Unaudited Adjusted Financial Information for the Ongoing Business is not presented in accordance with IFRS and has been derived by applying certain adjustments to the line items included in the financial information of the Target, which are included elsewhere in this offering memorandum.

In particular, the Unaudited Adjusted Financial Information for the Ongoing Business for the three months ended October 31, 2016 and 2017, and the years ended July 31, 2015, 2016, and 2017 is adjusted to give effect to the transactions described below, as if they occurred at the beginning of the respective period:

- our closure of 30 underperforming branches and sale of our Sanvold business in (i) Denmark in January 2017 (14 branches), (ii) Finland in January 2017 (8 branches), (iii) Norway in March 2017 and (iv) Sweden in April 2017 (7 branches) (the "Branch Closures"); and

- an adjustment of the Target's property portfolio to exclude certain operational properties in Denmark and Norway, a distribution center in Finland, the headquarters in Copenhagen and 30 vacant properties, which have historically been included in the Target's financial results but do not form part of the Target's ongoing business that will be acquired by Lone Star Fund X in connection with the Acquisition (the "Property Portfolio Adjustment").

In addition, certain other financial information is adjusted to add back amortization of acquired intangible assets, impairment of goodwill and acquired intangible assets, items that management considers to be exceptional and certain other items that management considers to be non-recurring.

We present the Unaudited Adjusted Financial Information for the Ongoing Business because we believe that it reflects more closely the Target's business that will be acquired by Bidco in connection with the Transactions and thus provides additional information on the Target's historical performance and financial position of the businesses and operations to be acquired. The Unaudited Adjusted Financial Information for the Ongoing Business may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

The Unaudited Adjusted Financial Information for the Ongoing Business reflects the application of adjustments that are based upon available information and certain assumptions, as described above, that management believes are reasonable under the circumstances. The Unaudited Adjusted Financial Information for the Ongoing Business is presented for informational purposes only. Actual results may differ materially from the assumptions within the accompanying Unaudited Adjusted Financial Information. The Unaudited Adjusted Financial Information for the Ongoing Business has been prepared by management and is not necessarily indicative of the results of operations that would have been realized had the transactions contemplated above as of the dates indicated, nor is it meant to be indicative of any future results of operations that we will experience going forward.

In this offering memorandum, references to financial data for the Ongoing Business are to the adjusted financial information for the Target's Ongoing Business and references to financial data for the Historical Business are to the historical financial information for the Target, in each case, for the relevant period.

Non-IFRS Financial Measures

This offering memorandum contains non-IFRS measures and ratios, including EBITDA for the Ongoing Business, EBITDA margin for the Ongoing Business, Adjusted EBITDA for the Ongoing Business, Adjusted EBITDA margin for the Ongoing Business, Run-rate Adjusted EBITDA for the Ongoing Business, adjusted free cash flow, capital expenditures, adjusted capital expenditures and other measures and ratios that are not required by, or presented in accordance with, IFRS (collectively, the "Non-IFRS Measures"). Such Non-IFRS measures are presented based on information derived from our Financial Statements and our historical accounting records and based on the Unaudited Adjusted Financial Information for the Ongoing Business. We present the Non-IFRS Measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-IFRS Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. The Non-IFRS Measures are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flows from operating, investing or financing activities. See "*—Historical Financial Information*" and "*Summary—Summary Historical Financial Information, Unaudited Adjusted Financial Information for the Ongoing Business and Other Financial Data*."

The Non-IFRS Measures we present may also be defined differently than the corresponding terms under the Indenture. Some of the limitations of the Non-IFRS Measures are that:

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

In addition, we have included in this offering memorandum unaudited income statement data for the Ongoing Business for the twelve months ended October 31, 2017, which has been calculated by adding the unaudited income statement data for the Ongoing Business for the three months ended October 31, 2017 to the unaudited income statement data for the Ongoing Business for the year ended July 31, 2017 and subtracting the unaudited income statement data for the Ongoing Business for the three months ended October 31, 2016. The unaudited income statement data for the Ongoing Business for the twelve months ended October 31, 2017 has been prepared solely for the purpose of this offering memorandum, is for illustrative purposes only and is not necessarily indicative of our results of operations for any future period or our financial condition at any future date.

Rounding

Certain numerical figures set forth in this offering memorandum, including financial data presented in millions or thousands, certain operating data or percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this offering memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in the consolidated financial statements of the Target or the tabular presentation of other data (subject to rounding) contained in this offering memorandum, as applicable, and not using the numerical data in the narrative description thereof.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, statements in this offering memorandum regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which we operate are based on data, statistical information, sector reports and studies as well as on our own estimates.

In drafting this offering memorandum, we used industry sources and sources on market data, including reports prepared by Euroconstruct, OECD, Rockwool Foundation, Statistics Denmark, Statistics Norway, Statistics Finland and SCB.

To the extent that information was taken from third parties, such information has been accurately reproduced by us in this offering memorandum and, as far as we are aware and able to ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative.

We have not verified the figures, market data and other information used by third parties in the studies, publications and financial information reproduced herein, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this offering memorandum or for the accuracy of third-party data on which our estimates are based.

This offering memorandum also contains estimates of market data and information derived from such data that cannot be obtained from publications by independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry in which we operate and our position within it. Our own estimates have not been checked or verified externally. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk Factors*" in this offering memorandum. As a result, neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this offering memorandum.

EXCHANGE RATES

The following tables set forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollar per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this offering memorandum. None of the Issuer, the Guarantors or the Initial Purchasers represent that the U.S. dollar or euro amounts referred to below could be or could have been converted into U.S. dollars at any particular rate indicated or any other rate.

The average rate for a year, a month or for any shorter period, means the average of the daily Bloomberg Generic Rates during that year, month or shorter period, as the case may be. On February 28, 2018, the exchange rate between the U.S. dollar and the euro was $1.2209 per €1.00.

	U.S. dollar per €1.00			
	High	Low	Average	Period End
Year				
2013	1.3789	1.3283	1.3804	1.2772
2014	1.2100	1.3283	1.3925	1.2100
2015	1.0866	1.1096	1.2010	1.0492
2016	1.0547	1.1069	1.1527	1.0384
2017	1.2026	1.0427	1.1300	1.2022
2018 (through February 28, 2018)	1.2492	1.1921	1.2266	1.2209
Monthly				
July 2017	1.1811	1.1338	1.1552	1.1811
August 2017	1.2016	1.1702	1.1815	1.1881
September 2017	1.2026	1.1752	1.1904	1.1803
October 2017	1.1846	1.1590	1.1754	1.1648
November 2017	1.1928	1.1583	1.1744	1.1891
December 2017	1.2022	1.1724	1.1837	1.2022
January 2018	1.2492	1.1921	1.2204	1.2415
February 2018	1.2478	1.2209	1.2347	1.2209

DEFINED TERMS

In this offering memorandum, the following words and expressions have the following meanings, unless the context otherwise requires or unless otherwise so defined. In particular, capitalized terms set forth and used in the sections entitled "*Description of Certain Financing Arrangements"* and *"Description of the Notes*" may have different meanings from the meanings given to such terms and used elsewhere in this offering memorandum.

References to:

"Acquisition"	are to the acquisition of the Target by Bidco pursuant to the Acquisition Agreement.
"Acquisition Agreement"	are to (i) the share sale and purchase agreement dated November 10, 2017, between the Issuer, as purchaser, and Stark Group Holdings A/S, as seller, pursuant to which, pending Bidco's incorporation, the Issuer agreed to acquire all of the issued share capital of the Target and (ii) the assignment agreement dated as of January 16, 2018, between the Issuer and Bidco, pursuant to which the Issuer assigned all of its rights and obligations under such acquisition agreement to Bidco, collectively.
"Acquisition Completion Date"	are to the date on which the Acquisition is consummated.
"Acquisition Longstop Date"	are to May 31, 2018.
"Agreed Security Principles"	are to the agreed security principles as set forth in an annex to the Indenture and summarized in "*Description of the Notes—Security—General*."
"B2B"	are to "business to business," which refers to business that is conducted between companies, rather than between a company and private consumers.
"B2B customers"	are to professional homebuilders and commercial builders, such as SMEs and large construction companies, that work on behalf of end-users.
"B2C"	are to "business to consumer," which refers to business that is conducted directly between a company and consumers who are the end-users of its products or services.
"B2C customers"	are to private consumers, end-users and DIY consumers that install and use building material products themselves.
"Bidco"	are to LSF10 Wolverine Bidco ApS, the direct subsidiary of the Issuer.
"Branch Closures"	are to the Target's closure of 30 underperforming branches and sale of the Target's Sanvold business as described in more detail in "*Unaudited Adjusted Financial Information for the Ongoing Business*."
"CAGR"	are to compound annual growth rate.
"Calculation Agent"	are to Deutsche Bank AG, London Branch.
"Clearstream"	are to Clearstream Banking, *société anonyme*.
"Collateral"	are to the collateral for the Notes as described in more detail in "*Summary—The Offering*."
"DIY"	are to "do it yourself," which refers to activities such as decorating, building, and making fixtures and repairs at home by oneself rather than employing a professional.

"Escrow Account"	are to the escrow account into which the gross proceeds of the Offering will be deposited on the Issue Date, pursuant to the terms of the Escrow Agreement.
"Escrow Agent"	are to Wells Fargo Bank N.A., London Branch.
"Escrow Agreement"	are to the agreement to be dated the Issue Date between the Issuer, the Trustee and the Escrow Agent relating to the Escrow Account into which the gross proceeds of the Notes will be deposited pending consummation of the Acquisition.
"Escrow Charge"	are to the first-priority pledge over the Escrow Account and the Issuer's rights under the Escrow Agreement in favor of the Trustee for the benefit of the Holders of the Notes pursuant to an escrow account charge to be dated the Issue Date between the Issuer and the Trustee.
"Escrow Longstop Date"	are to July 1, 2018.
"Escrowed Property"	collectively, are to the initial funds deposited into the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement).
"EU"	are to the European Union.
"euro," "EUR" or "€"	are to the lawful currency of the European Monetary Union.
"Euroclear"	are to Euroclear Bank SA/NV.
"Facility Agent"	are to Deutsche Bank AG, London Branch.
"Ferguson"	are to Ferguson plc.
"Ferguson Group"	are to Ferguson plc and its subsidiaries.
"Financing"	have the meaning ascribed to it in "*Summary—The Transactions—The Financing*."
"Fixed Rate Notes"	are to the € million aggregate principal amount of % Fixed Rate Senior Secured Notes due 2024 offered hereby.
"Floating Rate Notes"	are to the € million aggregate principal amount of Floating Rate Senior Secured Notes due 2024 offered hereby.
"Guarantors"	are to Bidco and the Post-Completion Guarantors, collectively.
"Historical Business"	are to the Target's business before giving effect to the Branch Closures and the Property Portfolio Adjustment. The financial data for the Target's Historical Business are reflected in the Financial Statements.
"IAS 34"	are to IAS 34 "Interim financial reporting," the international accounting standard No. 34 that is the IFRS standard applicable to interim financial statements.
"IFRS"	are to International Financial Reporting Standards as adopted by the European Union.
"Indenture"	are to the indenture to be entered into on the Issue Date governing the Notes, by and among, *inter alios*, the Issuer, the Trustee and the Security Agent.
"Initial Purchasers"	are to Credit Suisse Securities (Europe) Limited, Danske Bank A/S, DNB Markets, a division of DNB Bank ASA and Nykredit Bank A/S.

"Intercreditor Agreement"	are to the intercreditor agreement to be entered into on or about the Issue Date between, among others, the Issuer, the Trustee, the Security Agent and the Facility Agent of the Revolving Credit Facility on behalf of the lenders thereunder.
"Issue Date"	are to , 2018.
"Issuer"	are to LSF10 Wolverine Investments S.C.A., a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg with registered offices at Atrium Business Park—Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B219221.
"light-side hub"	are to hubs for slow moving items that we use for deliveries of light-side products and next day "click and collect" services.
"Lone Star Fund X"	are to Lone Star Fund X (U.S.), L.P. and Lone Star Fund X (Bermuda), L.P., collectively.
"Lux GP"	are to LSF10 Wolverine GP S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg with registered offices at Atrium Business Park—Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B218876.
"Lux Holdco"	are to LSF10 Wolverine Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at Atrium Business Park-Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg with company number B218875 (*R.C.S. Luxembourg*).
"Luxembourg"	are to the Grand Duchy of Luxembourg.
"Notes"	are to the Fixed Rate Notes and the Floating Rate Notes, collectively.
"Notes Guarantees"	are to the guarantees of the Notes on a senior basis by the Guarantors, collectively.
"Offering"	are to the offering of the Notes as described in this offering memorandum.
"Ongoing Business"	are to the Target's historical financial information after giving effect to the Branch Closures and the Property Portfolio Adjustment, as described in "*Presentation of Financial and Other Data*" and "*Unaudited Adjusted Financial Information for the Ongoing Business*."
"Paying Agent"	are to Deutsche Bank AG, London Branch.
"Pension-related Obligations"	are to certain pension or partial retirement obligations and liabilities, and obligations and liabilities incurred under, or in connection with, any pension insurance line, of the Target Group.
"Permitted Collateral Liens"	has the meaning ascribed to it in "*Description of the Notes—Certain Definitions*."
"PIK Holdco"	are to Lux MidCo S.à r.l., an indirect parent company of the Issuer.
"PIK Toggle Notes"	are to the senior secured PIK toggle notes due 2024 issued by PIK Holdco, as described more fully under "*Description of Certain Financing Arrangements—PIK Toggle Notes*."
"Post-Completion Guarantors"	are to Beijer Byggmaterial Aktiebolag, DT Finland Oy, DT Holding (Sweden) AB, Neumann Bygg AS, Stark Danmark A/S and Stark Group A/S.

"Property Portfolio Adjustment"	are to the adjustment of the Target's property portfolio to exclude certain operational properties in Denmark and Norway, a distribution center in Finland, the headquarters in Copenhagen and 30 vacant properties, which have historically been included in the Target's financial results but do not form part of the Target's ongoing business that will be acquired by Lone Star Fund X in connection with the Acquisition.
"Registrar"	are to Deutsche Bank Luxembourg S.A.
"Regulation S"	are to Regulation S under the U.S. Securities Act.
"Revolving Credit Facility Agreement"	are to the €100 million revolving credit facility agreement to be entered into on or about the Issue Date, as described more fully under "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*" and the facility made available thereunder is referred to as the "Revolving Credit Facility."
"Rule 144A"	are to Rule 144A under the U.S. Securities Act.
"SEC"	are to the U.S. Securities and Exchange Commission.
"Security Agent"	are to Deutsche Bank AG, London Branch as security agent under the Intercreditor Agreement, the Revolving Credit Facility and the Indenture.
"Security Documents"	are to the security documents as described in "*Description of the Notes—Certain Definitions*."
"Seller"	are to Stark Group Holdings A/S.
"Shareholder Funding"	has the meaning ascribed to it in *"Summary—The Transactions—The Financing."*
"ship hub"	are to hubs that consolidate an assortment of heavy products for regional stocking in urban and rural areas.
"SKU"	are to stock keeping unit.
"SMEs"	are to small and medium-sized enterprises.
"Target"	are to Stark Group A/S (formerly known as DT Holding 1 A/S).
"Transactions"	has the meaning given to such term in "*Summary—The Transactions*."
"Transfer Agent"	are to Deutsche Bank Luxembourg S.A.
"Trustee"	are to Deutsche Trustee Company Limited as trustee under the Indenture.
"Unaudited Adjusted Financial Information for the Ongoing Business"	are to the Target's historical financial information adjusted for the Branch Closures and the Property Portfolio Adjustment, as described in more detail in "*Unaudited Adjusted Financial Information for the Ongoing Business*."
"United States" or "U.S."	are to the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;
"U.S. dollars" or "$"	are to the lawful currency of the United States.
"we," "us," "our" and the "Group"	when referring to any period prior to the Acquisition Completion Date, are to the Target and its consolidated subsidiaries, and when referring to any period after the Acquisition Completion Date, are to the Issuer and its consolidated subsidiaries, including the Target and its consolidated subsidiaries, unless the context otherwise requires.

INFORMATION REGARDING FORWARD–LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this offering memorandum. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "believe," "anticipated," "estimated," "intends," "expects," "plans," "seek," "projection" and "outlook." These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this offering memorandum. Important risks, uncertainties and other factors that could cause such differences between the actual results from those expressed in forward-looking statements include, but are not limited to:

- general economic conditions, including GDP growth, unemployment rates and consumer confidence;
- competitive forces in the markets in which we operate;
- our ability to identify, anticipate and accurately predict and address customer and end-user preferences, demand and demographics;
- the health of the housing markets in our regions and changes in housing regulations or government monetary or fiscal policies;
- harm to our brand image or reputation;
- our ability to recover from our suppliers with respect to defective merchandise and unsatisfactory services;
- our ability to optimize our operational efficiency in accordance with our strategy and realize the related cost savings;
- our capability to successfully implement our improvement strategy;
- our ability to attract, train and retain highly qualified and motivated members of management and employees;
- our ability to acquire and maintain necessary permits and licenses;
- risks associated with the value of our predominantly freehold real estate portfolio and the obligations under our leasehold real estate portfolio;
- our business's susceptibility to seasonality and sustained periods of unfavorable weather;
- increased transportation costs and disruption of transportation services;
- variations in the prices of raw materials and fuel;
- natural disasters, public health crises, political crises or other catastrophic events outside of our control;
- risks associated with our relationships with suppliers;
- our ability to protect and enforce our intellectual property rights and protect the confidentiality of our proprietary information;
- complaints and litigation, including with respect to intellectual property rights of third parties;
- shop crime and fraud in our branches and online sales platforms;
- risks associated with updates to, or interruptions or failures of, our information technology and/or customer facing technology systems, including with respect to cyber security;
- our ability to protect the privacy and security of personal and confidential information and comply with data protection laws;

- potential prolonged disruptions of business operations due to work stoppages or strikes;
- interruptions at our hubs and distribution centers or disruptions to our existing supply chain;
- the ineffectiveness of, and liabilities associated with, our advertising strategy;
- changes in government policy on public sector spending;
- legal and regulatory risks;
- adverse changes in tax laws or their application or interpretation, or adverse results of current or future tax audits;
- increases in the rate of value added tax or other applicable tariffs;
- fluctuations in currency exchange rates and inflation;
- risks associated with our ability to access liquidity and credit;
- compliance with applicable competition and antitrust laws;
- insufficient insurance coverage;
- existing and future liabilities in connection with our pension plans;
- risks associated with acquisitions, dispositions and joint ventures;
- potential conflicts of interest between our current or future controlling shareholders and the holders of the Notes;
- risks related to the Acquisition; and
- risks related to our financing arrangements and the Notes.

These and other factors are discussed in "*Risk Factors*" of this offering memorandum.

Because the risk factors referred to in this offering memorandum could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this offering memorandum by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for us to predict such factors. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. The information set forth in this summary does not contain all the information you should consider before making your investment decision. You should carefully read the entire offering memorandum, including the section "Risk Factors" and our consolidated financial statements and related notes included herein, before making your investment decision. This summary contains forward-looking statements that contain risks and uncertainties. Our actual results may differ significantly from future results as a result of factors such as those set forth in "Risk Factors" and "Information Regarding Forward-Looking Statements."

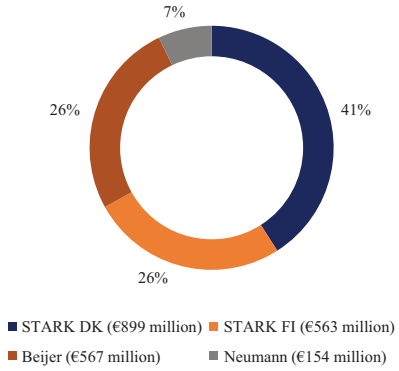
Overview

We are the leading non-franchise builders' merchant in the Nordics. We directly operate a total of 179 branches across Denmark, Finland, Sweden, Norway and Greenland from which we serve our diversified customer base of small and medium-sized enterprises, which comprise our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities. We benefit from significant operational advantages compared to our competitors, which are mostly "mom and pop" shops collaborating in buying groups and franchisee-owned operations. As a result, our competitors generally cannot match the combination of our harmonized sourcing capabilities across the Nordics, collaborative customer service network and convenient national and cross-regional product availability.

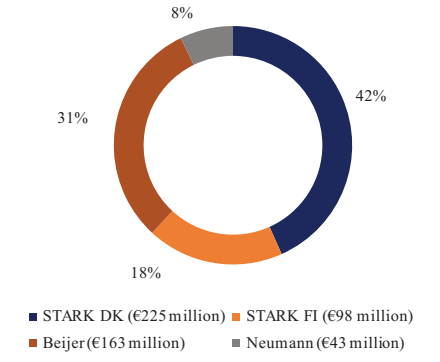
We operate four business units across the Nordics and as of October 31, 2017, we directly operated 66 branches in Denmark, with an additional six branches in Greenland, under our STARK DK business unit, 27 branches in Finland under our STARK FI business unit, 66 branches in Sweden under our Beijer business unit and 14 branches in Norway under our Neumann business unit.

The following charts show the shares of total revenue for the Ongoing Business and total gross profit, excluding profit allocated to our headquarters, for the Ongoing Business by business unit for the twelve months ended October 31, 2017:

Revenue for the Ongoing Business



Gross Profit for the Ongoing Business



Our customers primarily purchase our products for use in the resilient RMI market which has shown stable growth during 14 out of the past 17 years across the Nordic region. In the twelve months ended October 31, 2017, management estimates that we generated approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business from RMI activities and approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business from new build activity. Our resilient cash flow during our last three years has also benefitted from our stable gross margin, variable cost structure and effective working capital management. Our variable cost structure has allowed us to reduce labor costs, unwind working capital and reduce capital expenditures during the most recent economic downturn.

In each of our markets, we seek to offer our customers a broad range of branded and own brand products, consisting of heavy building materials, timber and panels, tools and hardware, flooring and joinery, light-side and other products. The following table provides an overview of our key product categories and the percentage of our revenue for the Ongoing Business generated by each product category during the year ended July 31, 2017:

Key Product Category	Types of Products	Share of Revenue for the Ongoing Business
Heavy Building Materials	Plasterboard, insulation, bricks, tiles, etc.	36%
Timber and Panels	Sawn timber, construction timber, etc.	34%
Tools and Hardware	Power tools, nails, screws, fastenings, etc.	18%
Flooring and Joinery	Façade doors, internal doors, windows, etc.	7%
Light-side	Garden machines, kitchen and bathroom products, etc.	4%
Other	Products for freight and unmapped activities, etc.	2%

To differentiate our business from our competitors, boost our ability to execute range innovation, control product lifecycles and reduce our dependency on national manufacturer brands, we continue to focus on expanding the penetration of our own brand SKUs, which have higher gross margins on average than branded SKUs, according to management estimates. As of October 31, 2017, our own brand portfolio comprised 4,110 SKUs spread across our four brands, Raw, Raptor, Domestic and Basics. We believe we are well-positioned to have the widest own brand offering in the Nordics as a result of our size, scale and level of coordination across countries. In the twelve months ended October 31, 2017, we derived approximately 91% of total revenue for the Ongoing Business from branded products and approximately 9% from our own brand products.

We support our 179 strategically located branches through our extensive logistics platform, which includes five ship hubs, one light-side hub, five central distribution centers, approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs, allowing for proximity to our customers and harmonized delivery capabilities across the Nordics. Leveraging our broad physical footprint, we offer our customers three distinct sales channels: stock collected by customers inside our branches, stock delivered by us to our customers from our facilities, including weekday delivery within 24 hours in Denmark, and direct delivery by us to customers from the manufacturer's facilities. To maximize accessibility of our products across all of our markets, we also support our operations through a variety of digitalized customer services under our online sales platforms, including online and mobile phone order, product search and price comparison capabilities.

In the year ended July 31, 2017, after our CEO, Søren P. Olesen, stepped into the role of Group-wide CEO from his previous position with STARK DK, we implemented our "Back to Basics" strategy which comprises a number of strategic initiatives to refocus our business on our core SME customer group, reduce sourcing and operational costs, build a more efficient branch and logistics network and streamline our leadership structure by enhancing local decision making and accountability. Management estimates that these programs, together with improvements in the market, have already had a positive effect on our revenue and earnings during the twelve months ended October 31, 2017.

As of October 31, 2017, we had 5,056 FTEs and a total headcount of 5,667 personnel, and in the twelve months ended October 31, 2017, we generated revenue for the Ongoing Business of €2,183 million and Run-rate Adjusted EBITDA for the Ongoing Business of €109 million, and achieved a Run-rate Adjusted EBITDA margin for the Ongoing Business of 5%.

Our Strengths

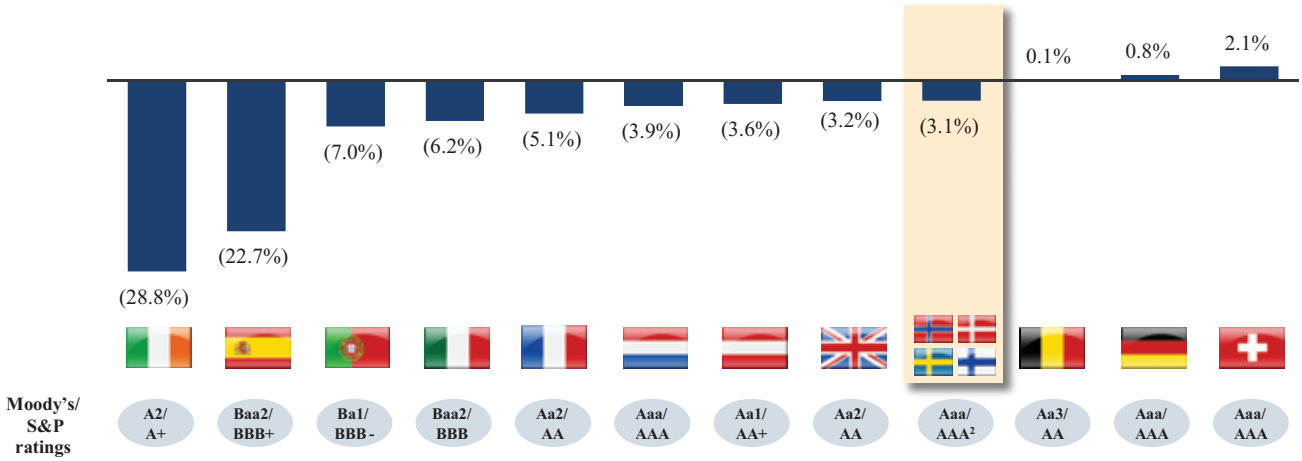
We believe that the following strengths have been instrumental in our success and position us for future growth:

Strong Construction and Renovation Market Fundamentals and Outlook

We believe that our leading market position across the Nordics has allowed us to benefit from the strong fundamentals of the Nordic construction and renovation market. Historically, the construction and renovation market in the Nordics has exhibited stable growth, expanding at a CAGR of 2.4% from 2000 to 2016 according to Euroconstruct, and proving to be among the most resilient markets during the most recent global economic downturn according to Euroconstruct.

Nordics were amongst the most resilient Western European markets during the last downturn

(2007-2010 total construction[1] CAGR)



Source: Euroconstruct (84th Conference, November 2017), Moody's, Standard & Poor's

(1) Includes residential and non-residential construction as well as civil engineering.

(2) Denmark Aaa/AAA; Norway Aaa/AAA; Sweden: Aaa/AAA; Finland: Aa1/AA+.

The Nordic construction materials distribution market is driven by total construction and renovation activity, which in turn is driven by a variety of factors, including, among others: (i) macroeconomic trends, namely GDP, private consumption, consumer confidence and interest rates, and (ii) regulatory initiatives, such as subsidies and tax deductions on new construction or renovation works. Additionally, the Nordic construction materials distribution market is expected to benefit from a number of sector-specific trends which are expected to outperform the general construction and renovation market, according to a leading management consulting firm. Such sector-specific trends include, among other key trends, (i) growth in SMEs within the construction and renovation industry, (ii) urbanization and changing demographics and (iii) a growing acceptance of own brand offerings evidenced through purchases by customers.

According to Euroconstruct, the Nordic RMI market is expected to grow at a CAGR of approximately 1.7% between 2016 and 2019. In particular, the Danish, Swedish, Finnish and Norwegian RMI markets are forecasted to grow at CAGRs of approximately 2.1%, 0.9%, 1.7% and 2.2%, respectively, over the same period. According to Euroconstruct, the Nordic new build market is forecasted to grow at a CAGR of approximately 4.1% over the period from 2016 to 2019. In particular, the Danish, Swedish, Finnish and Norwegian new build markets are forecasted to grow at CAGRs of approximately 6.3%, 7.1%, 0.7% and 2.6%, respectively, over the same period.

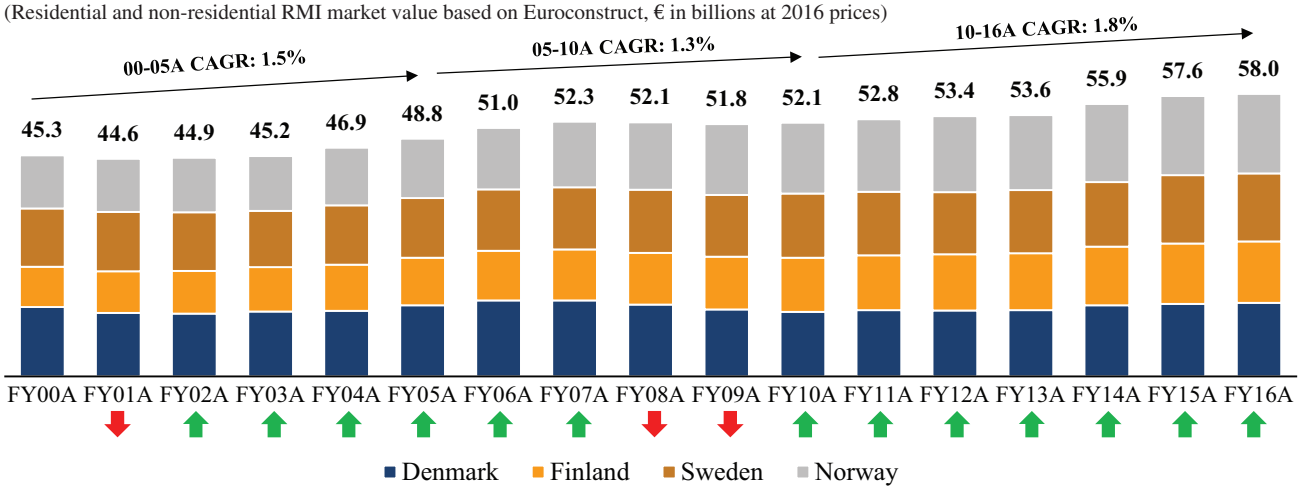
Significant Exposure to Structurally Resilient RMI Market Across the Nordics

In the twelve months ended October 31, 2017, management estimates RMI activity accounted for approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business, and new build activity accounted for approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business, respectively.

The construction and renovation market in the Nordics comprises both the RMI sector and the new build sector, and our business benefits from our significant exposure to the structurally resilient RMI sector. RMI activities in the Nordics are significantly less affected by market fluctuations, showing more than eight times less variance in growth rates than the new build sector according to a leading management consulting firm. RMI activity across our core markets has shown stable through-the-cycle growth during 14 out of the past 17 years, growing at CAGRs of approximately 1.6% from 2000 to 2016 according to Euroconstruct.

Nordic market exhibited strong resilient RMI growth even through economic downturn

(Residential and non-residential RMI market value based on Euroconstruct, € in billions at 2016 prices)



Source: Euroconstruct.

Leading Position in the Nordics

We are the leading non-franchise builders' merchant in the Nordics. We hold the number one position among non-franchise builders' merchants in the Nordics, with 11% market share based on revenue in the year ended July 31, 2016, compared to 7% market shares for the next leading non-franchise builders' merchant in the Nordics, Optimera, according to management estimates. Management estimates that STARK DK, our most profitable business unit, holds the number one position among non-franchise builders' merchants in Denmark, with 20% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to 14% market shares for the next leading non-franchise builders' merchants in Denmark, Bygma. Management estimates that STARK FI holds the number one position among non-franchise builders' merchants in Finland, with 18% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to 10% market share for the next leading non-franchise builders' merchant in Finland, S-Ryhmä. Management estimates that Beijer holds the number one position among non-franchise builders' merchants in Sweden, with 8% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, which is a greater share than each other non-franchise builders' merchant in Sweden that collectively hold 70% of the B2B and B2C market in Sweden. Management estimates that Neumann holds the number one position among non-franchise builders' merchants in Bergen, Tromsø and southwestern Norway, with an overall 3% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to an overall 21% market share for the leading non-franchise builders' merchant in Norway, Optimera.

Competitive Advantages

We believe our scale, branch network, logistics platform, full ownership structure and broad customer-centric product and service offering harmonized across the Nordics create competitive advantages and provide us with significant operational advantages compared to our competitors. Our business benefits from an extensive network of 179 branches across the Nordics that are strategically located in areas with high population density and limited available additional real estate, making it difficult for potential competitors to replicate our footprint and customer reach in our core markets. Additionally, operating a company-owned network of branches allows us to harmonize our product assortment and manage our product availability across our business, resulting in superior product assortment and availability in branches and via delivery while simultaneously enabling optimized working capital levels. For instance, STARK DK promises product availability on a certain core range of approximately 1,000 SKUs, which if not available in-branch, will be delivered to our customers in Denmark within four hours and free of charge. Leveraging our scale, we also benefit from significant harmonized sourcing capabilities across the Nordics which allow us to streamline our sourcing efforts and negotiate better pricing terms with our suppliers. We are thus able to provide better pricing to our customers and optimize cost to serve to improve our competitiveness in the market. In addition to our branch network, we fully control an extensive logistics platform consisting of five ship hubs, one light-side hub, five central distribution centers, approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs, which allows for proximity to our customers and enables us to meet our customers' demand for flexible collection and delivery services on a national and cross-regional basis. As of

October 31, 2017, we had a deep and loyal customer base of approximately 29,000 active customers, which we define as customers who have spent more than €5,000 on our products and services in the year ended July 31, 2017. As of October 31, 2017, we support our customers with a dedicated sales force of more than 850 employees, excluding branch sales staff and office sales support staff, as well as tailored post-sale service offerings, such as credit accounts. We believe that operating a company-owned network of branches allows us to share best customer service practice across branches and provides our customers with consistently high service.

Additionally, we believe that we face only a limited threat from pure-play online retailers who lack the physical store footprint to provide the in-person specialist advice that is important to our customers in their purchasing decisions as well as the special infrastructure required to deliver heavy-side building materials, which make up a significant portion of the products we sell. Heavy building materials and timber and panels possess low value to weight ratios, which have historically proved to be unprofitable for pure-play online retailers. We also believe that pure-play online retailers are unable to meet our customers' requirement for personalized relationships and post-sale services, including our ability to offer customers individualized pricing options and sales discounts, customer credit options, complex logistics solutions, in-branch advice, in-person technical support and quicker access to products, maintenance services and replacement products.

Diversified Business Model

We sell to a diversified customer base who use our products in a variety of end markets and to which we offer varied sales channels. Collectively, this diversification provides downside protection in times of cyclicality and thus comprises key drivers of resilience of our business.

We have established strong, long-lasting relationships with a wide range of customers, including SMEs, which comprise our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities. In the twelve months ended October 31, 2017, our top 20 customers only generated approximately 7% of total revenue for the Ongoing Business and approximately 3% of gross profit for the Ongoing Business, with the remaining approximately 93% of total revenue for the Ongoing Business and approximately 97% of gross profit for the Ongoing Business being generated by a long tail of customers, including SME customers for whom STARK Group is a critical supplier. Our fragmented customer base is further diversified in that both small and large customers often have a variety of product preferences and requirements, purchasing from multiple product categories, frequently and in small quantities, making our role as a "one stop shop" for our core customer groups particularly important.

In addition to low customer concentration, our business benefits from a diversified mix of sales channels designed to maximize the accessibility of our products, including: (i) stock collected by customers inside our branches, (ii) stock delivered by us to our customers from our facilities, and (iii) direct delivery by us to customers from the manufacturer's facilities. In the year ended July 31, 2017, we generated approximately 38%, 29% and 33% of total revenue for the Ongoing Business and approximately 60%, 27% and 13% of total gross margin for the Ongoing Business from our stock collected, stock delivered and direct delivery channels, respectively.

Furthermore, our business benefits from geographic diversification, which enables us to capitalize on the different macroeconomic growth drivers of our core markets of Denmark, Sweden, Finland and Norway. As the different growth drivers experience peaks and troughs at different times, our business benefits from more stable through-the-cycle revenue generation. In addition, as the Nordic region as a whole may experience a separate economic cycle, our business benefits from resistance to national economic cycles, which is a stabilizing factor with respect to our revenue.

Lastly, we are exposed to a diverse supplier base and are not dependent on a single supplier for the operation of our business. In the twelve months ended October 31, 2017, our top ten suppliers, excluding unmapped suppliers, accounted for approximately 28% of our total sourcing spend for the Ongoing Business, with no one supplier accounting for 10% or more of our total sourcing spend for the Ongoing Business.

High Customer Retention due to Steady Base of Loyal SME Customers and Best-in-Class Product and Relationship Offerings

We rely on a deep and loyal base of SME customers who exhibit frequent purchasing patterns with respect to our products and services. As of October 31, 2017, our active customer base of 29,000 customers, which we define as customers who have spent more than €5,000 on our products and services in the year ended July 31, 2017, had an average life of 9.8, 7.5, 6.0 and 8.3 years in Denmark, Sweden, Finland and Norway, respectively. According to exit interviews of 119 customers of STARK DK, Bygma or XL Byg, conducted by a leading management consulting firm in 2016, about 83% of our customers in Denmark purchase our products at least once a week.

SMEs represent our largest gross profit pool, and we estimate SMEs represent a higher percentage of our revenue for the Ongoing Business than the percentage of revenue generated by SMEs in the total Nordic construction materials distribution market. We continue to provide SMEs with a leading assortment of products and services, guaranteed availability of key products and more favorable pricing and credit terms when compared to our competitors. For example, compared to our competitors, we believe we offer our SME customers the best warranty and loyalty benefits. On average, our SME customers have shopped with us for approximately ten years in Denmark and approximately eight years in Sweden.

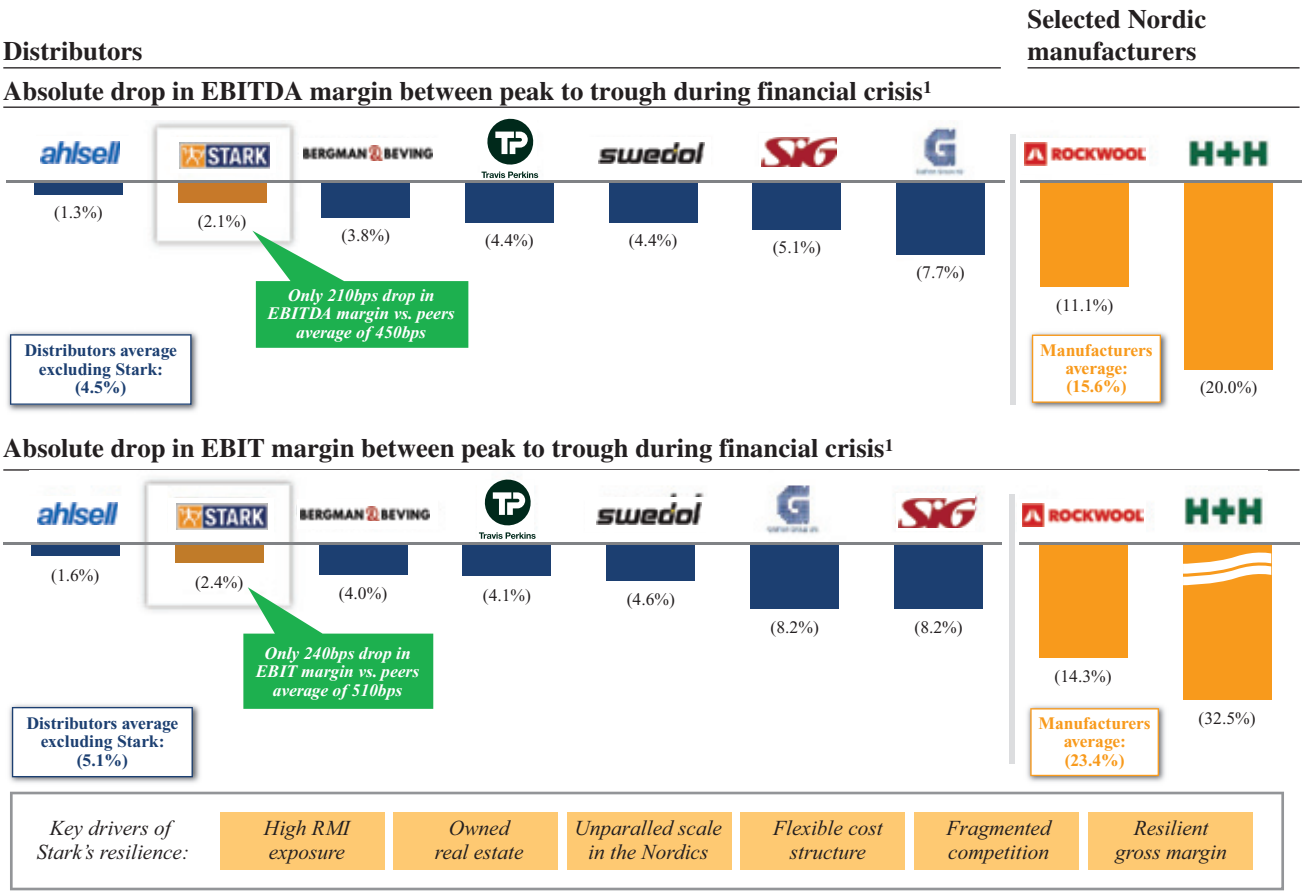
Value of Business is Underpinned by Owned Real Estate Portfolio

We own an extensive portfolio of 195 freehold properties with more than 1,000,000 square meters of space and an average gross leasable area of 5,820 square meters, including 153 properties at which we operate branches, covering key above-market growth areas across the Nordics. Given the large portion of owned branches, our business benefits from low impact from rent expenses on our cash flow when compared to our competitors across Europe as we do not have a fixed monthly cash outflow with respect to such rent expenses. In the year ended July 31, 2017, management estimates that external rent accounted for only 14% of our EBITDA for the Ongoing Business. By contrast, external rent represented approximately 20% and 37% of EBITDA for Ahlsell and Byggmax, respectively, during each of their 2016 financial years. In addition, as a result of our owned property portfolio, a large portion of our capital expenditures is discretionary as we can generally decide the timing of any improvements to such properties, and we have historically had the flexibility to reduce our capital expenditures during economic downturns.

As of September 30, 2017, our freehold real estate portfolio was independently valued at up to €805 million, covering over 150% of our indebtedness for the Ongoing Business after giving *pro forma* effect to the Transactions.

Variable Cost Structure Provides Resilient Earnings and Cash Flow

Our cost structure has historically provided us with significant downside protection during periods of adverse economic conditions. Given the intrinsic nature of a distributor business, approximately 90% of our cost base is either directly linked to sales (such as cost of sales and fleet costs), or is considered by management to have a high potential for short-term right-sizing (such as employee costs related to employees with flexible contracts and fleet costs). Our fixed costs mainly relate to the fixed portion of our employee costs, including our base employee and pension costs, administrative expenses and other fixed costs, such as costs related to IT functions. Additionally, we have historically been able to further adjust our cost structure during economic downturns by rationalizing discretionary costs related to advertisement, infrastructure, administration and IT, which allowed us to maintain stable margins between 2006 and 2011 compared to a number of our key competitors. The following chart provides an overview of the drop in peak and trough EBITDA margin and EBIT margin of a number of building material distributors as well as selected Nordic manufacturers of building material products:



Source: Company filings

(1) We define absolute drop in EBITDA margin and EBIT margin as the difference between peak and trough margins. We define the peak period as between 2006 and 2008 and we define the trough period as between 2008 and 2011.

Note: The financial data presented in this table is not calendarized. STARK's EBITDA margin and EBIT margin are based on Ferguson's Nordics financials as reported by Ferguson in its consolidated financial statements, and exclude the year ended July 31, 2016 due to unavailable public data. STARK's EBITDA margin and EBIT margin are not directly comparable to the EBITDA margin and EBIT margin, respectively, of the Target for the years ended July 31, 2015, 2016 and 2017, due to subsequent changes in STARK's business, including as a result of the Branch Closures and the Property Portfolio Adjustment. See "*Presentation of Financial and Other Data*." EBITDA margin and EBIT margin for STARK's competitors are based on publicly available information, and STARK's competitors may calculate EBITDA margin and EBIT margin differently from STARK. As a result, STARK's EBITDA margin and EBIT margin for the periods indicated herein may not be comparable to the EBITDA margin and EBIT margin of its competitors.

Additionally, the rigorous management of our working capital, including through the tightening of credit controls and improvement of payment terms with suppliers, and our flexible capital expenditure levels, have historically allowed us to generate significant cash flows, resulting in a cash conversion rate, defined as Adjusted EBITDA for the Ongoing Business *less* adjusted capital expenditures *divided by* Adjusted EBITDA for the Ongoing Business, of 72%, 70% and 61% for the years ended July 31, 2015, 2016 and 2017, respectively. We believe that our efficient working capital management will allow us to continue maintaining resilient financial performance going forward.

Experienced Management Team Has Refocused Our Business and Introduced Cost Saving Initiatives

Our business is supported by an experienced management team, including, for instance, our CEO, Søren P. Olesen, and our Business Development Director, Daniel R. Potok, with a combined 39 years of experience in the construction and renovation and retail industries. Mr. Olesen, who stepped into the role of Group-wide CEO in November 2016, brings with him 24 years of experience in the construction and renovation industry, including three years as CEO of STARK DK. Our Business Development Director, Daniel R. Potok, who recently joined the Group, brings with him more than 15 years of experience in the professional service sector advising leading Nordic and European builders' merchants and retailers. Our senior management team is supported by the CEOs and managing directors of each of our business units, comprising a leadership team with significant industry experience.

In the year ended July 31, 2017, following a comprehensive review of our leadership position in the Nordic construction materials distribution markets, our customer value propositions and the management of our operations, our CEO together with other members of senior management began implementing our "Back to Basics" strategic plan, incorporating clearly defined cost saving and efficiency initiatives. Our "Back to Basics" initiatives aim to drive our top-line growth by creating a customer centric business model refocusing our operations on our SME core customer group, enhance our profitability by streamlining our headquarters and central administration functions, enforcing cross-functional collaboration between our headquarters and business units and driving better sourcing initiatives through leveraging our scale, and rationalizing our footprint by exiting unprofitable branches and locations and simplifying our distribution network.

Implementation of Strategic Initiatives Has Yielded Positive Results

In connection with our "Back to Basics" strategy, to increase focus on our SME segment, we exited our Silvan DIY business in 2017 and developed and launched a new SME marketing campaign to leverage our fastest growing profit pool. Additionally, to optimize our physical footprint, in 2017, we closed 30 underperforming branches in low growth areas to focus our business on regions that are expected to outperform national averages. Furthermore, to streamline administrative functions, in 2016, we initiated significant downsizing at our headquarters, including the relocation of 178 FTEs from our central headquarters to the business unit level to clarify responsibilities and increase accountability and a total planned reduction of 55 FTEs, excluding the hiring of 19 FTEs, expected to be completed by the end of June 2018. We have also initiated (i) further leveraging of our harmonized sourcing platform across the Nordics by rationalizing our supplier base to maximize purchasing power, (ii) the expansion of our own brand offerings to support gross margin development while rationalizing our product portfolio, (iii) the simplification of our distribution network and reduction of our distribution costs and (iv) the optimization of our branch network with an eye toward regions where we have identified growing demand for our products. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Cost Saving and Other Strategic Initiatives.*"

We estimate that we would have realized total annualized run-rate cost savings of approximately €7 million in the twelve months ended October 31, 2017 through our "Back to Basics" strategy, mainly as a result of better contractual terms following our renegotiation of key supply contracts and as a result of headcount reductions and a more streamlined headquarters if these cost saving measures had been implemented on November 1, 2016. Overall, we have identified approximately €74 million in operational, sourcing- and network-related cost savings for the Ongoing Business, which we aim to realize by 2021. Additionally, we have initiated several topline growth initiatives, primarily related to product assortment, availability and pricing, which management believes, together with improvements in the market, have resulted in an increase in revenue for the Ongoing Business of approximately 5% during the twelve months ended October 31, 2017. We believe that our operational improvements have allowed us to outperform the market in each of Denmark, Finland, Sweden and Norway in the third quarter of the year ended December 31, 2017.

Our Strategy

Based on our key strengths, our ongoing strategic plan continues to focus primarily on cost-reduction and, to a lesser extent, growth in our revenue and market share through the following strategies:

Better Sourcing

To reach our objective of developing better sourcing processes, we are implementing a systematic review of our supply chain operations by focusing on three key components: (i) our own brand products, (ii) our direct sourcing costs and (iii) our indirect sourcing costs. We have already begun to implement several initiatives in connection with these key components, the results of which we expect will positively impact our financial position in the near term.

Historically, there was a lack of focus on our own brand product portfolio and an excessive overlap of our own brand product proposition with our branded product proposition, with the vast majority of our own brand SKUs not being shared across our business units. By increasing our focus on own brand products, we intend to increase leverage with our suppliers and continue supporting our margins, as own brand SKUs have higher gross margins on average than branded SKUs, according to management estimates. As of October 31, 2017, our own brand portfolio comprised 4,110 SKUs spread across our four brands: Raw, Raptor, Domestic and Basics. We are currently building a strategic common core range of 800 own brand SKUs which will have reduced overlap with our branded products portfolio. Furthermore, following our disposal of our Silvan DIY business and in line with refocusing our business on our SME core customer group, we will continue to reduce the number of our DIY SKUs. In the twelve months ended October 31, 2017, we derived approximately 9% of total revenue for the Ongoing Business from own brand products. Based on independent market studies, we estimate that own brand products will double their share of the relevant market in the Nordics by 2020, and in line with this estimated growth, we aim to more than double the share of our revenue generated by our own brand products.

Historically, there was a lack of focus on our direct sourcing costs, including as our business units each defined product categories independently and entered into individualized Nordic framework agreements with suppliers. As a result, we only took limited advantage of bundling purchases from suppliers across business units to achieve volume discounts and partially utilized our eSourcing tool, which aims to optimize efficiency and decrease our sourcing spend through various internet-enabled sourcing methods to reduce the time spent on in-person price negotiations, collect pricing data easily and enable high competition among suppliers. In addition, we previously did not track key performance indicators consistently across business units, preventing us from adequately monitoring and driving performance. Consequently, we believe there is significant potential for savings with respect to our direct sourcing costs, and under our "Back to Basics" strategy, we intend to decrease our direct sourcing costs by better leveraging our position as the leading non-franchise builders' merchant in the Nordics, while building longer term relationships with key suppliers to further reduce costs and ensure the quality and security of the supply for a number of our key products. On August 1, 2017, we launched STARK Group Sourcing, our harmonized sourcing unit across the Nordics, which is designed to maximize sourcing synergies between our business units through a three-step process of (i) rationalizing our suppliers, (ii) rationalizing our product assortment and common core range of SKUs and (iii) improving payment terms with suppliers. We believe STARK Group Sourcing will enable us to benefit from significant economies of scale. Leveraging a "one door" decision making policy, our sourcing unit will continue to conduct best practice and fact-based negotiations with suppliers under direct sourcing campaigns, with the aim of further reducing costs and increasing efficiencies.

Historically, there was a lack of focus on our indirect sourcing costs, leading to decentralized sourcing processes and unexploited cost saving opportunities in key indirect sourcing areas such as marketing and logistics, IT and facility management. As part of our "Back to Basics" strategy, we have identified initiatives which we believe will reduce our indirect sourcing costs with minimal effort. Such initiatives include continuing to streamline our supplier base, creating performance-based supplier contracts and improving the management of demand for our products and supplies.

We have identified approximately €51 million of sourcing and procurement-related cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Stronger Network

To enhance our ability to serve customers, we seek to continuously improve our customers' experience in our branches by building a stronger branch network and providing more efficient logistics operations and higher availability of stock. In line with our "Back to Basics" strategic plan, we will continue optimizing the footprint of our branches to capture the benefit of expected growth in the markets in coming years and increase our competitive advantages. We aim to increase the accessibility of our branches through facility improvements which are tailored to the needs of our customers and trends in our markets and aimed to provide consistent and positive customer shopping experiences. While our business benefits significantly from our current geographic coverage, we may in the future pursue strategic relocations and consolidations of certain branches to better locations along highly travelled roads benefiting from higher footfall or visibility and will assess any new branches that we bring into our network on a case-by-case basis. We continue to monitor our existing branch base to selectively close or merge branches that are performing poorly or otherwise do not meet our expectations.

To pursue cost saving opportunities, we have identified several measures which we intend to action in the short term. For instance, we aim to further simplify our distribution network while optimizing our delivery routes and pricing

terms by, among other things, establishing additional ship hubs, developing our recently established light-side hub in Denmark to streamline the distribution of slow moving items, downsizing and outsourcing certain of our centralized warehouse processes to achieve cost savings and consolidating the number of dedicated branches used for the distribution of products to better allocate our resources.

We have identified approximately €13 million of network-related cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Efficient Operator

We aim to continue optimizing our operations to create a leaner, more efficient operational structure with improved support for our business units and reduced costs. In connection with our "Back to Basics" strategy, we have focused on cost management through reduced overhead costs by having reorganized our managerial structure and optimized the size of our headquarters, with the aim of strengthening local decision-making and accountability and regaining focus on day-to-day operations at the business unit and branch level while still maintaining efficiency through centralized functions from our headquarters, including for strategy, performance, human resources and compliance across our business.

We have identified approximately €11 million of operational cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Drive Top-Line Growth

We intend to continue driving our top-line growth by enhancing our value proposition to SMEs, providing leading customer services, implementing smart pricing and leveraging our physical assets and industry experience. We continue working with and for our SME customers to offer better terms and shopping experiences. For instance, we are rationalizing our product assortment by focusing on trade-specific "high runner" products that SMEs prefer, and guaranteeing availability of certain core assortments of products to immediately fulfill our customers' requirements. With respect to such trade-specific "high runner" products, we aim to improve our smart pricing strategy to maintain a reputable value perception among our customers and to simultaneously drive movement in inventory and revenue. Furthermore, we intend to capture digital growth opportunities by leveraging our existing physical network of branches and logistics facilities, as well as industry experience and product expertise and improving our online platform for SMEs to quickly, efficiently and comprehensively serve and advise our customers on the best products for each of their projects' needs. In connection with these strategic initiatives, we believe we are well-positioned to increase revenue and profitability as we continue capitalizing on our scale and competitive advantages.

The Sponsor

Following the completion of the Acquisition, Lone Star Fund X will be the indirect principal shareholder of the Group. Lone Star Fund X is the most recently established opportunity fund organized by the principals of Lone Star. Lone Star Funds ("Lone Star" or the "Sponsor") is a leading private equity firm that invests globally in real estate, equity, credit and other financial assets with affiliate offices in North America, Western Europe and Asia. Since the establishment of its first fund in 1995, Lone Star has closed approximately 480 investments in over 1,400 transactions at an aggregate purchase price of approximately $190 billion (including acquisition financing and co-investors), such as investments in Xella, Esmalglass, the Balta Group, Forterra and Continental Building Products.

The Transactions

The Acquisition

On November 10, 2017, the Issuer, an entity indirectly owned by Lone Star Fund X, entered into the Acquisition Agreement to acquire, indirectly, through its wholly-owned, direct subsidiary, Bidco, from the Seller all of the issued and outstanding capital stock of the Target. We currently expect the Acquisition to complete in the spring of 2018. The consummation of the Acquisition is, however, subject to the satisfaction of certain conditions, including clearance by the competent merger control and foreign investment law authorities, and the performance of certain closing actions. Under the terms of the Acquisition Agreement, the Bidco has agreed to take all necessary steps to obtain the required clearances as soon as possible after the signing of the Acquisition Agreement. If these conditions are not satisfied on or prior to the Acquisition Longstop Date, and such date has not been extended by the parties, the Acquisition Agreement may be terminated.

The Acquisition Agreement contains customary warranties and indemnities (including several related to certain specific tax liabilities) given by the Seller as to capacity, title and disclosure as well as customary covenants given by the Seller regarding, among other things, the conduct of the business and the affairs of the Group pending closing of the Acquisition. The Seller's liability for any breach of a warranty is subject to certain thresholds and limitations. Pursuant to the terms of the Acquisition Agreement, the purchase price payable for the Target will be determined on the basis of a completion account mechanism taking into account the actual level of assets and liabilities, including net debt, debt like items and net working capital, of the Target on the Acquisition Completion Date. As a result, the final purchase price will be dependent on the timing of the Acquisition Completion Date. See also "*—Sources and Uses of the Transactions*" and "*Use of Proceeds*."

In connection with the Acquisition, the Target is preparing, and in some cases has completed preparations, to operate on a stand-alone basis certain functions that the Target has previously shared with Ferguson. The Target believes it will incur limited costs in replicating such functions, including in relation to insurance, IT, finance and treasury. See also "*—Summary Historical Financial Information, Unaudited Adjusted Financial Information for the Ongoing Business and Other Financial Data.*"

Lux Holdco, the direct parent of the Issuer, holds 100% of the limited shares of the Issuer and Lux GP, the Issuer's general partner, holds the only unlimited share in the Issuer. Each of Lux Holdco and Lux GP is a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of Luxembourg. The Issuer and Lux Holdco are indirectly owned and controlled by Lone Star Fund X, and were incorporated by affiliates of Lone Star Fund X as acquisition vehicles for the Transactions. Neither the Issuer nor Lux Holdco has any business operations or material assets or liabilities other than those incurred in connection with its incorporation and the Transactions.

The Financing

The Acquisition is expected to require €1,100 million of debt and equity financing (including transaction fees and expenses and cash funded to the Target's balance sheet for general corporate purposes). The Acquisition will be financed through (i) the issuance of the Notes in the aggregate principal amount of €515 million (the "Financing") and (ii) €585 million of shareholder funding to be provided by Lone Star Fund X (the "Shareholder Funding").

On or about the Issue Date, the Issuer will enter into the Revolving Credit Facility Agreement, pursuant to which the Revolving Credit Facility will be made available for drawing in the amount of €100 million. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

The proceeds of the Financing and the Shareholder Funding will be used as further described under "*—Sources and Uses of the Transactions*." We refer to the Acquisition, the Shareholder Funding and the Financing collectively as the "Transactions." See "*Use of Proceeds*," "*Capitalization*," "*Description of Certain Financing Arrangements*" and "*Description of the Notes*."

Escrow Account

Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering into the Escrow Account. The Escrow Account will be controlled by the Escrow Agent and pledged on a first-ranking basis in favor of the Trustee on behalf of the holders of the Notes. The release of the Escrowed Property is subject to the satisfaction of certain conditions, including the consummation of the Acquisition promptly following release of the Escrowed Property from the Escrow Account. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." If the Acquisition is not consummated on or prior to the business day immediately following the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price for the Notes will be equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the date of such special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*" In the event that the funds on deposit in the Escrow Account are insufficient to pay the special mandatory redemption price, plus accrued and unpaid interest and Additional Amounts, if any, Lone Star Fund X will make an equity contribution to the Issuer in an amount required to enable the Issuer to pay such accrued and unpaid interest and Additional Amounts, if any, owing to the holders of the Notes on such special mandatory redemption date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Acquisition—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes*."

Sources and Uses of the Transactions

The sources and uses of the funds necessary to consummate the Transactions are shown in the table below assuming the Acquisition Completion Date had occurred on October 31, 2017. Actual amounts will vary from the amounts shown in this table depending on several factors, including the actual Acquisition Completion Date and differences from our estimates of fees and expenses associated with the Transactions. Pursuant to the completion account mechanism in the Acquisition Agreement, Lone Star Fund X will acquire the Target on a cash-free and debt-free basis, and the actual purchase price for the Acquisition will be determined based on the actual level of assets and liabilities, including net debt, debt like items and net working capital, of the Target on the Acquisition Completion Date. As a result, the actual purchase price for the Acquisition will depend on the timing of the Acquisition Completion Date and may be higher or lower than the estimated purchase prices as of October 31, 2017.

Sources of Funds	Amount (€ million)	Uses of Funds	Amount (€ million)
Proceeds from the Notes	515	Purchase price for the Acquisition[2]	1,030
Shareholder Funding[1]	585	Cash overfunding[3]	35
		Transaction fees and expenses[4]	35
Total Sources	**1,100**	**Total Uses**	**1,100**

(1) Represents the Shareholder Funding, comprised of an equity contribution and deeply subordinated shareholder debt, which will be contributed and/or on-lent by Lux Holdco to the Issuer. The Shareholder Funding will include the proceeds from the private placement of €100 million aggregate principal amount of PIK Toggle Notes to be issued by PIK Holdco on or about the Acquisition Completion Date. See "*Description of Certain Financing Arrangements—PIK Toggle Notes*."

(2) Represents the purchase price for the Acquisition as if the Acquisition Completion Date had occurred on October 31, 2017, and assumes that the Target's cash, net debt and debt like items on the Acquisition Completion Date will be equal to the Target's cash, net debt and debt like items as of October 31, 2017 and that the Target's net working capital on the Acquisition Completion Date will be equal to the average net working capital of the Target for the twelve months ended July 31, 2017, in each case, as calculated under the Acquisition Agreement. The actual purchase for the Acquisition may vary depending on several factors including the actual cash, net debt, debt like items and net working capital position of the Target on the Acquisition Completion Date. Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. We anticipate that we will repay such drawings in the subsequent months as our working capital requirements decrease. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

(3) Represents the amount of cash expected to be funded to the Target's balance sheet in connection with the Transactions, which will be used for general corporate purposes, including, among other things, funding future capital expenditures and acquisitions, the payment of interest or the repayment of debt.

(4) Includes estimated expenses in connection with the Transactions, including discounts, commissions and commitment, placement, advisory and other fees related to the Notes and Revolving Credit Facility. To the extent the Notes are issued with original issue discount, the amount of fees and expenses will increase. This amount may differ from the estimated amount depending on several factors, including differences from our estimates of fees and expenses and the actual fees and expenses as of the completion of the various transactions referred to in the table above.

Recent Developments

Current Trading

As of the date of this offering memorandum, we have completed trading for the six months ended January 31, 2018. Based on preliminary results, derived from our unaudited management accounts and other information currently available, we estimate that for the six months ended January 31, 2018, we generated total revenue for the Ongoing Business between €1,087 million and €1,131 million, an increase of 4% to 8% compared to total revenue for the Ongoing Business for the six months ended January 31, 2017. Furthermore, we estimate that we generated Adjusted EBITDA for the Ongoing Business of between €46 million and €48 million for the six months ended January 31, 2018, an increase compared of 27% to 33% to our Adjusted EBITDA for the Ongoing Business for the six months ended January 31, 2017. The increase in revenue for the Ongoing Business was primarily due to an increase in sales in Denmark, Sweden and Finland. The increase in Adjusted EBITDA for the Ongoing Business was primarily due to growth in sales volumes and higher gross profit in Sweden and Denmark, partially offset by higher operating costs to support such growth in sales volumes.

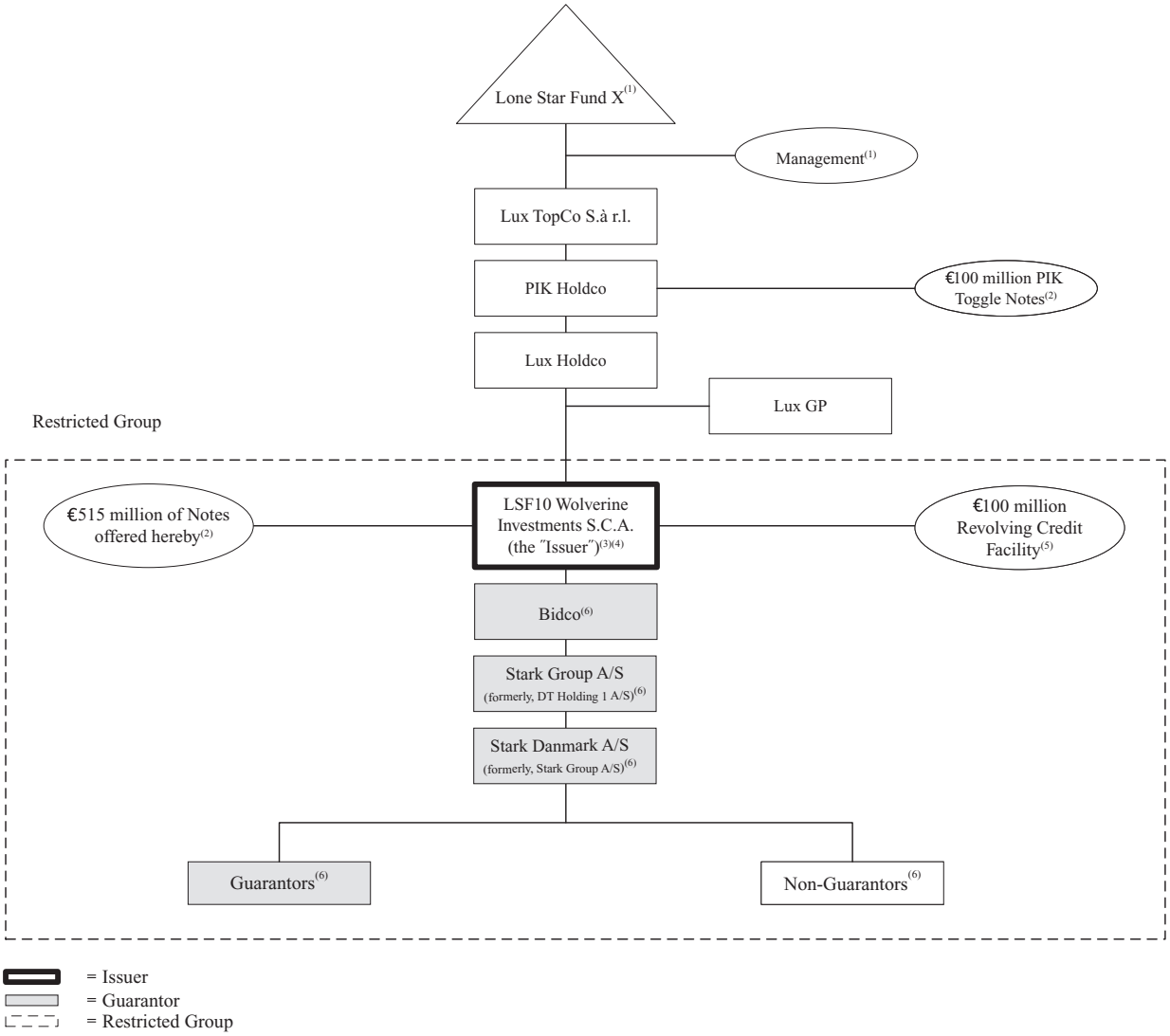
Based on preliminary results, derived from our unaudited management accounts and other information currently available, we estimate that for the three months ended January 31, 2018, we generated total revenue for the Ongoing Business between €481 million and €501 million, an increase of 4% to 8% compared to total revenue for the Ongoing

Business for the three months ended January 31, 2017. Furthermore, we estimate that we generated Adjusted EBITDA for the Ongoing Business of between €5 million and €6 million for the three months ended January 31, 2018, an increase of 52% to 92% compared to our Adjusted EBITDA for the Ongoing Business for the three months ended January 31, 2017. The increase in revenue for the Ongoing Business was primarily due to an increase in sales volumes in Denmark and Finland as well as tight cost control as a result of our "Back to Basics" strategy. The increase in Adjusted EBITDA for the Ongoing Business was primarily due to growth in sales volumes and higher gross profit in Sweden and Denmark, partially offset by higher operating costs to support such growth in sales volumes.

This preliminary information is based on internal management accounts and has been prepared under the responsibility of our management. This preliminary information has not been audited, reviewed or verified; and no procedures have been completed by our external auditors with respect thereto. It is not intended to be a comprehensive statement of our financial or operational results for the Ongoing Business for the six months ended January 31, 2018 or the three months ended January 31, 2018, and you should not place undue reliance thereon. This preliminary information is subject to confirmation in our audited consolidated financial statements and audit report for the year ending July 31, 2018. Consequently, upon publication of our audited results for the year ending July 31, 2018, we may report results that are materially different from the ones set forth in this section. See "*Information Regarding Forward-Looking Statements*" and "*Risk Factors*" elsewhere in this offering memorandum for a more complete discussion of certain of the factors that could affect our business, financial position and results of operation.

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following diagram presents our simplified corporate structure and principal outstanding financing arrangements after giving effect to the Transactions. Percentages shown in the diagram below refer to percentage ownership. All entities shown below are 100% owned (ignoring any *de minimis* shareholdings) unless otherwise indicated. For more information, see "*Description of Certain Financing Arrangements*" and "*Description of the Notes*."



(1) Upon the consummation of the Acquisition, Lone Star Fund X will indirectly hold (through wholly-owned or majority-owned intermediate holding companies) substantially all of the share capital of the Target (other than the indirect shareholding being acquired by management). Following the Acquisition Completion Date, Lone Star Fund X plans to implement a management participation program for certain directors, managers and officers of the Group. See "*Certain Relationships and Related Party Transactions—Management Participation Program.*"

(2) In connection with the Transactions, on or about the Acquisition Completion Date, PIK Holdco is expected to issue €100 million of PIK Toggle Notes in a private placement, the proceeds of which will be contributed and/or on-lent to Bidco as part of the Shareholder Funding to finance a portion of the purchase price for the Acquisition. See "*—Sources and Uses of the Transactions*" and "*Use of Proceeds*." For a description of the key terms of the PIK Toggle Notes, see "*Description of Certain Financing Arrangements—PIK Toggle Notes*."

(3) Lone Star Fund X will indirectly provide an aggregate €585 million to Lux Holdco by way of the Shareholder Funding. Lux Holdco will contribute and/or on-lend such funds to the Issuer. The Issuer will, in turn contribute and/or on-lend such funds, as well as proceeds from the Notes offered hereby, to Bidco. Lux Holdco, the Issuer and Bidco are holding companies with no independent business operations and no significant assets, other than the equity interest each of these companies holds in its subsidiaries and, with respect to the Issuer only, the Escrowed Property it holds in the Escrow Account pending consummation of the Acquisition. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—Following the completion of the Transactions, the Issuer will have no revenue generating operations of its own and will depend on cash flows from operating companies to make payments on the Notes.*"

(4) The Notes will be general senior secured obligations of the Issuer, will be guaranteed by the Guarantors as set forth under "*Description of the Notes—Notes Guarantees*" and will be secured by the Collateral as set forth under "*Description of the Notes—Security*." Pursuant to the

Intercreditor Agreement, the Collateral will also secure the Revolving Credit Facility and in the future may also secure hedging obligations and other indebtedness permitted to be incurred under the Indenture and secured on an equal basis with the Notes. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

(5) As part of the Transactions, the Issuer and the Guarantors will enter into the Revolving Credit Facility Agreement, which provides for the Revolving Credit Facility in the amount of €100 million. The initial borrowers under the Revolving Credit Facility will be the Issuer and Bidco. Subject to certain limitations, other subsidiaries of the Issuer, including the Guarantors, which also guarantee the Revolving Credit Facility, may become borrowers under the Revolving Credit Facility in the future. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*" for a summary of the key terms of the Revolving Credit Facility. Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

(6) On the Issue Date, Bidco will be the sole Guarantor of the Notes. We expect the Post-Completion Guarantors to be Beijer Byggmaterial Aktiebolag, DT Finland Oy, DT Holding (Sweden) AB, Neumann Bygg AS, Stark Danmark A/S and Stark Group A/S. The obligations of a Guarantor under its Notes Guarantee will be limited as necessary to prevent the relevant Notes Guarantee from constituting a fraudulent conveyance or unlawful financial assistance under applicable law, or otherwise reflect limitations under applicable law. By virtue of these limitations, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. Other indebtedness of the Guarantors may not be similarly limited. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*." The validity and enforceability of the Notes Guarantee and the liability of each Guarantor will be subject to the limitations described in "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*." Management estimates that the Guarantors (other than Bidco) accounted for at least 80% of total revenue for the Ongoing Business and at least 80% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held at least 80% of our total assets as of July 31, 2017. Management estimates that the subsidiaries of the Target that will not be Guarantors accounted for less than 20% of total revenue for the Ongoing Business and less than 20% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held less than 20% of our total assets as of July 31, 2017. Within 120 days following the Acquisition Closing Date, subject to certain adjustments and the Agreed Security Principles, the Issuer is required to ensure that the Guarantors (other than Bidco) accounted for at least 80% of (i) total revenue for the Ongoing Business for the year ended July 31, 2017, (ii) Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017 and (iii) total assets as of July 31, 2017. As of October 31, 2017, after giving effect to the Transactions, the Target's subsidiaries that will not be Guarantors would have had no third-party debt outstanding.

THE OFFERING

The following summary of this Offering contains basic information about the Notes, the Notes Guarantees and the Collateral. It is not intended to be complete and is subject to important limitations and exceptions. For additional information regarding the Notes, the Notes Guarantees and the Intercreditor Agreement, including certain definitions of terms used in this summary, see "*Description of the Notes*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Issuer	LSF10 Wolverine Investments S.C.A., a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg with registered offices at Atrium Business Park—Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B219221.
Notes Offered:	
Fixed Rate Notes:	€ million aggregate principal amount of % Senior Secured Notes due 2024.
Floating Rate Notes:	€ million aggregate principal amount of Floating Rate Senior Secured Notes due 2024.
Issue Date	On or about , 2018.
Issue Price:	
Fixed Rate Notes:	% (plus accrued and unpaid interest from the Issue Date, if any).
Floating Rate Notes:	% (plus accrued and unpaid interest from the Issue Date, if any).
Maturity Date:	
Fixed Rate Notes:	, 2024.
Floating Rate Notes:	, 2024.
Interest:	
Fixed Rate Notes:	% per annum.
Floating Rate Notes:	Three-month EURIBOR (which shall never be less than zero) plus % per annum, reset quarterly.
Interest Payment Dates:	
Fixed Rate Notes:	Interest on the Fixed Rate Notes will be payable semiannually in arrears on and of each year, commencing on , 2018. Interest on the Fixed Rate Notes will accrue from the Issue Date.
Floating Rate Notes:	Interest on the Floating Rate Notes will be payable quarterly in arrears on , , and , commencing on , 2018. Interest on the Floating Rate Notes will accrue from the Issue Date.
Form of Denomination	Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof maintained in book entry form. Notes in denominations of less than €100,000 will not be available.

Ranking of the Notes	The Notes will:
	• be general senior obligations of the Issuer, secured as set forth under "*—Security*";
	• rank *pari passu* in right of payment with all of the Issuer's existing and future indebtedness that is not subordinated in right of payment of the Notes, including any indebtedness under the Revolving Credit Facility, hedging obligations and certain other indebtedness permitted to be incurred under the Indenture;
	• rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer;
	• be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness;
	• be structurally subordinated to any existing and future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes, including obligations to trade creditors; and
	• on the Issue Date, will be guaranteed by Bidco and, on the earlier of (i) the date such entity guarantees the Revolving Credit Facility and (ii) 120 days from the Acquisition Completion Date will be guaranteed by the Post-Completion Guarantors, in each case on a senior secured basis, as described below under "*—Notes Guarantees*" and "*—Ranking of the Notes Guarantees*" and subject to certain guarantee limitations.
Notes Guarantees	On the Issue Date, the Issuer's obligations under the Notes and the Indenture will be guaranteed on a senior basis by Bidco. The Issuer's obligations under the Notes and the Indenture will also be guaranteed on a senior secured basis by Beijer Byggmaterial Aktiebolag, DT Finland Oy, DT Holding (Sweden) AB, Neumann Bygg AS, Stark Danmark A/S and Stark Group A/S (collectively, the "Post-Completion Guarantors") on the earlier of (a) the date on which such Post-Completion Guarantor guarantees the Revolving Credit Facility and (b) 120 days from the Acquisition Completion Date. The Notes Guarantees will be limited as described under "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*." As of October 31, 2017, after giving effect to the Transactions, the Issuer and the Guarantors would have had total third-party debt in the aggregate amount of €515 million, consisting of the Notes. In addition, we would have had €100 million available for drawing under the Revolving Credit Facility. The Indenture will permit the Issuer and its Restricted Subsidiaries (as defined herein) to incur additional indebtedness in the future. Management estimates that the Guarantors (other than Bidco) accounted for at least 80% of total revenue for the Ongoing Business and at least 80% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held at least 80% of our total assets as of July 31, 2017. Within 120 days following the Acquisition Closing Date, subject to certain adjustments and the Agreed Security Principles, the Issuer is required to ensure that the Guarantors (other than Bidco) accounted for at least 80% of (i) total revenue for the Ongoing Business for the year ended July 31, 2017,

(ii) Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017 and (iii) total assets as of July 31, 2017.

Ranking of the Notes Guarantees .... The Notes Guarantee of each Guarantor, at the time a Guarantor grants such Notes Guarantee, will

- be senior obligations of the Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with all of the Guarantor's existing and future senior indebtedness that is not subordinated in right of payment to its Notes Guarantee, including any indebtedness under the Revolving Credit Facility;
- rank senior in right of payment to all existing and future subordinated indebtedness of the respective Guarantor;
- be structurally subordinated to all existing and future obligations of such Guarantor's subsidiaries that are not also Guarantors;
- be effectively senior to any existing and future indebtedness of each Guarantor that is not secured by the Collateral owned by such Guarantor, to the extent of the value of such Collateral; and
- be effectively subordinated to any existing and future indebtedness of each Guarantor that is secured by property or assets that do not secure the Notes Guarantees on an equal basis, to the extent of the value of the property or assets securing such indebtedness.

The Notes Guarantees will be subject to release under certain circumstances. See "*Description of the Notes—Notes Guarantees.*"

Security ..... On the Issue Date, the Notes will be secured only by the Escrow Charge.

Pursuant to the Security Documents to be entered into on or prior to the Acquisition Completion Date, and substantially simultaneously with our obligations under the Revolving Credit Facility, no later than the Acquisition Completion Date, the Issuer, Bidco and Lux Holdco will grant in favor of the Security Agent, liens and security interests on an equal and ratable first priority basis, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over (i) the capital stock of the Issuer and Lux GP held by Lux Holdco, (ii) certain structural intercompany receivables owed from time to time to Lux Holdco by the Issuer and Lux GP, (iii) the capital stock of Bidco held by the Issuer, (iv) the material bank accounts of the Issuer held in Luxembourg, (v) certain structural intercompany receivables owed to the Issuer by Bidco, (vi) Bidco's rights under the Acquisition Agreement and (vii) Bidco's material bank accounts held in Denmark (together, the "Completion Date Collateral").

Pursuant to the Security Documents to be entered into within no later than ten business days from the Acquisition Completion Date and substantially simultaneously with our obligations under the Revolving Credit Facility, Bidco will grant in favor of the Security Agent, liens and security interests on an equal and ratable first priority basis, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over (i) the capital stock of the Target held by Bidco and (ii) certain structural intercompany receivables owed to Bidco by the Target (together, the "Initial Post-Completion Date Collateral").

Pursuant to the Security Documents to be entered into on the earlier of (a) the date on which our obligations under the Revolving Credit Facility will be so secured and (b) 120 days from the Acquisition Completion Date, and

	substantially simultaneously with our obligations under the Revolving Credit Facility, the Issuer and the Guarantors will grant in favor of the Security Agent, liens and security interests on an equal and ratable first priority basis, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, by pledges of the capital stock in and over the material bank accounts of each Guarantor (the "Additional Post-Completion Date Collateral" and together with the Escrow Charge, the Completion Date Collateral and the Initial Post-Completion Date Collateral, the "Collateral"). The security interests in the Collateral are limited as necessary to, *inter alia*, recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. The liens and security interests securing the Notes may be released under certain circumstances. See "*Description of the Notes—Security*."
Intercreditor Agreement	Pursuant to the Intercreditor Agreement, the first priority security interests securing the Notes are contractually deemed to rank equally with the security interests that secure (but only to the extent that such security is expressed to secure those liabilities) (i) obligations under the Revolving Credit Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness and obligations permitted to be incurred under the Indenture, including, but not limited to, Pension-related Obligations. Such security interests are, or will be, evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Notes, the lenders under the Revolving Credit Facility and/or the holders of certain other future indebtedness or obligations permitted to be incurred under the Indenture. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness and obligations, including Pension-related Obligations, permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests. The Security Agent may refrain from enforcing the relevant security unless instructed by the relevant Instructing Group (as defined in the Intercreditor Agreement). The relevant Instructing Group or such other class of creditors as specified by the Intercreditor Agreement may, under certain conditions, be entitled to instruct the Security Agent to enforce the relevant security subject to, and in accordance with, the provisions of the Intercreditor Agreement. In the event of conflicting instructions, the Intercreditor Agreement contains provisions as to which set of instructions will prevail. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."
Additional Amounts	Any payments made by the Issuer or any Guarantor with respect to the Notes or the Notes Guarantees will be made without withholding or deduction for or on account of taxes unless required by law. If the Issuer or the Guarantors are required by law to withhold or deduct amounts for or on account of tax

	imposed by a relevant taxing jurisdiction with respect to a payment to the holders of Notes, the Issuer or the relevant Guarantor will, subject to certain exceptions, 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 the Notes—Withholding Taxes*."
Use of Proceeds	We intend to use the proceeds of the Offering together with the Shareholder Funding to (i) fund the purchase price for the Acquisition, (ii) fund cash to the balance sheet of the Target for general corporate purposes and (iii) pay fees and expenses incurred in connection with the Transactions. See "*Use of Proceeds*."
Escrow of Proceeds; Special Mandatory Redemption	Pending consummation of the Acquisition, the Initial Purchasers will, concurrently with the issuance of the Notes on the Issue Date, deposit the gross proceeds from the offering of the Notes into the Escrow Account, in the name of the Issuer. The Escrow Account will be controlled by the Escrow Agent and pledged in favor of the Trustee on behalf of the holders of the Notes. The release of the Escrowed Property will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement promptly following the escrow release. If the conditions to the release of the Escrowed Property have not been satisfied on or prior to the Escrow Longstop Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the aggregate initial issue price of the Notes plus accrued and unpaid interest from the Issue Date to such special mandatory redemption date and Additional Amounts, if any.
Optional Redemption:	
Fixed Rate Notes:	Prior to , 2020, the Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes plus the applicable "make whole" premium described in this offering memorandum and accrued and unpaid interest to, but excluding, the redemption date. Prior to , 2020, the Issuer may redeem up to 10% of the aggregate principal amount of the Fixed Rate Notes originally issued (including the aggregate principal amount of any additional Fixed Rate Notes issued) in each calendar year at a redemption price equal to 103% of the principal amount thereof. Prior to , 2020, the Issuer will be entitled at its option on one or more occasions to redeem the Fixed Rate Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Fixed Rate Notes with the net cash proceeds from certain equity offerings at a redemption price equal to % of the principal amount outstanding in respect of the Fixed Rate Notes, plus accrued and unpaid interest to, but excluding, the redemption date, so long as at least 50% of the aggregate principal amount of the Fixed Rate Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing date of the relevant equity offering. On or after , 2020, the Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Notes at the applicable redemption prices set forth under the heading "*Description of the Notes—Optional Redemption—Fixed Rate Notes*" plus accrued and unpaid interest to, but excluding, the redemption date.

Floating Rate Notes:	Prior to , 2019, the Issuer will be entitled at its option to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount of the Floating Rate Notes plus the applicable "make whole" premium described in this offering memorandum and accrued and unpaid interest to, but excluding, the redemption date. On or after , 2019, the Issuer will be entitled at its option to redeem all or a portion of the Floating Rate Notes at the applicable redemption prices set forth under the heading "*Description of the Notes—Optional Redemption—Floating Rate Notes*" plus accrued and unpaid interest to, but excluding, the redemption date.
Optional Redemption for Tax Reasons	In the event of certain developments affecting taxation which cause the Issuer to pay additional amounts, the Issuer may redeem the relevant Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but excluding, the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons*."
Change of Control	Upon the occurrence of certain events defined as constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of purchase. A change of control will not be deemed to have occurred on one occasion if, after giving *pro forma* effect to such change of control, a specified consolidated total net leverage ratio calculated in accordance with the "*Description of the Notes*" is not exceeded as a result of such event. See "*Description of the Notes—Change of Control*."
Certain Covenants	The Indenture, among other things, will restrict the ability of the Issuer and the restricted subsidiaries of the Issuer to: • incur or guarantee additional indebtedness and issue certain preferred stock; • create or incur certain liens; • make certain payments, including dividends or other distributions, with respect to the shares of the Issuer; • prepay or redeem subordinated debt or equity; • make certain investments; • create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or its restricted subsidiaries; • sell, lease or transfer certain assets including stock of restricted subsidiaries; • engage in certain transactions with affiliates; • consolidate or merge with other entities; • impair the security interests for the benefit of the holders of the Notes; and • amend certain documents.

	Each of these covenants is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*."
Transfer Restrictions	The Notes and the Notes Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and are subject to restrictions on transferability and resale. See "*Transfer Restrictions*." We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer) with the U.S. Securities and Exchange Commission.
No Prior Market	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, there can be no assurance that an active trading market will develop for the Notes.
Listing	Application has been made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance, however, that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained.
Governing Law	The Indenture and the Notes will be governed by the laws of the State of New York. Under the terms of the Indenture, the governing law of the Indenture and the Notes may be amended with the consent of holders of at least a majority in principal amount of the Notes then outstanding. The Intercreditor Agreement is governed by the laws of England and Wales. The Escrow Agreement and the Escrow Charge will be governed by the laws of England and Wales. Each Security Document will be governed by applicable local laws.
Trustee	Deutsche Trustee Company Limited.
Security Agent	Deutsche Bank AG, London Branch.
Paying Agent and Calculation Agent	Deutsche Bank AG, London Branch.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Escrow Agent	Wells Fargo Bank N.A., London Branch.
Listing Sponsor	Carey Olsen Corporate Finance Limited.
Risk Factors	Investing in the Notes involves substantial risks. See the "*Risk Factors*" section of this offering memorandum for a more complete description of certain risks that you should carefully consider before investing in the Notes.

SUMMARY HISTORICAL FINANCIAL INFORMATION, UNAUDITED ADJUSTED FINANCIAL INFORMATION FOR THE ONGOING BUSINESS AND OTHER FINANCIAL DATA

The following tables summarize certain of our historical financial information, Unaudited Adjusted Financial Information for the Ongoing Business and other financial data for the periods ended on and as of the dates indicated below. In the following tables and notes thereto, references to financial data for the Ongoing Business are to the adjusted financial information for the Target's Ongoing Business and references to financial data for the Historical Business are to the historical financial information for the Target, in each case, for the relevant period. The Target's Ongoing Business refers to the Target's historical financial information after giving effect to the Branch Closures and the Property Portfolio Adjustment. See also "*Presentation of Financial and Other Data.*" The Target's Historical Business refers to the Target's business before giving effect to the Branch Closures and Property Portfolio Adjustment. The financial data for the Target's Historical Business is reflected in the Financial Statements.

We have extracted (i) the consolidated historical financial data of the Target as of and for the three months ended October 31, 2016 and 2017, respectively, from the Unaudited Interim Financial Statements and (ii) the consolidated historical financial data of the Target as of and for the years ended July 31, 2015, 2016 and 2017 from the relevant Audited Financial Statements, in each case, included elsewhere in this offering memorandum. We have extracted the Unaudited Adjusted Financial Information for the Ongoing Business for the three months ended October 31, 2016 and 2017, and the years ended July 31, 2015, 2016 and 2017, from the section entitled "*Unaudited Adjusted Financial Information for the Ongoing Business*."

In addition, the following tables include unaudited income statement data for the Ongoing Business for the twelve months ended October 31, 2017, which has been calculated by adding the unaudited income statement data for the Ongoing Business for the three months ended October 31, 2017 to the unaudited income statement data for the Ongoing Business for the year ended July 31, 2017 and subtracting the unaudited income statement data for the Ongoing Business for the three months ended October 31, 2016. The unaudited income statement data for the Ongoing Business for the twelve months ended October 31, 2017 has been prepared solely for the purpose of this offering memorandum, is for illustrative purposes only and is not necessarily indicative of our results of operations for any future period or our financial condition at any future date.

The following tables also present certain as adjusted and run-rate data which we include for information purposes only, and which does not purport to present what our results of operations and financial condition would have been, nor does such data project our results of operations for any future period or financial condition at any future date. In addition, while certain of the financial data set forth below have been derived on the basis of historical financial information prepared in accordance with IFRS, such financial data contains financial measures other than those in accordance with IFRS and should not be considered in isolation from or as substitutes for our historical financial information. The Unaudited Adjusted Financial Information for the Ongoing Business is not presented in accordance with IFRS. Non-IFRS financial data has not been audited or reviewed by our auditors and should not be considered as an alternative to any measure of liquidity or performance derived in accordance with IFRS for the applicable periods.

Prospective investors should read the summary data presented below in conjunction with, and the summary data presented below is qualified in their entirety by reference to, "*Presentation of Financial and Other Data*," "*Use of Proceeds*," "*Capitalization*," "*Selected Historical Financial Information*," "*Unaudited Adjusted Financial Information for the Ongoing Business*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements, included elsewhere in this offering memorandum.

Summary Unaudited Adjusted Income Statement Data for the Ongoing Business

	Ongoing Business					
	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
	(€ million)					
Revenue*	2,100	2,108	2,151	586	618	2,183
Cost of goods*	(1,566)	(1,579)	(1,619)	(443)	(464)	(1,640)
Gross profit*	534	529	532	143	152	541
Adjusted EBITDA for the Ongoing Business*	103	94	93	32	40	101

* See "*Unaudited Adjusted Financial Information for the Ongoing Business*".

Summary Consolidated Historical Statement of Financial Position Data

	Historical			
	As of July 31,			As of October 31,
	2015	2016	2017	2017
	(€ million)			
Total non-current assets	532	466	453	388
Of which property, plant and equipment	409	427	430	341
Total current assets	868	843	741	790
Assets held for sale	13	5	70	86
Total assets	**1,413**	**1,314**	**1,264**	**1,264**
Non-current liabilities	278	233	60	59
Current liabilities	872	778	831	888
Liabilities of a disposal group held for sale	—	—	70	—
Total liabilities	**1,150**	**1,011**	**961**	**947**
Net assets	**263**	**303**	**303**	**317**
Share capital	1	1	1	1
Reserves	262	302	302	316
Total equity	**263**	**303**	**303**	**317**

Summary Consolidated Historical Statement of Cash Flows Data From Continuing Operations

	Historical					
	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
	(€ million)					
Net cash generated from / (used in) operating activities	107	70	52	(24)	(33)	43
Net cash used in investing activities	(42)	(34)	(53)	(11)	(22)	(64)
Net cash (used in)/generated from financing activities	(71)	36	(55)	(14)	(76)	(117)

Other Financial Data for the Ongoing Business

	Ongoing Business					
	As of and for the year ended July 31,			As of and for the three months ended October 31,		As of and for the twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
	(€ million except percentages)					
Capital expenditures[1]	37	28	55	7	11	59
Adjusted capital expenditures[1]	29	28	36	7	11	40
Adjusted free cash flow[2]	74	66	57	25	29	61
EBITDA for the Ongoing Business[3]	101	94	67	32	34	69
EBITDA margin for the Ongoing Business[4]	4.8%	4.5%	3.1%	5.5%	5.5%	3.2%
Adjusted EBITDA for the Ongoing Business[3]	103	94	93	32	40	101
Adjusted EBITDA margin for the Ongoing Business[5]	4.9%	4.5%	4.3%	5.5%	6.5%	4.6%
Run-rate Adjusted EBITDA for the Ongoing Business[3]						109
As adjusted total net senior secured debt[6]						480
As adjusted cash interest expense[7]						
As adjusted net senior secured debt[6] / Run-rate Adjusted EBITDA for the Ongoing Business[3]						4.4x
Run-rate Adjusted EBITDA for the Ongoing Business[4] / As adjusted cash interest expense[7]						x

(1) Capital expenditures consists of cash outflows for (a) purchases of land, property, plant and equipment on a historical basis adjusted to give effect to the Branch Closures and the Property Portfolio Adjustment and (b) cash outflows for purchases of intangible assets on historical basis. Adjusted capital expenditures consist of capital expenditures after excluding various non-recurring items. The following table provides a reconciliation of our purchases of land, property, plant and equipment on a historical basis to capital expenditures and adjusted capital expenditures:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
			(€ million)			
Purchases of land, property, plant and equipment	**43**	**43**	**53**	**6**	**11**	**58**
Purchases of land, property, plant and equipment relating to discontinued operations	(4)	(3)	—	—	—	—
Purchases of land, property, plant and equipment from continuing operations	**39**	**40**	**53**	**6**	**11**	**58**
Branch Closures	—	—	—	—	—	—
Property portfolio adjustment[a]	(6)	(20)	—	—	—	—
Purchases of land, property, plant and equipment for the Ongoing Business	**33**	**20**	**53**	**6**	**11**	**58**
Purchases of intangible assets[b]	4	8	2	1	—	1
Capital expenditures	**37**	**28**	**55**	**7**	**11**	**59**
Adjustments	(8)	—	(19)	—	—	(19)
Freehold capital expenditures[c]	*(8)*	—	*(5)*	—	—	*(5)*
Distribution center capital expenditures[d]	—	—	*(11)*	—	—	*(11)*
IT projects capital expenditures[e]	—	—	*(3)*	—	—	*(3)*
Adjusted capital expenditures	**29**	**28**	**36**	**7**	**11**	**40**

(a) Consists of purchases related to certain operational properties in Denmark and Norway, a distribution center in Finland, the headquarters in Copenhagen and 30 vacant properties, which have historically been included in the Target's financial results but do not form part of the Target's ongoing business that will be acquired by Lone Star Fund X in connection with the Acquisition.

(b) Purchase of intangible assets is presented on a historical basis and is not adjusted for discontinued operations or adjusted for the Branch Closure or the Property Portfolio Adjustments. Purchase of intangible assets principally represents spending on software. Software is used centrally by the group throughout all branches. Management does not allocate the capital expenditures in relation to intangible assets on a branch by branch basis. However, management believes that the historical purchases of intangible assets relate primarily to the Ongoing Business.

(c) Freehold capital expenditures in the year ended July 31, 2017 related to the purchase of the freehold site at Risskov, an existing Stark DK branch that was previously leased. Freehold capital expenditures in the year ended July 31, 2015 related to the purchase of the freehold of an existing Stark FI branch that was previously leased.

(d) Relates to the purchase of the land and development of the new Stark Denmark distribution center at Braband, which management considers to be non-recurring.

(e) Relates to various IT projects, including accounting type solutions and abandoned IT projects, which management considers to be non-recurring.

(2) We define adjusted free cash flow as Adjusted EBITDA for the Ongoing Business less Adjusted capital expenditures.

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
			(€ million)			
Adjusted EBITDA for the Ongoing Business	103	94	93	32	40	101
Less: Adjusted capital expenditures	(29)	(28)	(36)	(7)	(11)	(40)
Adjusted free cash flow	**74**	**66**	**57**	**25**	**29**	**61**

(3) EBITDA for the Ongoing Business, Adjusted EBITDA for the Ongoing Business and Run-rate Adjusted EBITDA for the Ongoing Business are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. We calculate EBITDA for the Ongoing Business as historical profit for the period before financial income, financial expenses, tax for the period, depreciation and amortization excluding the impact on operating profit resulting from the Branch Closures, as described in *"Presentation of Financial and Other Data"* and "*Unaudited Adjusted Financial Information for the Ongoing Business.*" We believe EBITDA for the Ongoing Business is a useful financial metric for assessing operating performance. We believe that it also facilitates comparison between us and our competitors. We define Adjusted EBITDA for the Ongoing Business as EBITDA for the Ongoing Business before exceptional items related to the Ongoing Business and the Ferguson Group management fee, which reflect historical charges to us of Ferguson Group-related functions and services, such as finance and treasury support and oversight, which we believe will no longer be indicative of our financial performance following the Acquisition Completion Date. As such, we believe that Adjusted EBITDA for the Ongoing Business provides investors with a useful tool for assessing the comparability of our core business between periods because it excludes certain items that do not reflect the ongoing performance of our business.

EBITDA for the Ongoing Business and Adjusted EBITDA for the Ongoing Business are Non-IFRS Measures and the use of these measures has certain limitations. Our presentation of EBITDA for the Ongoing Business and Adjusted EBITDA for the Ongoing Business may be different from the presentation used by other companies and therefore comparability may be limited. The terms EBITDA for the Ongoing Business and Adjusted EBITDA for the Ongoing Business are not defined under IFRS or any other generally accepted accounting principles, and EBITDA for the Ongoing Business and Adjusted EBITDA for the Ongoing Business are not measures of net income, operating income, operating performance or liquidity presented in accordance with IFRS. When assessing our operating performance, you should not consider this data in isolation or as a substitute for our net income, operating income or any other operating performance or liquidity measure that is calculated in accordance with IFRS.

We calculate Run-rate Adjusted EBITDA for the Ongoing Business as Adjusted EBITDA for the Ongoing Business adjusted for (a) certain estimated costs that we will incur as a stand-alone business following the Acquisition Completion Date to replicate services previously provided to us as part of Ferguson Group, such as treasury services, insurance policies and share-based incentive payments which used to be covered by Ferguson's share plan, and (b) the annualized results from certain costs savings and other performance improvement initiatives that we implemented during the twelve months ended October 31, 2017 as if we had implemented such cost savings and performance improvement initiatives on November 1, 2016. Run-rate Adjusted EBITDA for the Ongoing Business is subject to the same limitations as EBITDA for the Ongoing Business and Adjusted EBITDA for the Ongoing Business. Run-rate Adjusted EBITDA for the Ongoing Business is presented for illustrative purposes only and does not purport to project our results of operations or financial condition for any historical or future period.

Our presentation of Run-rate Adjusted EBITDA for the Ongoing Business may be different from the presentation used by other companies and therefore comparability may be limited. In evaluating Run-rate Adjusted EBITDA for the Ongoing Business, you should be aware that, as an analytical tool, it is subject to certain limitations. In particular, run-rate cost savings and performance improvement are based on management estimates and assumptions and are forward looking in nature. As such, this information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial impact or results of these actions and initiatives for the period presented and may not be comparable with our Financial Statements or the other financial information included in this offering memorandum, and should not be relied upon when making an investment decision.

The following table provides a reconciliation of our historical profit for the period to EBITDA for the Ongoing Business, Adjusted EBITDA for the Ongoing Business and Run-rate Adjusted EBITDA for the Ongoing Business, respectively, for the periods indicated:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
			(€ million)			
Profit from continuing operations for the period	**58**	**43**	**4**	**22**	**19**	**1**
Financial income	(6)	(4)	(3)	(1)	(1)	(3)
Financial expenses	10	8	7	3	2	6
Tax for the period	23	27	5	4	8	9
Depreciation and amortization	25	28	28	8	7	27
Impact of Branch Closures	(9)	(8)	26	(4)	(1)	29
EBITDA for the Ongoing Business	**101**	**94**	**67**	**32**	**34**	**69**
Exceptional items related to the Ongoing Business[(a)]	(2)	(4)	21	—	4	25
Ferguson Group management fee[(b)]	4	4	5	—	2	7
Adjusted EBITDA for the Ongoing Business	**103**	**94**	**93**	**32**	**40**	**101**
GSTS Group IT costs[(c)]						4
Group insurance costs[(d)]						2
Group share based payments[(e)]						2
Estimated FTE costs[(f)]						(1)
Estimated non-FTE costs[(g)]						(4)
Estimated incremental IT costs[(h)]						(3)
Efficient operator[(i)]						4
Sourcing[(j)]						3
Run-rate Adjusted EBITDA for the Ongoing Business						**109**

(a) Exceptional items for the Ongoing Business consist of the following:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
			(€ million)			
Strategic development[(i)]	—	—	6	—	3	9
Advisor fees relating to sale of STARK Group	—	—	1	—	1	2
Restructuring[(ii)]	—	—	5	—	—	5
Profit/(loss) on disposal of property, plant and equipment[(iii)]	—	(1)	8	—	—	8
Profit on disposal of businesses[(iv)]	(2)	(3)	—	—	—	—
Other	—	—	1	—	—	1
Exceptional items for the Ongoing Business	**(2)**	**(4)**	**21**	**—**	**4**	**25**

(i) Under our "Back to Basics" strategy, we focused on, among other things, decentralizing our decision making processes, developing our SME customer base, tailoring our product assortment to better serve customers and developing our new distribution center. In connection with these initiatives, we incurred costs related to consulting and advisor fees, inventory write-offs, staffing and bonus payments. We consider such costs to be exceptional.

(ii) Restructuring represents consulting and advisor fees incurred in connection with restructuring our head office and STARK FI, which we consider to be non-recurring costs.

(iii) The profit/(loss) on disposal of property, plant and equipment relates to the gain on sale of our Cheapy chain, a Swedish discount chain, in Sweden during the year ended July 31, 2016 and the loss on disposal of property, plant and equipment in Denmark.

(iv) The profit on disposal of businesses represents adjustments to provisions in respect of prior year disposals by STARK FI.

(b) Ferguson Group management fee represents certain charges to us by Ferguson for historical Ferguson Group-related functions and services, such as finance and treasury support and oversight, which will no longer be indicative of our financial performance following the Acquisition Completion Date.

(c) GSTS Group IT costs include costs incurred in connection with Ferguson's shared technology service for the provision of shared data centers, applications, security, maintenance and engineering, primarily driven by a European data center operating out of the United Kingdom that we will no longer incur following the completion of the Transactions. GSTS Group IT costs were €4 million, €1 million and €1 million for the year ended July 31, 2017, for the three months ended October 31, 2016 and for the three months ended October 31, 2017, respectively.

(d) Group insurance costs relate to payments for insurance policies under the Ferguson Group insurance policy that we will no longer incur following the completion of the Transactions. Group insurance costs were €2 million for the year ended July 31, 2017, there were no Group insurance costs in the three months ended October 31, 2016 or October 31, 2017.

(e) Group share based payments include charges for long-term incentives which will no longer be applicable. Group share based payments were €2 million for the year ended July 31, 2017, there were no Group insurance costs in the three months ended October 31, 2016 or October 31, 2017.

(f) Estimated FTE costs include estimated costs related to the hire of one additional FTE to provide treasury services, one additional FTE to provide support to the Group CFO and five additional FTEs to provide infrastructure and IT strategy support, previously provided by Ferguson.

(g) Estimated non-FTE costs include estimated treasury system costs that we expect will be incurred in connection with replicating treasury services previously provided to us by Ferguson's treasury, estimated costs incurred in connection with outsourcing our HFM consolidation system, costs related to like-for-like insurance replacement and estimated costs related to the replacement of share based payments to certain key employees which were previously covered by Ferguson's share plan.

(h) Estimated incremental IT costs relate to the estimated procurement costs of external IT services to replicate Ferguson's GSTS IT systems.

(i) Represents the annualized cost savings from our cost saving initiatives, including the simplification and centralization of our administrative functions, the optimization of our footprint and the rationalization of our local workforce, which we implemented during the year ended July 31, 2017, as if these initiatives had been implemented on November 1, 2016, and mainly include the full-year effect of (i) headcount reductions at our headquarters (€2 million) and (ii) headcount reductions at our business units (€2 million).

(j) Represents the annualized cost savings from our better sourcing initiatives, which we implemented during the year ended July 31, 2017, as if these initiatives had been implemented on November 1, 2016, and mainly include reduced sourcing costs following a renegotiation of key supply agreements and assuming that supply volumes for the twelve months ended October 31, 2017 were in line with volumes for the year ended July 31, 2016.

(4) EBITDA margin for the Ongoing Business means EBITDA for the Ongoing Business *divided by* revenue for the Ongoing Business.

(5) Adjusted EBITDA margin for the Ongoing Business means Adjusted EBITDA for the Ongoing Business *divided by* revenue for the Ongoing Business.

(6) As adjusted net senior secured debt for the Ongoing Business represents our senior secured debt adjusted for the Transactions and includes the €515 million aggregate principal amount of Notes offered hereby *less* as adjusted cash and cash equivalents. See "*Use of Proceeds*" and "*Capitalization*."

(7) As adjusted cash interest expense for the Ongoing Business represents interest payable for the twelve months ended October 31, 2017, adjusted to give effect to the Transactions, including the Offering and the use of proceeds as contemplated under "*Use of Proceeds*," as if the Transactions had occurred on November 1, 2016. As adjusted cash interest expense reflects the interest expense in connection with the Notes offered hereby, and assumes that the Revolving Credit Facility will be undrawn on the Acquisition Completion Date. Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

RISK FACTORS

In addition to the other information contained in this offering memorandum, you should carefully consider the following risk factors before purchasing the Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. If any of the possible events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, we may not be able to pay interest or principal on the Notes when due, respectively, and you could lose all or part of your investment. This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering memorandum.

Risks Related to Our Business and Our Industry

We are affected by general economic conditions in our regions.

The construction materials distribution industry in any geographic market is dependent on the level of activity in the construction and renovation sector of that geographic market, including with respect to both RMI and new build activities. The level of new build activities and, to a lesser extent, RMI activities tends to be cyclical and is dependent on the prevailing economic climate, including, among other things, GDP growth, unemployment levels, salaries (including minimum wages), the availability of consumer credit, consumer confidence, demographic developments, immigration levels and consumer perception of economic conditions as well as the level of construction- and renovation-related expenditures in the residential and non-residential sectors, public and private spending on infrastructure projects and public investments. Decelerating economic growth in certain major global cities and concerns regarding the extent of such deceleration may also have an impact on the global economic outlook and increase volatility in the markets, including the construction materials distribution markets in which we operate, and thus indirectly have a negative impact on demand for some of our products.

Due to the cyclicality of certain of the end-markets we serve, in particular the new build sector of the construction materials distribution industry, our future sales and sales margins will vary and, consequently, our profitability and absolute profit levels will also fluctuate. For the twelve months ended October 31, 2017, management estimates RMI projects accounted for approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business, and new build projects accounted for approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business in the same period. During an economic downturn or in periods of low economic growth, end-users may hire commercial builders less frequently, and as a result B2B customers may buy less of our products, as consumers seek to increase savings and postpone cost-intensive new build projects and, to a lesser extent, RMI projects. Revenue generated by our customers' propensity toward new build activities has historically and recently been more susceptible to cyclicality than RMI activities. New build activities in Denmark today, for example, remain approximately 33% below peak levels, according to Euroconstruct. Consequently, during periods of economic downturn or low economic growth, we have recorded, and may continue to record, lower sales, which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

We operate in highly competitive markets, which could adversely affect demand for our products and could affect our financial performance.

The B2B construction materials distribution industry is competitive and fragmented in the markets in which we operate. We face, and will continue to face, competition from local, regional, national and international B2B building materials suppliers, manufacturers and distributors, as well as from privately owned single-site retailers. Competition in the B2B construction materials distribution industry is subject to a number of variables, including convenience of location, product availability and range, delivery services, pricing strategies, customer service, availability of credit, technical product knowledge with respect to application and usage and advisory capabilities. Currently, our major competitors are XL Byg, Optimera, Bygma, S-Ryhmä, Woody, Byggmakker, Kesko and Maxbo. Any of these competitors may predict the course of market development more accurately than we do, develop products that are superior to our products, have the ability to produce or supply similar products at a lower cost, develop stronger relationships with professional homebuilders or commercial builders, adapt more quickly to new technologies or evolving customer requirements or have access to financing on more favorable terms than we can obtain.

We also face competition from European operators of large superstores, some of which may expand into the Nordics either through organic growth or by acquiring smaller builders' merchants with an existing market share in the

Nordics. Large competitors could use economies of scale to their advantage, and may be able to, among other things, purchase inventory and/or sell products at lower prices, make substantial marketing expenditures or offer a superior in-branch experience compared to our branches. Actions taken by competitors, as well as actions taken by us to maintain competitiveness and a reputation for value for money, have placed, and may continue to place, pressure on product pricing, gross margins and profitability. Furthermore, some of our competitors, including both B2B builders' merchants and general retailers may be able to negotiate better contracts with major suppliers, acquire business real estate at better locations or devote greater resources to advertising and marketing campaigns to procure new customers.

Additionally, we face competition from our larger suppliers. Such suppliers may supply their products directly to the B2B customers that comprise our target market, including organizing distribution and logistics themselves. Alternatively, such suppliers may agree to supply directly to our customers, with our business providing an invoice service only. As a result, we may experience fewer volumes sold to our customers, lost volume bonuses for our purchases from suppliers, lost margins and in the case of invoice servicing, continued legal and contractual risk for the products delivered. Suppliers may also elect to enter into exclusive supplier arrangements with our competitors. Any of these conditions may adversely affect our business, financial condition, results of operations and cash flow.

In addition, our customers, particularly B2B customers, have historically exerted and will continue to exert pressure on our and their other suppliers to keep prices low because of their market share and their ability to leverage such market share in the highly fragmented construction materials distribution industry. Moreover, consolidation among B2B customers, and changes in their purchasing policies or payment practices, may result in increased competition for their business and consequently additional pricing pressure, which could have an adverse effect on our business, financial condition, results of operations and cash flow. We may not be able to effectively compete with competitors, which could threaten our market position in the markets in which we operate, and negatively affect our levels of sales and profit margins. We believe that developing and maintaining a competitive advantage will require continued investment in, among other things, refurbishing our branches, sourcing and developing new products and maintaining and developing our digital capability, our logistics network and our offering, including our supplier base, sales channels, sales and marketing capabilities and customer relationships. We cannot assure you that we will have sufficient resources to make the necessary investments, which may put us at a competitive disadvantage. If we are unable to compete effectively, our business, financial condition, results of operations and cash flow may be adversely affected.

We may not be able to accurately predict and address customer and end-user preferences, demand and demographics.

We have assembled our product offering across our multiple business units and have built a multi-modal customer service platform that attempts to provide our customers with an extensive range of building materials that address their needs as well as the needs of end-users. The success of our business depends in part on our ability to identify and respond promptly to evolving trends in product developments, local population demographics and customer and end-user preferences, expectations and needs, while also managing appropriate inventory levels and maintaining an excellent customer experience. Demand in the B2B construction materials distribution industry may be affected by, for example, demographic trends among end-users, such as aging and declining populations, changes in the average number of persons living in one household, the increasing average living space per capita or migration trends. As a result, we must offer a sufficient range of products to satisfy varying customer and end-user preferences and demographics. Our competitors may offer a more compelling product mix or may stock a greater number of SKUs, including for substitutes for our products that may be or become more popular or may be perceived as having superior characteristics. We also must be able to train our in-branch personnel to understand new products, some of which are technologically complex, and sell those products to our customers. We may not be able to accurately predict customer and end-user preferences or demand for certain products, and some of our products may be rendered obsolete because of developments in technology.

If we are unable to successfully predict or respond to changing trends or misjudge the market, customer demand or consumer preferences and demographics, our revenue may decline and we may have a substantial amount of unsold inventory or missed sales opportunities. In response, we may be forced to rely on promotional activities to dispose of excess or slow-moving inventory. We may spend substantial sums developing products with our suppliers, or we may enter into minimum purchase contracts with suppliers for goods, which may exacerbate losses if those products are not successful. In contrast, in the event that certain products are more successful than anticipated, we may need to restock initial inventories at one or more of our locations. Despite our robust supply chain, we may not be able to replenish a particular branch that has reduced stock and we may therefore end up with insufficient inventory at particular locations. Such an inventory shortage might result in unfilled orders and lost revenue. Any failure to adequately address customer and consumer preferences and properly maintain inventory levels could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Customer expectations about the methods they use to purchase and receive products or services are also becoming more demanding. Customers now routinely use technology and mobile devices to rapidly compare products and prices, determine real-time product availability and purchase products, which could make our traditional branch-based or phone-based operations less appealing. Once products are purchased through any of these channels, customers are demanding convenient options for delivery of those products, and they often expect quick and low-cost delivery. We must continually anticipate and adapt to these changes in the purchase and delivery process, including with respect to pricing trends, which are made more visible with online price comparison capabilities, as well as existing and new competitors, who may be able to provide lower prices, greater choice and/or superior convenience through their online sales platforms. Our ability to strategically improve our online sales platforms to support our traditional branch-based sales also depends on a number of other factors, including our ability to successfully market our websites, the hiring, training and retention of qualified IT personnel and the compatibility of our websites with newer customer devices. Growing our online sales platforms will result in increased reliance on information technology, the interruption or failure of which could adversely affect our business. Performance issues with these customer facing technology systems, including temporary outages caused by distributed denial of service or cyber attacks, or a complete failure of one or more of them without a disaster recovery plan that can be quickly implemented could negatively affect business and harm our reputation or our customers' perceptions of us.

Furthermore, we have a branch network that requires maintenance and space reallocation initiatives to deliver the shopping experience that our customers desire. We must also maintain a safe branch environment for our customers and associates. If we cannot maintain the standards at our branches and utilize our branch space effectively, timely identify or respond to changing consumer preferences, expectations and construction and renovation needs, positively differentiate the customer experience for our main customer groups from our competitors or effectively implement a comprehensive and compelling merchandising assortment, our reputation, the demand for our products and services, and our market share, could each be adversely affected.

Our results may be adversely affected by the housing market, changes in housing regulations or government monetary or fiscal policies.

The condition of local housing markets particularly affects customer demand for the products we sell. Generally, in stable or strong housing markets, sales of building material products benefit from housing moves and renovations undertaken by end-users. However, in a weaker housing market, factors such as tighter restrictions on the availability of mortgage financing, slower household formation growth rates, lower existing home sales, reduction in government incentives and falling home prices may limit consumers' propensity to move or build houses or undertake discretionary renovations on existing properties either themselves or through a professional, which could result in a decreased demand for building materials. Accordingly, weak housing markets in the countries in which we operate may result in a decrease in sales of our building material products, which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

In addition, the construction and renovation industry is subject to various local, national and regional statutes, ordinances, rules and regulations concerning zoning, building design and safety, construction, renovation, energy and water conservation and similar matters, including regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can be built within the boundaries of a particular area or in order to maintain certain areas as primarily or exclusively residential. Regulatory restrictions may increase our operating expenses and limit the availability of suitable building lots for B2B customers and B2C customers, which could negatively affect our sales and earnings. In addition, building codes may affect the products that B2B customers and B2C customers are permitted to use, and consequently, changes in building codes may affect the saleability and marketability of our products.

Moreover, the demand for our products and services is impacted by monetary and fiscal policies in each of the countries in which we operate. This includes policies that have the effect of encouraging or discouraging construction and renovation, such as long-term interest rates, tax policies such as tax reduction for repairs, conversion and extension ("ROT"), policies encouraging or discouraging labor mobility and migration, availability of financing or subsidies, the allocation of government funding for public infrastructure programs, and safety regulations that encourage or discourage the use of certain materials and products. Interest rate changes, for example, affect demand for residential and non-residential structures, which in turn affects sales of our products that serve these activities. Interest rate changes could also affect the ability of B2B customers and B2C customers to finance purchases. In addition to changing interest rates, central banks and other policy terms of many countries take actions to vary the amount of liquidity and credit available in an economy. Changes in liquidity and credit policies, including the reduction or elimination of favorable tax or other stimulus programs, could adversely impact our customers, markets and suppliers, any of which could have a material adverse effect on our business, results of operations and financial condition.

Our business depends on a strong brand image and reputation.

We believe we enjoy high brand awareness in the Nordic B2B construction materials distribution market for our business unit brands, namely STARK DK, STARK FI, Beijer and Neumann. We also believe that maintaining and enhancing our brand is integral to the success of our business and to the implementation of our business plans. Our maintenance, promotion and positioning of our brand will depend largely on the success of our marketing and merchandising efforts, and our ability to provide good customer experiences. Our brand could be adversely affected if we fail to achieve these objectives or if negative publicity tarnishes our public image or reputation. Our brand image may be diminished if we fail to maintain high standards for, among other things, the timely and efficient delivery of quality products and an after-sales service, if we fail to maintain high social and environmental standards for all our operations and activities, if we fail to comply with local laws and regulations or if we experience other negative events that affect our image or reputation. Moreover, other factors that we may be unable to control could tarnish our reputation, such as any safety issues with our products due to the fault of the supplier and any resulting product liability claims against us.

In addition, the widespread use of social media by customers and consumers, including blogging and use of and feedback about our business or products on social media activities can negatively affect our business, as criticism in blogs, forums and on social media, and regardless of whether such criticism is based on facts, may rapidly spread online and may damage our reputation and our brand. These platforms also could be used for the dissemination of trade secret information or compromise other valuable company assets, any of which could harm our business. The harm may be immediate without affording us an opportunity for redress or correction. Any failure to maintain a strong brand image could have an adverse effect on our business, results of operations and financial condition.

Additionally, we sell our own brand products through our own four brands, Raw, Raptor, Domestic and Basics, which each represent an important asset of our business. Maintaining the reputation of and value associated with these own brand names are central to our success. Certain of our policies, including our pricing policies and our expansion policies, could damage our reputation and the value associated with our own brand names and could have a material adverse effect on our business, financial condition, results of operations and cash flow. We believe our own brand products offer potentially significant commercial opportunities and we are investing in these brands and related supply and distribution networks, but there can be no assurance that these brands will generate sufficient sales volumes and customer demand to match our expected long-term return on investment. We may have to further develop, improve and expand our own brand product portfolio and services in the future, for example by entering new end-user markets and adapting our products to new applications and regulatory or customer requirements. Our success in meeting our customers' needs and expectations is dependent on various factors, such as market research, a well-developed understanding of the strategies and requirements of customers new to our business, the right positioning in markets new to us or of our new products and technologies, as well as the ability to research, develop and offer new or improved products and technologies at competitive terms. If we are unable to control and guarantee the quality of our own brand products, our reputation may be diminished, which may result in a material adverse effect on our business, financial condition, results of operations and cash flow.

In addition, as we seek to expand our own brand product offerings, we may become subject to increased risks due to our greater role in the design, manufacture, marketing and sale of those products. The risks include greater responsibility for administering and complying with applicable regulatory requirements, increased potential product liability and product recall exposure, and increased potential reputational risks related to the responsible sourcing of those products. In addition, to effectively execute our product differentiation strategy, we must also be able to successfully protect our proprietary rights and navigate and avoid claims related to the proprietary rights of third parties. Furthermore, an increase in sales of our own brand products may adversely affect sales of certain of our suppliers' branded products, which in turn could adversely affect our relationships with certain of our suppliers. Any failure to appropriately address some or all of these risks could damage our reputation and have an adverse effect on our business, financial condition, results of operations and cash flow.

We may not have adequate remedies against our suppliers for defective merchandise and for unsatisfactory services, which could damage our reputation and brand image, and harm our business.

Any failure by our suppliers to adhere to product safety or manufacturing safety standards could result in serious product defects that may not be detected by our quality control procedures, which may in turn lead to product recalls. Although we or the injured party in question are able to make a claim against the supplier in the case of product defects or warranty events, if the supplier defaults on their obligations, we may bear a portion of, and in some cases the primary risk of, product liability and warranty claims. The reputation of our brand could be damaged by the marketing of defective products, especially in the event of serious defects such as products containing harmful substances causing

physical harm or other health problems. Such serious defects could also lead to a significant decline in sales. In addition, there is a risk that compliance lapses by our suppliers could occur which could lead to investigations by agencies responsible for international trade, health and safety or modern slavery compliance. Resulting penalties or enforcement actions could delay future imports or otherwise negatively impact our business. In all such cases, especially if there is a prolonged impact on product quality, our business, financial condition, results of operations and cash flow may be materially adversely affected.

Additionally, if products that we purchase from suppliers are damaged or prove to be defective, we may not be able to return products to these suppliers and obtain refunds of our purchase price or obtain other indemnification from them. Our suppliers' limited capacities may result in a supplier's inability to replace any defective merchandise in a timely manner, especially during peak selling seasons. In addition, our suppliers' limited capitalization or liquidity may mean that a supplier that has supplied defective merchandise will not be able to refund the purchase price to us or pay us any penalties or damages associated with any defects, including the costs associated with removing and replacing defective products and making associated repairs.

We may be unable to optimize our operational efficiency in accordance with our strategy and realize the cost savings we are seeking.

As part of our cost savings strategy, we are seeking to optimize our sourcing, branch network and organizational and managerial structure. We cannot assure you that we will be able to effectively optimize our operational efficiency. We will seek to realize significant cost savings in procurement, inbound and outbound logistics, centralized functions, inventory range and management, size of our workforce, headquarters size and functions and information technology. In order to realize these cost savings, we expect to incur material expenditures, which may be higher than our estimated amount. Our anticipated cost savings are based upon assumptions about our ability to implement our cost saving measures in a timely fashion and within certain cost parameters. Furthermore, our ability to achieve the planned cost savings is dependent upon a significant number of factors, some of which may be beyond our control. We may be unable to achieve these anticipated cost savings in a timely manner, if at all.

If one or more of our underlying assumptions regarding these cost saving programs proves to have been incorrect, these efforts could lead to substantially higher costs than planned and we may not be able to realize fully, or realize in the anticipated time frame, the expected benefits from our cost saving measures. We may have to replace headcount in certain areas of our workforce which might cost more than the current workforce and lead to a delay in execution capability while the replacement workforce is recruited and integrated. Furthermore, pricing pressure from our customers or competitors or other variables may deprive us of some of the anticipated long-term benefits from our cost saving programs. Our new business initiatives could result in unintended consequences, such as the loss of customers and key suppliers, a reduction in administrative or operational capabilities or collective action by our workers. Our inability to realize the anticipated cost savings from our operational efficiency strategies could have a material adverse effect on our business, results of operations, financial condition and cash flow.

Our plans for improvement may not be successful.

We are undertaking, or may undertake in the future, a variety of strategic projects throughout our business, including enhancing our supply chain processes, improving our IT infrastructure, selectively acquiring complementary businesses, establishing new facilities to grow our logistics platform, refurbishing existing branches and improving overall customer experiences. These projects are intended to transform our infrastructure and data systems, increase our cost efficiency gains and optimize our supply chain operations and our branch network. Strategic projects are often complicated, interlinked and require considerable resources to deliver them. As a result, the expected benefits and the costs of implementation of each project may deviate from those anticipated at their outset, which could adversely affect our business, financial condition, results of operations and cash flow.

If our strategic projects are not successful, or require extensive investment, we may be unable to achieve or maintain expected levels of profitability. Our strategy depends in part on continually growing our sales and increasing our market share through the optimization of our branch network. As we pursue strategic acquisitions, failure to identify, acquire and integrate suitable acquisition candidates on commercially reasonable terms could have a material adverse effect on such growth strategy. We also cannot assure you that we will continue to be able to secure high quality real estate to add to our freehold portfolio on terms and timelines acceptable to us. If our competitors are able to secure such sites, they may be able to increase their market share in these areas and consequently restrict our ability to expand. Additionally, we may experience difficulties securing new business space or refurbishing our existing branches due to regulatory measures, such as approvals from regional or local planning authorities. Although we prepare investments in our branches on the basis of detailed market research analyses which examine, among other criteria, catchment area,

purchasing power, potential demand and competition, we may still face the risk of unsatisfactory sales performance at our branches. Our market research analysis may prove to be inadequate, particularly due to factors that are difficult to predict, such as customer behavior, or the data available may prove to be insufficient, such as in periods when market conditions are changing. We cannot guarantee that any investments in our branches will yield the anticipated returns. Our failure to build or refurbish our facilities, including branches, hubs and distribution centers, and meet customer demand in a timely manner could result in a loss of business opportunities and damage to or loss of customer relationships, which could adversely affect our financial condition, results of operations and cash flow. Additionally, we cannot assure you that the opening of new branches, refurbishing of certain existing branches or integration of acquired businesses will exclude the possibility of the diverting of sales from other of our existing branches, thereby reducing sales in those branches. The growth and refurbishment of our branch network could place a strain on our management systems, infrastructure and resources. In addition, such growth and refurbishment may prevent management from having time to focus on their day to day activities. Any failure, or delay, in responding to these challenges or in implementing our expansion strategy in a timely and cost effective manner could prevent us from remaining competitive and have a material adverse effect on our business, financial condition, results of operations and cash flow.

Moreover, reduced operating results could prevent us from obtaining the capital required to effect our improvement strategy. We may be required to incur additional debt in order to consummate such plans in the future, which debt may be substantial and may limit our flexibility in using our cash flow from operations. In the future, we may be unable to arrange financing for our strategic plans on favorable terms, if at all. Consequently, we may not be able to implement any improvement plans as anticipated, or at all. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our success depends upon our ability to attract, train and retain qualified and motivated members of management and employees while also controlling our labor costs.

The successful operation of our business depends on the availability of skilled management and our continued ability to attract and retain highly skilled, qualified and motivated employees in the areas of, for example, logistics and distribution, customer service, IT, finance, procurement, marketing and research and development of our products. We are in the process of implementing large-scale strategic initiatives, and are reliant upon certain members of our senior management for the successful implementation of these initiatives and the execution of our overall growth strategy. Even if we are able to attract new qualified members of management, we cannot ensure a smooth transition with respect to the role of the successor. New management may alter our existing business plans or change our financial policies or strategies for the future and may do so without as strong of an understanding of the results of our historical business policies and strategies. We cannot assure you that any new strategies or business models adopted by any new management will attract customers, or generate revenue or operating margins consistent with, or higher than, our prior performance.

In addition, our customers expect a high level of customer service and product knowledge from our employees. To meet the needs and expectations of our customers and of the growth of our business, we must attract, train and retain a large number of qualified and competent employees while at the same time controlling labor costs. Our ability to control labor costs is subject to numerous external factors, including prevailing wage rates and health and other insurance costs, as well as the impact of legislation or regulations governing labor relations, minimum wage or healthcare benefits. If we are not successful in limiting such increases in labor costs or fail to mitigate such increases through productivity gains or if cost increases cannot be passed on to our customers or only with a delay, this might have significant negative effects on our financial condition and results of operations. However, an inability to provide wages and/or benefits that are competitive within the markets in which we operate could adversely affect our profit margins.

In addition, we compete with other businesses for many of our key employees, particularly those positions with a close personal relationship to our customers. There can be no assurance that we will be able to attract or retain suitable employees in the future. We have previously lost certain key employees in Sweden when we did not adequately incentivize our teams financially and we cannot assure you that we will be able to attract and retain key employees in the future. A shortage of suitable employees could detrimentally impact our in-branch customer service and may consequently result in reputational harm and adversely affect our results. If we are unable to retain qualified and personable employees, particularly at the branch level, our customer services may be negatively affected and we may lose repeat customers who have come to trust such employees' in-branch advice and support to our competitors. We cannot guarantee that contractual or other restrictions on existing employees will be enforceable or capable of preventing such customers from moving to our competitors, which may lead to loss of business and adversely affect our financial condition, results of operations and cash flow.

The properties at which we operate our branches, hubs and distribution centers are subject to certain permits and licenses.

The properties at which we operate our branches, hubs and distribution centers or at which we may operate new branches, hubs and distribution centers are subject to certain permits and licenses from the applicable governmental authorities. We cannot assure you that we will be able to renew such permits and licenses in a timely manner, or that the permits and licenses that we have applied for will be obtained. In addition, we cannot assume that we will obtain such permits and licenses in a timely manner for the opening of new branches, hubs and distribution centers. If we are unable to renew or obtain such permits and licenses, we may not be able to open or operate a branch, hub or distribution center, or we may be subject to certain penalties which vary from the imposition of fines to the termination of our business in the respective properties, as the case may be. Such penalties, especially the termination of our activities in the properties in which we operate our branches, hubs and distribution centers, may adversely affect our business, financial condition, results of operations and cash flow.

The valuation of our freehold real estate portfolio may not be accurate or may decrease significantly and our obligations under our leasehold real estate portfolio may be restrictive.

As of September 30, 2017, we had a freehold real estate portfolio that was independently valued at up to €805 million. Since the real estate market is affected by many factors, including but not limited to, general economic conditions, interest rates, inflation rates, urbanization rates, household disposable income levels and supply and demand dynamics, many of which are beyond our control, the valuation of our real estate portfolio may not be accurate. In addition, the value of our real properties may depreciate. Should we be required to sell all or any portion of our properties, including due to facing financial difficulties, in connection with an insolvency or otherwise, we may not be able to sell our properties at favorable prices or on favorable terms, or the prices or terms offered by prospective purchasers may not be acceptable to us. We may alternatively lease or sell the properties we own at rental rates or sales prices below our expectation, and we may experience delays in the leasing or sale of such properties we own. Moreover, the properties we own may not be as profitable as we expected and the maintenance costs of holding these properties may exceed our capital expenditure budget and place a strain on our financial capacity. Any of the foregoing may materially adversely affect our business, financial condition, results of operations and cash flow.

We also lease certain properties. We may be adversely affected if we experience any difficulty negotiating new leases or renewing leases on commercially favorable terms. From time to time we may be unable to terminate leases prior to their scheduled expiration without incurring a significant fee or financial penalty and may otherwise be unable to sub-let a leased property or assign our rights under our leasing agreements. As a result, we may not be able to terminate, sub-let or assign leases at our option, and in such circumstances, we may be unable to cease operating an unprofitable branch or facility which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our business is seasonal and could also be adversely affected by sustained periods of unfavorable weather.

The B2B construction materials distribution industry provides customers with products used largely in RMI activities and new build activities. These activities generally decrease during periods of inclement weather, and, as a result, our operations can be characterized by weather-affected fluctuations in demand. Our revenue and net working capital generally reflect seasonality in the building sector, and our most important trading period in terms of revenue, operating results and cash flow has historically been in our first and fourth financial quarters as a result of increased new build and RMI activity during warmer periods with longer daylight hours, among other things. In the winter months, we typically generate less revenue due to low construction and renovation activity as a result of cold weather, partially offset by an increase in indoor activities such as painting. Additionally, our results of operations are affected by generally consistent seasonal swings in our net working capital. Typically, we experience a cash outflow in the winter months as we tend to incur additional expenses in advance of our peak sales periods that occur during our first and fourth financial quarters. We typically experience a cash inflow in the summer and early fall as we finalize collecting payments from customers who have made purchases for their spring construction and renovation projects simultaneously as we begin collecting payments from customers who are making purchases for their summer and early fall construction and renovation projects. As a result of the seasonal nature of parts of our business, the financial results of a single financial quarter may not be indicative of the financial results of a full financial year or may not be directly comparable with the results of other financial quarters in the same year or in previous years. In addition, with respect to swings in our working capital, from time to time our existing working capital financing may not be sufficient to meet our obligations, and we may be required to either limit our business operations or obtain additional working capital financing. We may not be able to obtain such financing at attractive rates or at all, or may be restricted under our existing debt instruments in obtaining such financing. Any such inability to finance our net working capital requirements could have an adverse impact on our business, financial condition, results of operations and cash flow.

Furthermore, climate change or changes in weather patterns could lead to the occurrence of more extreme weather events or increase the frequency of extreme weather events in the future. Such adverse weather conditions could increase the effects of seasonality on our business, especially if such events occurred frequently or for a prolonged period of time, with an unusual intensity or during peak periods for RMI activities and new build activities. These and other unfavorable weather conditions may result in unsold inventory, especially of seasonal merchandise, which is difficult to clear without relying on promotional activities. Deliveries and service levels may also fluctuate based on weather conditions. Any of the foregoing could materially affect our business, financial position, results of operations and cash flow.

Our business is subject to increased transportation costs and could be affected by the disruption of transportation services.

Logistics is an important element of our cost structure. We transport products between our hubs, distribution centers and branches and deliver products to our customers, relying on approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs. Any material disruption in, or lack of availability of, transportation or significant increases in fuel prices, road tolls or demand-driven market prices resulting in higher transportation costs, as well as increasing costs relating to emissions control requirements that have been or may be imposed in the future, could have a material adverse effect on our business, financial condition, results of operations and cash flow. In cases where we rely on third party-owned delivery trucks, our ability to service our customers at commercially reasonable costs depends on our ability to negotiate commercially reasonable terms. To the extent that third party-owned delivery trucks increase their rates, for example, as a result of higher labor, maintenance, fuel or other costs they may incur, or due to other factors, such as capacity shortages or consolidations, we may be forced to pay such increased rates without being able to pass through such increased transportation costs to our customers. In addition, we are sometimes required to source products internationally, and in such cases we may be subject to higher transport costs and may face a greater threat of damage to our products during shipping, either of which may have a negative impact on our inventory costs and working capital.

Any material increases in our transportation costs that we are unable to pass on to customers fully or in a timely manner could have a material adverse effect on our business, financial condition, results of operations and cash flow. Furthermore, pursuant to our expansion strategy, we intend to open additional facilities, which may increase our exposure to logistics costs and risks. Any increases in the cost of transportation or any disruption in transportation could have a material adverse effect on our business, financial condition, results of operations and cash flow.

We may face increasing prices in raw materials and fuel.

We purchase and sell products that are made with, among other materials, wood or steel as part of our business. The prices of many of these materials are volatile and set by international commodities markets. For example, prices of wood products, including timber and panel products, are subject to significant volatility and directly affect our sales and earnings as we have limited ability to manage the timing and amount of pricing changes for building products. If we or our suppliers face increasing purchase prices for those materials, the prices we pay to purchase inventory may increase. Suppliers normally seek to pass increased raw materials costs through to us, and may be able to do so depending on our ability to obtain alternative supplies. In addition, the supply of building products fluctuates based on available manufacturing capacity. A shortage of capacity or excess capacity in the industry can result in significant increases or declines in prices for those products, often within a short period of time. If our suppliers are forced to close their manufacturing plants or we are otherwise reliant on a more concentrated number of suppliers, we may experience higher prices for our supplies and lower margins for our products. While we have historically been able to pass increased costs on to customers, sometimes through contractual terms, we may be prevented from doing so in the future due to competition, the need to uphold good customer relationships or other factors. Any increase in the prices at which we purchase our inventory, particularly those exacerbated by lower margins on the products we sell, may adversely affect our business, financial condition, results of operations and cash flow.

Furthermore, higher prices for products involving fuel-intensive manufacturing and transportation processes could also lead to an increase in the overall procurement costs for the finished products we stock. Increases in fuel prices also affect the operating costs of our branch network and may only be offset to a limited degree through cost-saving measures. If we are unable to pass on such costs to our customers, or only following a certain delay, we may face declining margins. As we are dependent on maintaining good relationships with our customers generally, our attempt to pass through higher raw material or other costs to them may lead to disruptions in such relationships or significant decreases in the volume of products purchased, which may adversely affect our business, financial condition, results of operations and cash flow.

Our business operations could be adversely affected by natural disasters, public health crises, political crises or other catastrophic events.

Natural disasters, such as hurricanes, tornadoes, storms, floods, earthquakes and other adverse weather and climate conditions; unforeseen public health crises, such as pandemics and epidemics; political crises, such as terrorist attacks, war and other political instability; or other catastrophic events, whether occurring in the Nordics or internationally, could disrupt our operations or the operations of one or more of our suppliers. In particular, these types of events could impact our product supply chain from or to the impacted region and could impact our ability to operate our branches or websites. In addition, these types of events could negatively impact customer or consumer spending in the impacted regions or, depending upon the severity, globally.

To the extent that such events were to result in a decrease in housing starts, the closure of one or more of our branches or impair our ability to purchase, receive or replenish inventory, our operations and financial performance could be materially and adversely affected. In particular, acts of terrorism could result in us experiencing a decline in our revenue if customers are deterred from shopping in general or if one or more of our branches, due to their location, are perceived to be particularly at risk from such acts of terrorism. In addition, any of these events could result in price increases for, or shortages of, fuel, delays in opening new branches, and/or a temporary or long-term disruption to our supply chain and ability to distribute products to our customers. In addition, these events can have indirect consequences (such as increases in the cost of insurance) if they result in a significant loss of property or other insurable damage. Moreover, our disaster recovery plans may be insufficient to cope adequately with such unforeseen circumstances. To the extent any of these events occur, our operations and financial results could be materially adversely affected.

We may encounter difficulties in our relationships with suppliers.

We purchase our goods through a broad international network of suppliers and manufacturers. Our ability to continue to identify and develop relationships with qualified suppliers and manufacturers who can satisfy our high standards for quality and our need to access products in a timely and efficient manner is a significant challenge. We believe that there are a limited number of reliable, high quality suppliers in the industry who are prepared to provide a sufficient volume and quantity of products, and if we were required to obtain additional or alternative agreements or arrangements in the future with suppliers, we may be unable to do so on satisfactory terms or in a timely manner. Some of our supplier contracts, for example, offer us better pricing depending on the quantity of supplies we purchase from them. Any disputes with our preferred suppliers could limit our ability to maintain our quality standards and meet customer demand for our products at favorable prices.

If our existing suppliers were unable or unwilling to continue to supply our needs, or if they were to be willing to do so only at higher prices or on commercially unfavorable terms, our ability to provide materials, products and services to our customers at competitive prices will be adversely affected. For example, our ability to obtain an adequate volume and quality of timber, for example, could be affected by, among other things, forest fires, insect infestation, tree diseases, prolonged drought, other adverse weather and climate conditions, and government regulations relating to forest management practices, each of which may threaten our suppliers' ability to perform their contractual obligations to us. Since we may be unable to procure such materials and products elsewhere at short notice, we may experience supply delays, and we may be forced to revise the terms, including the price, on which we supply products to our customers, which could prompt our customers to purchase those products from our competitors. Additionally, if we become reliant on a more concentrated number of suppliers for such materials, we may experience higher prices for our supplies and lower margins for our products.

We have framework agreements in place with the majority of our suppliers and standard terms and conditions in place for most other suppliers. In the twelve months ended October 31, 2017, approximately 17% of our sourcing spend was incurred without a framework agreement in place. Where we have agreements in place, such agreements do not usually contain minimum purchase or sales obligations for either party and may be terminable by either party on limited notice. Failure by our suppliers to continue to supply us with products on commercially reasonable terms, or at all, could put pressure on our operating margins or have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our business and competitive position could be harmed if we are unable to protect and enforce our intellectual property rights or if we are unable to protect the confidentiality of our proprietary information.

Our business unit trademarks, namely STARK, Beijer and Neumann, and the trademarks for our own brand products, namely Raw, Raptor, Domestic and Basics, are significant value drivers in our business. Third parties may in the future try to challenge the ownership, scope and/or validity of our intellectual property. In addition, our business is

subject to the risk of third parties infringing our intellectual property rights. We may not always be successful in securing protection for or stopping infringements of our intellectual property rights. We may need to resort to litigation in the future to enforce our intellectual property rights. Any such litigation could result in substantial costs and a diversion of resources. Our failure to protect and enforce our intellectual property rights could have a material adverse effect on our business, results of operations or financial condition.

In addition to intellectual property rights, we also rely on trade secrets and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

We may infringe or be alleged to have infringed intellectual property rights of third parties.

It is also possible that we may infringe or be alleged to have infringed intellectual property rights owned by third parties who may challenge our right to continue to sell certain products and/or may seek damages from us. Any infringement or other intellectual property claim made against us, whether or not it has merit, could be time consuming, result in costly litigation, cause product delays or require us to enter into royalty or licensing agreements. If successful, such complaints could lead to products or services being withdrawn from our branches and could have a material adverse effect on our business, results of operations or financial condition.

We have been and may in the future be subject to litigation.

In the normal course of our business operations, we may be involved with legal proceedings initiated by our customers, employees, suppliers and other third parties, both in court and out of court. See "*Business—Legal Proceedings*." For example, on September 13, 2017, STARK DK was charged with an alleged bribery offense under the Danish criminal code relating to the payment in 2013 of DKK10,000 (approximately €1,500) by a former branch manager of one of STARK DK's Aarhus branches to a local badminton club at which a leading employee of Aarhus municipality was a board member. The charges allege that STARK DK was hired as one of Aarhus municipality's suppliers in return for such payment. The branch manager in question as well as his direct supervisor left STARK Group in 2015. According to the information currently available, it is our view that management of STARK DK, at the time of the payment, was not aware of the former branch manager's activities. Under Danish criminal law, in order to be liable, STARK DK's management at the time of the payment must have been aware of and sanctioned the activity of the former branch manager. STARK DK is fully cooperating with the local police on this matter and intends to vigorously defend itself against the allegations. In case of a conviction, STARK DK could be liable to pay a fine. While management currently believes that the chances of a conviction of STARK DK are low, we cannot guarantee you that the case against STARK DK will be dropped. Should STARK DK be convicted of the alleged bribery offense, we could be required to pay a fine and our reputation may be harmed. We have been advised by external counsel that if a fine were levied, such external counsel would not expect the fine to be more than the DKK10,000 in question.

Legal proceedings in which we may be involved, whether individually or in the aggregate, could involve substantial claims for damages or other payments and, even if we successfully dispose of lawsuits without direct adverse financial effect, such alleged claims could have a material adverse effect on our reputation and divert our financial and management resources from more beneficial uses. If a court or arbitral body found us to be liable under any such claims, the resulting litigation or arbitration expense and any damage to our reputation could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Shop crime and fraud in our branches and on our online sales platforms may adversely affect our business.

We seek to prevent shop crime and fraud in our branches and on our online sales platforms. Accordingly, in recent years we have invested annually in training, security techniques, preventive measures and equipment such as security cameras. Despite these efforts, shop crime and fraud continue as new methods of committing fraud continue to be developed, including those performed by our employees. Fraud and other cyber-crimes may also target our online sales platforms. There can be no assurance that continued or expanded efforts to counteract this trend will be effective or that the cost of such efforts will not increase. Moreover, while we do not manage a significant amount of cash at the cash

registers in our branches, we cannot prevent the risk of experiencing shop crime and fraud due to, for example, perceptions that we have high cash levels in-branch. The failure to control and reduce shop crime and fraud in a cost-effective manner could have a material adverse impact on our business, financial condition, results of operations and cash flow. In addition, any shop crime or fraud may give rise to litigation, which could be time consuming for our management team, costly and have a material adverse effect on our reputation.

Any inability to update our information technology and/or a disruption in our information technology systems could adversely affect our operations.

Our business activities rely to a significant degree on the efficient and uninterrupted operation of our IT systems, particularly because our branches must record and process a substantial volume of sales transactions and inventory management information quickly and accurately. The efficient operation and management of our business relies heavily on a wide range of complex IT systems, both in terms of the availability of hardware and the efficient and effective operation of software. The fast pace of technology advances together with our expansion has resulted in an increasing demand for IT services, particularly as we develop new capabilities to supply products through new channels such as phone and online based ordering. We rely upon our information technology systems to manage and replenish inventory, to fill and ship customer orders on a timely basis, and to coordinate our sales activities across all of our products and services. Any significant disruption to the operations of our IT systems (arising from, for example, system capacity limits from unexpected increases in our volume of business, outages, or delays in our service) could significantly affect our ability to carry out sales transactions in-branch, over the phone and online and could result in delays in receiving inventory and supplies or filling customer orders and adversely affect our customer service and relationships. Our systems might be damaged or interrupted by natural or man-made events or by computer viruses, physical or electronic break-ins, or similar disruptions affecting internet users. There can be no assurance that such delays, problems, or associated costs and resulting loss in sales from a critical failure of our IT systems will not have a material adverse effect on our business, financial condition and results of operations. Additionally, we currently rely heavily on certain long-standing key IT personnel, and if they leave their position with us or retire, we may not be able to find adequate replacements in a timely manner.

The expansion and optimization of our existing operations will from time to time entail significant investments. For example, we currently operate on a number of older IT systems, which may require replacement or significant development and integration in order to support changes in business demand and in legislative requirements. In addition, while we have historically had a fully in-house IT operation setup, we will be moving towards greater reliance on external strategic IT partners. In connection with the Acquisition, we plan to outsource most of our IT services, including, for example, hosting, support functions and application management services. The introduction and integration of new software or upgrades require not only considerable investment but also skilled personnel, and may not be successful or may take longer than initially anticipated. If we were not able to implement such new systems, if required, in a timely and cost effective manner, our business, financial condition, results of operations and cash flow could be adversely affected. In addition, any significant disruption or breakdown in any of the systems at our external IT partners' facilities may result in a significant disruption of our operations and could significantly affect our ability to manage our IT systems, which in turn could adversely affect our business, financial condition, results of operations and cash flow.

If we do not maintain the privacy and security of customer, employee, supplier or our business information, we could damage our reputation, incur substantial additional costs and become subject to litigation.

In connection with our operations, we regularly store and handle personal information and purchasing preferences of our employees, customers and suppliers, including personal data and credit card information. While we believe we employ industry-standard methods for data security, our information systems have faced in the past, and may face in the future, cyber attacks, and are vulnerable to an increasing threat of continually evolving cybersecurity risks, as cyber criminals develop new ways to gain unlawful access to protected information systems. Any significant compromise or breach of our data security, whether external or internal, or misuse of employee, supplier or customer data, could significantly damage our reputation, cause the disclosure of confidential customer, employee, supplier or business information, and result in significant costs, lost sales, fines and lawsuits. While we have implemented systems and processes to protect us against unauthorized access to or to use of secure data and to prevent data loss, there can be no guarantee that these procedures are adequate to safeguard against all data security breaches or misuse of the data. Moreover, regulations related to information security, data collection and use, and privacy are becoming increasingly rigorous in the countries and regions in which we operate, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs.

Prolonged disruptions of business operations due to work stoppages or strikes could adversely affect our business.

A significant part of our workforce is, and other members of our workforce in the future may be, represented by unions. Although we believe that we have good relations with the labor unions that represent our labor force, we cannot assure you that we will not experience a deterioration in our labor relations, resulting in strikes or other disturbances occasioned by our unionized labor force. For example, labor unions may organize strikes if they disagree with our business strategy. Furthermore, we cannot assure you that, upon the expiration of existing collective bargaining agreements with the unions representing our labor force, we will be able to reach new agreements on satisfactory terms or that we would agree on such new agreements without work stoppages, strikes or similar industrial actions. If our workers were to engage in industrial action, our operations could be adversely affected and our business, financial condition, results of operations and cash flow could suffer material harm.

In addition, work stoppages or other disruptions of the business operations, strikes or similar measures at our suppliers' sites or any logistics provider could impact our ability to deliver our products and services to our customers. Moreover, our customers, namely B2B customers, may enter into stricter union agreements that could impact their operations and demand for our products and increase our cost base. Any of these events could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Interruptions at any of our hubs or distribution centers or disruptions in our existing supply chain could have a material adverse effect on our operations.

When we purchase products from certain of our suppliers, we take delivery of those products at our branches, hubs or distribution centers before we arrange for their transportation to our branches for sale or delivery directly to our customers. We rely on five ship hubs, one light-side hub, five central distribution centers and certain dedicated branches for the storage and distribution of such suppliers' products and to serve our overall network of branches in the Nordics. Any major breakdown, disturbance or accident which affects any of our hubs and distribution centers may have a material impact on the operation of our supply chain, which would adversely impact our ability to distribute products to our branches and our customers in a timely manner and could affect our in-branch inventory and our ability to meet our customers' requirements. For instance, we could incur significantly higher costs and longer lead times associated with distributing our products to our customers during the time it takes us to reopen or replace a damaged hub or distribution center. In these cases, while we can rely more heavily on the dedicated branches that we utilize to store and distribute our products, we would experience higher cost to serve and lower availability of stock due to the size and location of these branches relative to our hubs and distribution centers.

Furthermore, because we source a portion of our products internationally, our logistics providers may encounter issues associated with international shipping that could affect their ability to deliver our products on time or at all. For instance, there may be delays or cancellations in the shipments of our products as a result of, but not limited to, natural catastrophes, geopolitical issues, labor disruptions or any unforeseen failures in the operations or financial condition of our third-party partners. Any delay in our shipments of products could affect our ability to offer our full product range. Failures in our supply chain, such as those mentioned above, could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our future growth and profitability depends on the success of, and the prevention of liability from, our advertising strategy.

We rely on advertising to increase customer and consumer awareness of our product offers and pricing and to increase branch traffic. As laws and regulations rapidly evolve to govern the use of advertising platforms, including digital and mobile devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations on the use of these platforms and devices could adversely impact our business or subject us to fines or other penalties. Our future growth and profitability will depend in part upon the appropriateness, effectiveness and efficiency of our advertising and marketing programs. In order for our advertising and marketing programs to be successful, we must manage advertising and marketing costs effectively in order to maintain acceptable operating margins and returns on our marketing investment, and convert consumer and customer awareness into actual branch visits and product purchases.

Additionally, a large proportion of our revenue is generated by repeat customers. To further our relationship with key customers and as part of our advertising strategy, we organize social events with certain customers who pay to attend these events. In the future, if these advertising events become taxable or are perceived as excessive gifts or are otherwise deemed to be unlawful incentives by the relevant authorities, this may have a material adverse effect on our business, financial condition, results of operations and cash flow.

Compliance with or changes in the regulatory environment could adversely affect our business.

We are subject to and must comply with various directives by the European Union and other national and local laws and regulations governing, among other things, advertising, product safety, timber sourcing, data protection, intellectual property protection, health and safety, labor, building, environment, tax and other laws and regulations, including consumer credit and consumer protection regulations and zoning and occupancy ordinances, which regulate retailers generally and/or govern the importation, promotion and sale of merchandise. For example, we are subject to various environmental laws, ordinances and regulations and although we believe that our facilities are in material compliance with such laws, ordinances, and regulations, as owners and lessees of real property, we can be held liable for the investigation or remediation of contamination on such properties, in some circumstances, without regard to whether we knew of or were responsible for such contamination. No assurance can be provided that remediation may not be required in the future as a result of spills or releases of petroleum products or hazardous substances, the discovery of unknown environmental conditions, more stringent standards regarding existing residual contamination, or changes in legislation, laws, rules or regulations. More burdensome environmental regulatory requirements may increase our general and administrative costs and adversely affect our financial condition, results of operations and cash flow.

Other applicable laws and regulations may also change or become more stringent, and consequently compliance with these regulations could lead to increased costs, and violations of these regulations could result in damage payments, substantial fines, the revocation of applicable permits, remediation costs for existing liabilities and increased costs for future liabilities, and materially harm our financial condition and results of operations. In addition, a tightening up of zoning and planning regulations may limit our ability to expand our business and therefore adversely affect our financial condition, results of operations and cash flow. Moreover, as we derive a portion of our turnover from public sector related expenditure, changes in government policy that decrease governmental public sector spending, redirect material purchasing directly towards the manufacturers, increase the requirements on suppliers or otherwise restrict the awarding of government contracts could lead to a reduction in our revenue and have a material adverse effect on our business, financial condition, results of operations and cash flow.

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, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to investigations or challenges with respect to our tax liabilities that may adversely impact our results of operations. In addition, negative public attention regarding such investigations or challenges or our tax structure in general could damage our brand or reputation.

From time to time, we are involved in discussions with tax authorities regarding our tax liabilities, which may lead to a revision in our tax liabilities, and therefore impact our financial position. In such a case, we may be subject to negative public attention, which could have an adverse impact on our reputation or relations with our customers, employees, suppliers or other third parties.

Our results may be adversely affected by increases in the rate of value added tax or other applicable tariffs.

Our results may be adversely affected by increases in the rate of value added tax ("VAT") or other applicable tariffs. VAT has historically increased and could increase further in the future or be expanded to cover products and services not previously covered. To date, we have been able to pass on increased VAT costs to our customers by increasing the prices of our products to match the increase in VAT. If we are unable to do so in the future, our profitability margins will be negatively impacted. On the other hand, when passing the increase in VAT on to our customers by raising the prices of our products, the demand for our products could decline.

In addition, we often rely on generally available interpretations of the regulation applicable to VAT and other taxes and tariffs. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these regulations. If our tax positions are challenged by relevant tax authorities, the increase in the rate of VAT applicable to

our activities or the imposition of additional taxes or tariffs 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, financial condition, results of operations and cash flow.

We are subject to currency exchange and inflation risk, which may adversely affect our financial condition and results of operations.

We are exposed to fluctuations in currency exchange rates because we source, either directly or indirectly, a portion of our products from foreign suppliers and we generate revenue in euro, Danish krone, Swedish krona and Norwegian krone. If the value of the currency in which the purchase price of our products is denominated increases relative to the currency in which we generate revenue for such products, the profit margin for any such transaction would be reduced.

Although we may engage in foreign exchange hedging transactions to reduce our foreign currency exposure, our hedging strategies may not adequately protect our operating results from the effects of exchange rate fluctuations, and will reduce any benefit that we might otherwise have received from favorable movements in exchange rates. Inflation and fluctuations in currency exchange rates may thus adversely affect our business, financial condition, results of operations and cash flow.

We are subject to liquidity and credit risk, which may adversely affect our financial condition and results of operations.

We may be unable to obtain long-term financing for our investments for growth such as investments in our branches, the procurement of large quantities of supplies or other investments from banks if financing conditions in the capital markets change. If we become obligated to immediately repay any funds drawn due to a default under any financing documentation, we would be required to obtain refinancing, which may only be available on stricter terms and conditions. If any of the aforementioned risks materializes, this could have a material adverse impact on our business, financial condition, results of operations and cash flow.

In addition, trade credit from our suppliers is an important source of financing for the purchase of the inventory we sell in our branches. Accordingly, the loss of, or a reduction in, trade credit (whether as a result of commercial, financial or regulatory influences) could have a significant adverse impact on our inventory levels and operating cash flow and negatively impact our liquidity. Our suppliers may seek credit insurance to protect against the nonpayment of amounts due to them. If credit insurance is not available to suppliers at reasonable terms or at all, suppliers may demand accelerated payment of amounts due to them or require advance payments or letters of credit before goods are shipped to us. A negative change in our credit ratings or our suppliers' perception of our creditworthiness, including due to pending debt maturities, may impact their willingness to provide trade credit to us or the ability of our suppliers to obtain credit insurance in respect of credit given to us. Any adverse changes in our trade credit for these or other reasons could increase our costs of financing our inventory or negatively impact our ability to deliver products to our customers, which may adversely affect our business, financial condition, results of operations and cash flow.

We provide the majority of our customers with short-term credit for which we carry the associated credit risk or pass on to credit insurers. We also have supply arrangements with suppliers, which can result in them owing us significant rebates. As such, we are exposed to the risk of credit default and generally risks of financial losses in connection with financial investments and derivative financial instruments, which may increase if economic conditions deteriorate. We endeavor to limit these credit risks by maintaining credit insurance and working exclusively with contractual partners of strong credit worthiness and selecting banks covered by collective deposit security arrangements, but we cannot exclude the possibility that one or more of our contractual parties may be unable to comply in part or in full with the obligations entered into under financial instruments, which could in turn increase our premiums with our credit insurer. If such a risk materializes, there may be a material adverse effect on our business, financial condition, results of operations and cash flow.

We are subject to certain competition and antitrust laws.

Our business is subject to applicable competition and antitrust laws, as well as the rules and regulations of the European Union. We may become subject to legal action or investigations and proceedings by national and supranational competition and antitrust authorities for alleged infringements of antitrust laws, which could result in fines or other forms of liability, or otherwise damage our business reputation, which could have a material adverse effect on our business, results of operations and financial condition. Such laws and regulations could limit or prohibit our ability to grow in certain markets.

Existing insurance coverage may turn out to be inadequate.

We seek to cover foreseeable risks through insurance coverage. Such insurance coverage, however, may not fully cover the risks to which we are exposed. This can be the case with insurance covering legal and administrative claims as well as with respect to insurance covering other risks. For certain risks, adequate insurance coverage may not be available on the market at all or may not be available on reasonable commercial terms. Consequently, any harm resulting from the materialization of these risks could result in significant capital expenditures and expenses as well as liabilities, which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

We are subject to liabilities in connection with our pension plans.

Certain of our employees participate in defined benefit and defined contribution pension plans. These pension plans expose us to actuarial risks such as longevity risk, interest rate risk, salary risk and investment risk. In addition, in respect of contribution plans, changes in actuarial and financial assumptions used in determining the contribution level may require us to increase our pension fund contributions in 2018 and beyond. In addition, in respect of defined benefit plans, the majority of the plans' defined benefit obligations are linked to inflation and an increase in inflation rates will result in higher pension liabilities. At the same time, the majority of the plans' assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation rates will also increase plan deficits. The majority of the plans' obligations are to provide benefits for the life of the member, so that increases in life expectancy will result in an increase in the plans' liabilities. If we are required to increase our cash contributions to the pension scheme, our business, financial condition, results of operations and cash flow could be materially adversely affected.

In Sweden, our Beijer business unit currently participates in collectively bargained defined contribution and defined benefit pension plans for its white collar employees. Retirement pensions provided under the defined benefit plan can be financed (i) through insurance contracts with a mutual insurance company, (ii) by accruing a liability for promised benefits on the plan provider's balance sheet and paying out pensions as these fall due or (iii) by making contributions to an independent pension foundation. In the case of (ii) and (iii), a plan provider is obligated to take out insolvency protection with PRI Pensionsgaranti, a mutually owned credit insurance and administrator of the relevant defined benefit plan. Our Beijer business unit is currently accruing a liability for the promised benefits on its balance sheet, which amounted to €48 million under IFRS as of July 31, 2017. In line with Swedish law requirements, Beijer has taken out a credit insurance policy with PRI Pensionsgaranti. Beijer's obligations to PRI Pensionsgaranti under the credit insurance policy are guaranteed by Ferguson and secured by a floating charge over Beijer's assets and business. Ferguson's guarantee will remain in place until the credit insurance policy is due for renewal in May 2018. In connection with the Transactions, we have contacted PRI Pensionsgaranti and informed them of the anticipated change in ownership of Stark Group. Following the consummation of the Transactions, unless otherwise agreed with them, PRI Pensionsgaranti will remain the holder of the above mentioned floating charge and may also require additional or replacement guarantees from one or more members of the Group, including the Issuer or one or more Guarantors, and/or additional collateral, including over assets and properties constituting Post-Issue Date Collateral. PRI Pensionsgaranti is entitled to cancel the credit insurance policy should they consider that they have not received satisfactory collateral or should Beijer fail to provide additional collateral to PRI Pensionsgaranti's satisfaction. Upon any cancellation of the credit insurance policy provided by PRI Pensionsgaranti, Beijer would be required to subscribe to a mandatory pension insurance policy with Alecta (the sole provider of the requisite pension insurance policies that could cover Beijer's pension liability), the cost of which could exceed 150% of the aggregate amount of Beijer's incurred pension liabilities and will be calculated by Alecta.

At the option of the Issuer, collateral and guarantees to PRI Pensionsgaranti, together with any other Pension-related Obligations, are permitted under the Indenture and the Intercreditor Agreement to rank senior to our obligations under the Notes and the Notes Guarantees. See "*—Risks Related to Our Financing Arrangements and the Notes—Creditors under the Revolving Credit Facility, any credit facility that refinances or replaces the Revolving Credit Facility, certain hedging obligations and certain other indebtedness and obligations permitted to be incurred on a priority basis under the Indenture are entitled to be repaid in priority to the Notes. Holders of the Notes will not control decisions regarding the Collateral in certain circumstances*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes.*" Additionally, in the future, Beijer may choose to, or may be required to (or another member of the Group may choose to, or may be required to) enter into one or more pension insurance lines or similar agreements pursuant to which any pension liabilities (including liabilities to any pension insurance provider, including, without limitation, PRI Pensionsgaranti) of any member of the Group incorporated in (or under the laws of), or which liabilities are otherwise subject to, or governed by, the laws of, Sweden, may be guaranteed, cash collateralized and/or extended any other credit support. Such future arrangements may be secured on the Post-Issue Date Collateral on a priority basis with our obligations under the Notes and the Notes Guarantees.

We are subject to risks associated with acquisitions, dispositions and joint ventures.

In the future, to expand our business, we may pursue strategic acquisitions, business combinations and joint ventures intended to complement or expand our business. Any future acquisitions, business combinations or joint ventures by us could involve a number of special risks, including: the diversion of management's attention and resources to the negotiation, execution and assimilation of the acquired companies and their employees and to the management of expanding operations; the incorporation of acquired products into our product lines; problems associated with maintaining relationships with employees, suppliers and customers of acquired businesses; the increasing demands on our operational systems; possible adverse effects on our reported operating results, particularly during the first several reporting periods after such acquisitions are completed; and the loss of key employees and the difficulty of presenting a unified corporate image. In addition, we may become liable for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence in connection with any future acquisition. Furthermore, we may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems, and the costs of such integration could have a material adverse effect on our operating results and financial condition. In addition, we may not be able to control any future joint ventures and therefore may be dependent on our respective joint venture partners to cooperate with us in making decisions regarding the relevant joint venture.

From time to time, we also make divestments as part of our strategy. For example, during the year ended July 31, 2017, we divested our DIY brand, Silvan, in order to focus on our core business and customer groups. However, we cannot assure you any divestments we have made or may make in the future will lead to positive growth for our business. Such divestments could result in less revenue, write-downs of goodwill and a lower amount of total assets on our balance sheet. We may encounter unanticipated events, costs or delays and retain or incur contract or legal liabilities related to the divested business with respect to employees, customers, suppliers, independent agents, public authorities or other parties. These divestments may also negatively affect our end-market and customer diversification and our ability to meet our customers' demand or to realize expected growth or cost savings, and may also increase our exposure to cyclicality. The separation of the divested business may lead to delayed implementation of strategic initiatives of the retained business.

In addition, we may also continue to reorganize our branch network as part of our optimization strategy. For example, during the year ended July 31, 2017, we closed 30 underperforming branches in low growth regions. However, we cannot assure you that such branch closures, or any future branch closures, will lead to positive growth for our business. Such branch closures may negatively affect our end-market and customer diversification due to more limited access to our products and services and our ability to meet our customers' demand or to realize expected growth or cost savings. Any of these consequences could have a material adverse effect on our business, financial position and results of operations.

The interests of our current or future controlling shareholders may be inconsistent with the interests of holders of the Notes.

The interests of our shareholders, in certain circumstances, may conflict with your interests as holders of the Notes. After the Acquisition Completion Date, the Sponsor will hold a controlling stake in our Group. As a result, the Sponsor will have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve any other changes to our operations. For example, the shareholders could vote to cause us to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement so permit. The interests of the Sponsor could conflict with interests of holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. The Sponsor could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments although such transactions might involve risks to the holders of the Notes.

Risks Related to the Acquisition

The Acquisition is subject to certain conditions and risks.

On November 10, 2017, the Issuer entered into the Acquisition Agreement to acquire all of the issued and outstanding share capital of the Target. We currently expect the Acquisition to complete in the spring of 2018. The consummation of the Acquisition is, however, subject to the satisfaction of certain conditions, including clearance by the competent merger control and foreign investment law authorities and the performance of certain closing actions. The parties to the Acquisition Agreement will not consummate the Acquisition until the conditions are fulfilled, which may,

potentially, take a number of months and, in exceptional circumstances, significantly longer. Certain subsidiaries or assets of the Target may have to be sold or spun-off in order for the parties to the Acquisition Agreement to obtain clearance by the competent merger control and foreign investment law authorities, which might lead to the loss of operational benefits and might adversely affect the Group's financial position. Accordingly, the parties may not be able to undertake this transaction in a timely fashion, without remedies, or at all. Any such remedies may make the Acquisition less attractive. The realization of any risks related to uncertainties of the Acquisition could have a material adverse effect on our business, financial position and results of operations.

The Issuer does not currently control the Group and will not control the Group until completion of the Acquisition.

The Issuer will not obtain control of the Group until completion of the Acquisition. The Seller may not operate the business of the Group during the interim period from signing of the Acquisition Agreement until completion of the Acquisition in the same way that we would. Some information contained in this offering memorandum has been derived from public sources and, in the case of historical information relating to the Group, has been provided to us by the Seller, the Target and the Target's subsidiaries. The Issuer and Bidco have relied on such information supplied to them in the preparation of this offering memorandum. Furthermore, the Acquisition itself has required, and will likely continue to require, substantial time and focus from management, which could adversely affect their ability to operate the business. Likewise, employees may be uncomfortable with the Acquisition or feel otherwise affected by it, which could have an impact on work quality and retention.

In addition, prior to the Acquisition Completion Date, the Target and its subsidiaries will not be subject to the covenants described in "*Description of the Notes*" to be included in the Indenture. As such, we cannot assure you that, prior to such date, the Target and its subsidiaries will not take any action that would otherwise have been prohibited by the Indenture had those covenants been applicable. Any of the risks associated with the Issuer's lack of control over the Target and its subsidiaries until the completion of the Acquisition could have a material adverse effect on our business, financial position and results of operations.

The Target's historical financial information may not be representative of our future results.

During all historical periods covered by the Financial Statements included in this offering memorandum, and until the consummation of the Acquisition, the Target has been and will be wholly owned by the Seller. Accordingly, the Target has no independent operating history that can be used as a basis for evaluating our financial condition, results of operations and expected future performance following the Transactions. We cannot assure you that the risks and challenges we face as an independent company, including planning or anticipating operating expenses, servicing our indebtedness and obtaining financing on a stand-alone basis, will not have a material adverse effect on our business, our financial position and our results of operations. The Target's historical financial information included in this offering memorandum reflects, among other things, fees paid to Ferguson in return for certain services as well as corporate allocations for certain general and administrative expenses deemed to be attributable to the Target. However, these allocations reflect the corporate general and administrative expense attributed to the Target as part of a larger organization and do not necessarily reflect the corporate general and administrative expense that the Target would have incurred had it been operating independently, including costs related to insurance, IT, finance and treasury functions. Accordingly, the consolidated financial statements of the Target and the other historical financial information included in this offering memorandum do not necessarily indicate what our results of operations, financial condition, cash flows or costs and expenses will be in the future.

The Unaudited Adjusted Financial Information for the Ongoing Business is not intended to reflect what our actual results of operations and financial condition would have been without the divestment of Silvan, the Branch Closures and the Property Portfolio Adjustment for the periods presented and thus these results may not be indicative of our future operating performance.

We have no available historical financial information that reflects the divestment of Silvan or the effects of the Branch Closures and the Property Portfolio Adjustment as the divestment of Silvan occurred during our financial year ending July 31, 2018. We include the results of operation, financial position and cash flows from Silvan in our Financial Statements as discontinued operations, which are shown separately from continuing operations in our Financial Statements. In the future, we will report our consolidated financial results excluding Silvan.

The Unaudited Adjusted Financial Information for the Ongoing Business of the Target gives effect to the Branch Closures and the Property Portfolio Adjustment as of and for the periods presented therein. The Unaudited Adjusted Financial Information for the Ongoing Business has been prepared by management of the Target, including the adjustments. See "*Presentation of Financial and Other Data*" and "*Unaudited Adjusted Financial Information for the*

Ongoing Business." We believe the estimates and assumptions used to produce the Unaudited Adjusted Financial Information for the Ongoing Business are reasonable, but such estimates and assumptions may prove to be inaccurate over time. Accordingly, the historical and adjusted financial information included in this offering memorandum may not reflect what our results of operations and financial condition would have been without the divestment of Silvan, the Branch Closures and the Property Portfolio Adjustment during the periods presented, or what the results of operations and financial condition of the Issuer will be in the future. Our first annual financial report describing the results of our first fiscal year may not contain comparative data against the Unaudited Adjusted Financial Information for the Ongoing Business included elsewhere in this offering memorandum. See "*Presentation of Financial and Other Data*" and "*Unaudited Adjusted Financial Information for the Ongoing Business*."

The Target is exposed to risks associated with the separation of its business from the Ferguson Group.

The Target has operated as part of the Ferguson Group since 2006, during which time the Target has shared certain functions with the Ferguson Group, including IT, governance, treasury, tax and insurance functions. The nature and extent of functions provided on a Ferguson Group-wide basis, particularly about which the Target has limited information or prior experience, may render the separation of the Target from Ferguson Group costly and time-consuming and may diminish the amount of synergies we expect to generate from the integration of the Target business into our own business. We cannot assure you that we will be able to replicate the shared functions provided under the Ferguson Group on a stand-alone basis in a timely and cost-efficient manner or at all, including, for example, as a result of the Target incurring costs related to sourcing dis-synergies as a smaller purchaser and in connection with employing additional employees responsible for sourcing. In addition, the design and execution of the separation from the Ferguson Group may require the devotion of substantial time and attention from management and key personnel and may have an adverse effect on the conduct of normal business operations. The separation may increase the likelihood of operational risks such as delays in bringing products to market, compliance risk such as ineffective internal controls and financial risks such as reporting risks. Moreover, the design and execution of the separation may involve significant support from external legal, tax, financial and other professional consultants and as a result, the Target may incur substantial costs. Any of the foregoing could have a material adverse effect on our business, financial position and results of operations.

If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.

The gross proceeds from the Offering will be held in the Escrow Account pledged in favor of the Trustee for the benefit of the holders of the Notes pending the satisfaction of certain conditions, some of which are outside of our control. If the Acquisition is not consummated on or prior to the business day immediately following the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption as described in "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and you may not obtain the return you expect to receive on the Notes.

The Escrowed Property will be initially limited to the gross proceeds of the Offering and will not be sufficient to pay the special mandatory redemption price, which is equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the date of special mandatory redemption. In the event that the Escrowed Property is insufficient to pay the special mandatory redemption price, plus any such accrued and unpaid interest and Additional Amounts, Lone Star Fund X will be required to make an equity contribution in an amount required to enable the Issuer to pay such accrued and unpaid interest and Additional Amounts, if any, owing to the holders of the Notes.

Your decision to invest in either series of the Notes is made at the time of purchase. Changes in the business or financial position of the Target and its subsidiaries, or the terms of the Acquisition or the Financing, between the Issue Date and the Acquisition Completion Date, may have an impact on our creditworthiness, and you will not be able to rescind your decision to invest in the Notes as a result thereof.

The Acquisition may entitle our customers and certain other business partners of the Group to terminate their agreements as a result of change of control provisions.

The Acquisition will constitute a change of control under certain agreements entered into by the Target and its subsidiaries. These counterparties will be entitled to terminate their agreements with us. Some of these counterparties may exercise their termination rights, which could have an adverse effect on our business, financial position and results of operations.

Amendments made to the Acquisition Agreement may have adverse consequences for holders of the Notes.

The Acquisition is expected to be consummated in accordance with the terms of the Acquisition Agreement. The Acquisition Agreement, however, may be amended and the closing conditions may be waived at any time by the parties

thereto, without the consent of holders of the Notes. Furthermore, any amendments made to the Acquisition Agreement may make the Acquisition less attractive.

We may not be able to enforce claims relating to a breach of the representations and warranties that the Seller has provided to us under the Acquisition Agreement.

In connection with the Acquisition, the Seller has given certain customary representations and warranties in the Acquisition Agreement related to their shares, the Target and the Target's business. We may not be able to enforce any claims against the Seller relating to breaches of these representations and warranties. The Seller's liability under the Acquisition Agreement is very limited. Moreover, even if we are able to eventually recover any losses resulting from a breach of these representations and warranties, we may temporarily be required to bear these losses ourselves.

We may have liabilities that are not known to us.

There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the Target and its subsidiaries in connection with the Acquisition. We may learn of additional information about the Target and/or any of its subsidiaries that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial position and results of operations.

Risks Related to Our Financing Arrangements and the Notes

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

Following the issuance of the Notes, we will be highly leveraged. We cannot guarantee that we will be able to generate sufficient cash flow from operations to service our debt obligations on an ongoing basis. As of October 31, 2017, after giving effect to the Transactions, we would have had €515 million of outstanding indebtedness, comprising the Notes. In addition, based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

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

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

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

Furthermore, we experience significant fluctuations in our monthly and intra-month working capital and, following the Acquisition Completion Date, we may rely on our Revolving Credit Facility to fund a portion of our working capital requirements. Drawings under our Revolving Credit Facility will vary and may be substantially higher during certain months and weeks to compensate for months with reduced cash reserves.

Despite our substantial leverage, we may still be able to incur more debt under the Indenture, which could further exacerbate the risks described above. The Intercreditor Agreement provides that with respect to a distressed disposal of, or an enforcement of the security interests over, the Collateral, holders of the Notes will receive proceeds from such Collateral only after the obligations under the Revolving Credit Facility, certain hedging obligations and certain other future indebtedness and obligations permitted under the Indenture, including but not limited to, Pension-related Obligations, have been repaid in full. Additionally, we could raise additional debt that could be secured or could mature prior to the Notes. Although the Indenture and the Revolving Credit Facility Agreement will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, the Indenture and the Revolving Credit Facility Agreement will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. The Indenture and the Revolving Credit Facility Agreement will restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer;
- prepay or redeem subordinated debt or equity;
- make certain loans, investments or acquisitions;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or its restricted subsidiaries;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- issue or sell share capital of certain of our subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of the holders of the Notes; and
- amend certain documents.

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

In addition, the Revolving Credit Facility Agreement requires us to comply with a financial test under certain circumstances. Our ability to meet that financial test can be affected by events beyond our control, and we cannot assure you that we will meet it. A breach of this test could result in a default or an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of any event of default under the Revolving Credit Facility Agreement, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility Agreement, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. If our creditors, including the creditors under the Revolving Credit Facility, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay each series of the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could enforce against any collateral granted to them to secure repayment of those amounts.

Despite our current indebtedness and restrictive covenants, we and our subsidiaries will still be able to incur significant additional amounts of debt or make certain restricted payments, which could further exacerbate the risks associated with our substantial leverage.

We may be able to incur substantial additional indebtedness in the future. Although the Indenture and the Revolving Credit Facility Agreement will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, the Indenture and the Revolving Credit Facility Agreement will not prevent us from incurring obligations that do not constitute indebtedness as such term is defined under those agreements, including, but not limited to, Pension-related Obligations. Moreover, although the Indenture and the Revolving Credit Facility Agreement will contain restrictions on our ability to make restricted payments, including the declaration and payment of dividends, we will be able to make substantial restricted payments under certain circumstances. Adding new debt to our and our subsidiaries' existing debt levels or making restricted payments could exacerbate the risks associated with our substantial leverage described above, including our possible inability to service our debt.

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Revolving Credit Facility and our obligations under the Notes, and to fund our ongoing operations, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors*," many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated revenue growth, cost savings and operating improvements will be realized or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs, including the repayment at maturity of the then outstanding amount under the Revolving Credit Facility Agreement, which will mature six months prior to the maturity of the Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

The commitments under the Revolving Credit Facility can be further increased, assuming we have the ability to incur such additional debt under the restrictive covenants included in the Indenture. See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*." At the maturity of the Notes or any other debt that we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, we may be required to refinance or restructure our indebtedness.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditure;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital-raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay all of our debt.

Any failure to make payments on any series of the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes, the Indenture and the Revolving Credit Facility Agreement may limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business, financial condition and results of operations. There can be no assurance that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

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

Loans under the Revolving Credit Facility Agreement as well as the Floating Rate Notes will bear interest at floating rates of interest per annum equal to EURIBOR, CIBOR, NIBOR, STIBOR or LIBOR, depending on the currency of the relevant loan, as adjusted periodically, plus a margin. Fluctuations in EURIBOR, CIBOR, NIBOR, STIBOR or LIBOR, as the case may be, or the occurrence of a "market disruption event" (as defined in the Revolving Credit Facility Agreement) may increase our overall interest burden and could have a material adverse effect on our ability to service our debt obligations. Although we may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. To the extent that interest rates or any drawings were to increase significantly, our interest expense would correspondingly increase, reducing our cash flow.

Following allegations of manipulation of LIBOR, regulators and law enforcement agencies from a number of national governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily LIBOR or EURIBOR may have been manipulating or attempting to manipulate LIBOR or EURIBOR. Actions by EURIBOR-EBF (the association that sets the regulatory framework for the calculation of EURIBOR), other regulators or law enforcement agencies could result in changes to the manner in which LIBOR or EURIBOR is determined. Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported LIBOR or EURIBOR, which could have an adverse impact on our ability to service debt on drawings under the Revolving Credit Facility, the Floating Rate Notes or any future indebtedness that bears interest at floating rates of interest.

Our hedging agreements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy.

We are party to certain interest rate swaps and we may enter into additional interest hedging agreements to hedge our exposure to fluctuations in interest rates, primarily under the Revolving Credit Facility and the Floating Rate Notes. Under any such agreements, we are exposed to credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements or other hedging arrangements may become worthless. Also, such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from interest rate or foreign currency fluctuations. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

Creditors under the Revolving Credit Facility, any credit facility that refinances or replaces the Revolving Credit Facility, certain hedging obligations and certain other indebtedness and obligations permitted to be incurred on a priority basis under the Indenture are entitled to be repaid in priority to the Notes. Holders of the Notes will not control decisions regarding the Collateral in certain circumstances.

Following the Acquisition Completion Date, the Notes will be guaranteed by the same entities that also guarantee the Revolving Credit Facility. Furthermore, other than the Escrow Charge, which will only secure the Issuer's obligations under the Notes, the Notes and the Notes Guarantees will be secured initially on a first-priority basis by the same Collateral securing the obligations under the Revolving Credit Facility Agreement. In addition, under the terms of the Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral on a *pari passu* basis with the Notes and, in certain circumstances, receive proceeds from enforcement of Collateral prior to the Notes. The Indenture will permit and the Intercreditor Agreement permits currency and interest rate hedging and certain other indebtedness incurred in accordance with the Indenture to be secured on a priority basis.

Pursuant to the Intercreditor Agreement, the first priority security interests securing the Notes are contractually deemed to rank equally with the security interests that secure (but only to the extent that such security is expressed to secure those liabilities) (i) obligations under the Revolving Credit Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness and obligations permitted to be incurred under the Indenture, including, but not limited to, Pension-related Obligations. Such security interests are, or will be, evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Notes, the lenders under the Revolving Credit Facility and/or the holders of certain other future indebtedness permitted to be incurred under the Indenture. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility,

certain future indebtedness and obligations, including Pension-related Obligations, permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests. As a result, proceeds from the enforcement of the Notes Guarantees and the sale of Collateral may be insufficient to pay claims under the Notes. In addition, claims of our secured creditors that are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes.

The Intercreditor Agreement provides that a common security agent, who will serve as the Security Agent for the secured parties with respect to the Collateral, will act only as provided for in the Intercreditor Agreement. The Security Agent may refrain from enforcing the Collateral unless otherwise instructed by the Instructing Group (as defined in the Intercreditor Agreement) for the purpose of enforcement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement"* and *"Description of the Notes—Security.*"

Creditors under Super Senior Liabilities (as defined in the Intercreditor Agreement) may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so.

In addition, if the Security Agent sells the Collateral as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes and the Notes Guarantees and the liens over any other assets of such entities securing such Notes and Notes Guarantees may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement"* and *"Description of the Notes—Security—Release of Liens*."

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

The Notes and the Notes Guarantees will be secured by first-priority security interests in the Collateral described in this Offering Memorandum, which Collateral also secures the obligations under the Revolving Credit Facility Agreement. We may increase the amounts available under the Revolving Credit Facilities or incur additional Super Senior Liabilities, or liabilities ranking senior to the Super Senior Liabilities, permitted under the Indenture, as a result of which the amount of indebtedness and obligations that will benefit from "super priority" first-priority security interests in the Collateral may be increased up to the amount permitted under the Indenture. The Collateral may also secure additional debt ranking *pari passu* with the Notes to the extent permitted by the terms of the Indenture and the Intercreditor Agreement. The rights of the holders of the Notes to the Collateral may therefore be diluted by any increase in the debt secured by first-priority liens on the Collateral.

If there is an event of default on the Notes, the holders of the Notes will be secured only by the Collateral. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under each series of the Notes. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.

The value of the Collateral is based on certain assumptions. The fair market value of the Collateral at any point in time may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers, whether or not our business is sold as a going concern, the ability to readily liquidate the Collateral and the fair market value and condition of the Collateral. Furthermore, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action. As a result, the book value of the Collateral should not be conclusively relied on as a measure of realizable value for such assets following the occurrence of an event of default or enforcement event under the Intercreditor Agreement, the Indenture or the Revolving Credit Facility Agreement. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation. In addition, the security granted over the shares of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding.

To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Issuer or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the

Security Agent, the Trustee or investors as holders of the Notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Notes and the Notes Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim (if the relevant guarantee has not been released) against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the intercreditor arrangement governing our creditors' rights could reduce the proceeds realized upon enforcement of the Collateral.

In addition, the Collateral may not be liquid, and its value to other parties may be less than its value to us. Likewise, we cannot assure you that there will be a market for the pledged shares or other Collateral or, if such market does exist, that there will not be substantial delays in their liquidation. In addition, the value of this Collateral may fluctuate over time.

The Notes will not be initially secured by all of the Collateral and not all of the Guarantors will initially guarantee the Notes.

On the Issue Date, and upon completion of the Acquisition, the Notes will not be secured by all of the Collateral, as further described under "*Description of the Notes—Security*." On the Issue Date, the Notes will be secured only by the Escrow Charge. Additionally, on or prior to the Acquisition Completion Date, the Notes will be secured, subject to the Agreed Security Principles, by first-priority interests in the Completion Date Collateral. Additionally, within no later than (i) ten days from the Acquisition Completion Date, the Notes will also be secured by first-priority security interests in the Initial Post-Completion Date Collateral and (ii) 120 days from the Acquisition Completion Date, the Notes will also be secured by first-priority security interests in the Additional Post-Completion Date Collateral. There can be no assurance, however, that we will be successful in procuring such liens within the time periods specified. The security interests will be limited to the same extent as those under the Revolving Credit Facility and otherwise as set forth under "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests,*" which limitations could be significant. It should be noted that if a guarantee or a security interest granted by a Guarantor in certain jurisdictions is granted or perfected after the secured obligation arose, such guarantee or security interest may be subject to claw-back provisions under applicable local insolvency laws. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

On the Issue Date, the Notes will only be guaranteed by Bidco. We will agree in the Indenture, subject to the Agreed Security Principles, to use our commercially reasonable efforts take such necessary actions so that the Post-Completion Guarantors become guarantors of the Notes by executing and delivering to the Trustee a supplemental indenture (or supplemental indentures) in the form attached to the Indenture on the earlier of (x) the date on which such Post-Completion Guarantor provides a guarantee of the Revolving Credit Facility and (y) 120 days from the Acquisition Completion Date. Management estimates that the Guarantors (other than Bidco) accounted for at least 80% of total revenue for the Ongoing Business and at least 80% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held at least 80% of our total assets as of July 31, 2017. Within 120 days following the Acquisition Closing Date, subject to certain adjustments and the Agreed Security Principles, the Issuer is required to ensure that the Guarantors (other than Bidco) accounted for at least 80% of (i) total revenue for the Ongoing Business for the year ended July 31, 2017, (ii) Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017 and (iii) total assets as of July 31, 2017. There can be no assurance that we will be successful in procuring such additional Notes Guarantees within the time period specified. The additional Notes Guarantees will be limited to the same extent as those under the Revolving Credit Facility and as otherwise set forth in "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

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

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

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests in the Collateral. For example, the enforcement of share pledges, whether by means of a public auction or a private sale, may be subject to certain specific requirements and the Security Agent may need to

obtain the consent of a third-party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*" for further information.

The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt or other obligations in the future, may create or restart hardening periods.

The granting of security interests to secure the Notes and the Notes Guarantees may create hardening periods for such security interests. The granting of shared security interests to secure future indebtedness or other obligations permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, because the Indenture will permit the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted, perfected or recreated. Each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period, it may be declared void or ineffective and/or it may not be possible to enforce it. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the security interest.

The same rights and risks also will apply with respect to future security interests granted in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of holders of the Notes. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

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

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor, as applicable, of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder's rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral and some security interests do not actually create the purported security interest if not properly perfected. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taken over the claims the security taker (as creditor) has against the debtor. Finally, since the ranking of pledges is sometimes determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same Collateral, but which came into force for third parties earlier (by way of registration in the appropriate register or by notification) may have priority. Neither the Trustee nor the Security Agent has any obligation or responsibility to monitor the acquisition of additional property or rights that constitute collateral or the perfection of, or to take steps or actions to perfect or ensure the perfection of, any security interest in the Notes against third parties. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*" for further information.

The security interests in the Collateral will be granted to the Security Agent (on behalf of the holders of the Notes) rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Notes Guarantees will not be granted directly to the holders of the relevant Notes but will be granted only in favor of the Security Agent, which will hold the Collateral on behalf of the lenders under the Revolving Credit Facility and our hedging obligations, the holders of the Notes and the holders of any additional debt secured by Collateral permitted to be incurred under the Indenture. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*" for further information.

The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents will allow the Issuer 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 securing the Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.

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

Under various circumstances, the Notes Guarantees and the Collateral securing the Notes will be released automatically. See "*Description of the Notes—Notes Guarantees*" and "*Description of the Notes—Security—Release of Liens*." In addition, if the Security Agent sells Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Notes and the Notes Guarantees may be released or transferred. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes— Security—Release of Liens*." Your ability to recover on the Notes could be materially impaired in such circumstances.

The Intercreditor Agreement also provides that the Collateral securing the Notes may be released and retaken in connection with the refinancing of certain indebtedness, including the Notes, if the Issuer has confirmed in writing to the Security Agent that it has determined that it is neither possible nor desirable to implement any such refinancing on terms satisfactory to it by instead granting additional Collateral and/or amending the terms of the existing Collateral. Such a release and retaking of Collateral may give rise to the start of a new "hardening period" in respect of such Collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such Collateral and thus reduce your recovery under the Notes. See also "*—The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt or other obligations in the future, may create or restart hardening periods.*"

Following the completion of the Transactions, the Issuer will have no revenue generating operations of its own and will depend on cash flows from operating companies to make payments on the Notes.

The Issuer does not have any revenue-generating activities of its own and does not have any business operations, material assets (other than its shareholding in Bidco) or liabilities (other than those incurred in connection with its incorporation and the Transactions). Repayment of the Issuer's indebtedness, including under the Notes, is dependent on the profitability and cash flow of its subsidiaries, including the Target and its subsidiaries, and their ability to make such cash available to the Issuer, by dividend distributions, or otherwise. The subsidiaries of the Issuer may not be able to, or may be restricted by the terms of their existing or future indebtedness, or by law, in their ability to make distributions or advance upstream loans to enable us to make payments in respect of our indebtedness, including the Notes. Each of the subsidiaries of the Issuer is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from the subsidiaries of the Issuer. Furthermore, goodwill impairment and other non-cash charges in our profit or loss account, as well as charges recognized directly in equity, if incurred, could reduce the Issuer's subsidiaries' reserves available for distribution and thus reduce or prevent upstream dividend payments to the Issuer.

While the Indenture and the Revolving Credit Facility Agreement, respectively, will limit the ability of the Group's subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, such limitations are subject to certain significant qualifications and exceptions. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes. We do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

The Notes will be structurally subordinated to the liabilities of non-Guarantor members of our Group.

Some, but not all, of the members of the Group will guarantee the Notes. We expect the Post-Completion Guarantors to be Beijer Byggmaterial Aktiebolag, DT Finland Oy, DT Holding (Sweden) AB, Neumann Bygg AS, Stark

Danmark A/S and Stark Group A/S. Management estimates that the subsidiaries of the Target that will not be Guarantors accounted for less than 20% of total revenue for the Ongoing Business and less than 20% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held less than 20% of our total assets as of July 31, 2017. Unless a member of our Group is a Guarantor, such member will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. The Indenture will, subject to some limitations, permit our non-Guarantor restricted subsidiaries to incur substantial amounts of additional indebtedness and will not restrict the amount of other liabilities that may be incurred by these subsidiaries. Generally, holders of indebtedness of, and trade creditors of, non-guarantor companies, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such non-Guarantor companies before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-Guarantor company becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such company; and

- the creditors of such non-guarantor company, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such company before any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Notes Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

The Notes will be guaranteed by Bidco, which is incorporated in Denmark, and certain of our subsidiaries which are incorporated under the laws of Denmark, Sweden, Norway and Finland, and will be secured by security interests over the Collateral, which will be governed by the laws of these jurisdictions. The Indenture will provide that the Notes Guarantees, and the Indenture and the relevant Security Documents will provide that the security interests, will be limited to the maximum amount that can be guaranteed, or otherwise, or in respect of which security interests may be granted, by the relevant Guarantor or grantor, as applicable, without rendering the relevant Notes Guarantee or security interest, as it relates to that Guarantor or grantor, voidable or otherwise ineffective or limited under applicable law. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

In addition, enforcement of any of the Notes Guarantees against any Guarantor or security interests against any security provider will be subject to certain defenses available to Guarantors or security providers, as applicable, in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance, set-off, counter-claim and prescription (time bar) or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor or grantor of security interests may have no liability or decreased liability under its Notes Guarantee or security interest, as applicable, depending on the amount of its other obligations and applicable law.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) subordinate or void any Notes Guarantee or any security interest (ii) direct that the holders of the Notes return any amounts paid under a Notes Guarantee or security interest to the relevant Guarantor or security provider, or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the Notes Guarantee or security interest was granted with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or the security provider or, in certain jurisdictions, even when the recipient was merely aware that the Guarantor or the security provider was insolvent when it granted the relevant Notes Guarantee or security;

- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the granting of the Notes Guarantee and/or security interest and the Guarantor or security provider: (i) was

insolvent or was rendered insolvent as a result of having granted the relevant Notes Guarantee or security interest; (ii) was under-capitalized or became under-capitalized because of the relevant Notes Guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the granting of the relevant Notes Guarantee and/or security interest was held to constitute prohibited financial assistance;

- the granting of the relevant Notes Guarantee and/or security interest was held not to be in the best interests or not to be for the corporate benefit of the Guarantor or security provider or was held to exceed the corporate objects of the Guarantor or security provider; or

- the aggregate amounts paid or payable under the relevant Notes Guarantee or enforcement proceeds under the relevant security were in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;

- the present fair value of its assets was less than the amount required to pay its existing debts and liabilities, including contingent liabilities, as they became due; or

- it could not pay its debts as they became due.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Notes Guarantee was issued, that payments to holders of the Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

The liability of each Guarantor under its Notes Guarantee, or security provider under the relevant Security Document, will be limited to the amount that will result in such Notes Guarantee or security interest not constituting a fraudulent preference or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurances as to what standard a court will apply in making a determination of the maximum liability of each Guarantor or security provider. There is a possibility that the entire Notes Guarantee or security interest may be set aside, in which case the entire liability may be extinguished.

If a court were to find that the issuance of the Notes or a Notes Guarantee, or the granting of the security, was a fraudulent preference or conveyance or unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Notes Guarantee or Security Document are ineffective, could void the security over the Collateral, or could require the holders of the relevant Notes to repay any amounts received with respect to the Notes or such Notes Guarantee or any enforcement proceeds received from enforcement of the security. In the event of a finding that a fraudulent preference or conveyance occurred, you may cease to have any claim in respect of the relevant Guarantor or security provider and would be a creditor solely of the Issuer, any other Guarantor or security provider, if applicable, under any Notes Guarantees or Security Documents that have not been declared void.

Additionally, any future pledge or charge of Collateral in favor of the Security Agent, including pursuant to Security Documents delivered after the date of the Indenture, might be avoidable by the security provider (as debtor-in-possession) or by its trustee in bankruptcy (or similar officer) if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time of the pledge or charge, the pledge or charge permits the holders of the Notes to receive a greater recovery than if the pledge or charge had not been given and a bankruptcy proceeding in respect of the security provider is commenced within a certain time period following the pledge or charge.

Enforcement of the rights of the holders of the Notes under the Indenture across multiple jurisdictions may be difficult and the applicable insolvency laws may preclude holders of the Notes from recovering payments due on the Notes.

The Indenture, the Notes and the Notes Guarantees will be governed by the laws of the State of New York, the Intercreditor Agreement will be governed by the laws of England and Wales, and the Security Documents granting security interests in the Collateral will be governed by the laws of a number of different jurisdictions. Moreover, the Issuer and Bidco are incorporated under the laws of Luxembourg and Denmark, respectively, the other Guarantors are incorporated under the laws of Denmark, Sweden, Norway and Finland and the operational headquarters of the Group is located in Denmark. Therefore, in the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in these and other applicable jurisdictions. The rights of the holders of the Notes under the Indenture will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of incorporation of the Issuer, Bidco and the other Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Notes.

We may not be able to obtain the funds required to repurchase the Notes upon a Change of Control and the occurrence of certain important corporate events will not constitute a Change of Control.

The Indenture will contain provisions relating to certain events constituting a "Change of Control" (as defined in the Indenture). Upon the occurrence of a Change of Control, we will be required to offer to repurchase all outstanding Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a Change of Control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in the Revolving Credit Facility Agreement, the Indenture, the Intercreditor Agreement or our other than existing contractual obligations would allow us to make such required repurchases. A Change of Control may trigger a mandatory prepayment of the Revolving Credit Facility Agreement and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the Change of Control itself does not. The ability of the Issuer to receive cash from its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of a Change of Control, may be limited by our then existing financial resources. If we repay all or a portion of the outstanding principal amount of the Notes in an amount over 50% of the principal amount of the Notes in aggregate, we are required under the terms of the Revolving Credit Facility Agreement to reduce the commitments under the Revolving Credit Facility proportionately in accordance with the terms of the Revolving Credit Facility Agreement. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a Change of Control were to occur at a time when our Group is prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer would remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a Change of Control. We cannot assure you that our Group would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility. See "*Description of the Notes—Change of Control*."

The Change of Control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a Change of Control as defined in the Indenture. Except as described under "*Description of the Notes—Change of Control*," the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a Change of Control will be deemed not to be a Change of Control if a certain net consolidated leverage ratio calculated in accordance with the "*Description of the Notes*" is not exceeded in connection with such an event. In this case holders of Notes would not be entitled to require the Issuer to repurchase their Notes and would only be able to rely on the then prevailing trading prices in order to exit their investments, which might be lower than the 101% change of control repurchase price. See "*Description of*

the Notes—Change of Control" and "*Description of the Notes—Certain Definitions—Change of Control Triggering Event*."

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

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

Owners of the book-entry interests will not be considered owners or holders of relevant Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, the common depositary (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the Notes in global form.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to Euroclear and Clearstream participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to Euroclear and Clearstream, none of the Issuer, the Guarantors, the Trustee, Transfer Agent, Paying Agent, the Calculation Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to Euroclear and Clearstream, or to owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and, if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes, including the enforcement of security for the Notes and the Notes Guarantees. Instead, if you own a book-entry interest, you will be reliant on the common depositary (or its nominee) (as registered holder of the Notes) to act on your instructions and/or will be permitted to act directly only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action on a timely basis.

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

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

We cannot assure you as to:

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

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment-grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the

Notes, regardless of our prospects and financial performance. As a result, there can be no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange, we cannot assure you that the Notes will be or remain listed. Although no assurance can be made as to the liquidity of the Notes as a result of the admission to the Official List of the Exchange, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes from the Official List of the Exchange may have a material effect on a holder's ability to resell the Notes in the secondary market.

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

United States civil liabilities may not be enforceable against us.

The Issuer is incorporated under the laws of the Grand Duchy of Luxembourg, the Guarantors are incorporated under the laws of Denmark, Sweden, Norway and Finland, and all of our assets are located outside the United States. In addition, the majority of the members of our board and our officers reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons residing outside the United States, or to enforce outside the United States judgments obtained against such persons in United States courts in any action. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon United States laws. See "*Service of Process and Enforcement of Civil Liabilities*."

The United States and Luxembourg, Denmark, Sweden, Norway or Finland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. This may give rise to difficulties in respect of the enforcement in Luxembourg, Denmark, Sweden, Norway or Finland of judgments obtained in the United States. See "*Service of Process and Enforcement of Civil Liabilities*."

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

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

The transferability of the Notes may be limited under applicable securities laws, which may affect their liquidity and the price at which they may be sold.

The Notes and the Notes Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are not being offered for sale in the United States except to QIBs in accordance with Rule 144A. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal account of less than €100,000. We have not agreed to or otherwise undertaken to register the Notes with the U.S. Securities and Exchange Commission (including by way of an exchange offer). See "*Transfer Restrictions*." It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

The interests of holders of Floating Rate Notes and the interests of the holders of Fixed Rate Notes may be inconsistent and the interests of holders of additional notes under the Indenture may be inconsistent with the holders of the Notes under the Indenture.

The Floating Rate Notes and the Fixed Rate Notes will be issued pursuant to a single indenture and will vote as a single class with respect to amendments, waivers or other modifications of the Indenture other than with respect to amendments, waivers or other modifications that will only affect the Fixed Rate Notes of a particular series or the Floating Rate Notes of a particular series. The Floating Rate Notes will bear interest at a floating rate, will have a different call schedule and call protection, and will have other features that will differ from the Fixed Rate Notes. As a result of these differences, the interests of holders of the Floating Rate Notes and the interests of holders of the Fixed Rate Notes could conflict. In addition, the holders of one series of Notes may be in a position to agree to certain terms in a consent solicitation that would be beneficial to such series of Notes but adverse to the economic interest of the other series of Notes; however, to the extent the relevant amendment or waiver is approved by the holders of a majority in aggregate principal amount of the Notes then outstanding (subject to the limited exceptions described above), all holders of the Notes will be bound by such amendment. Furthermore, a series of additional notes may be issued under the Indenture that have different terms in respect of currency, interest rate, maturity, call schedule and other matters. Such additional notes will also generally vote as a single class with other series of notes issued under the Indenture, but may have interests that differ from the holders of other series of notes issued under the Indenture, including the Notes.

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

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

The interests of our sponsor may conflict with your interests as a holder of the Notes.

Lone Star Fund X indirectly owns the majority of the shares of the Issuer. As a result, the Sponsor has and will continue to have, directly or indirectly, the power to affect our legal and capital structure, as well as the ability to elect and change our management, approve other changes to our operations and influence the outcome of matters requiring action by our shareholders. The Sponsor's interests in certain circumstances may conflict with your interests as holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, Lone Star Fund X could vote to cause us to incur additional indebtedness or to sell certain lines of business or other assets of the Group. If the Group achieves certain net leverage ratios following an asset sale, the Group may dividend the proceeds of such sale to Lone Star Fund X without first reducing the outstanding principal amount of the Notes, the Revolving Credit Facility or other indebtedness of the Group. The Sponsor is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsor may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, the Sponsor may in the future hold interests in suppliers or customers of the Target. The Sponsor and its affiliates could also have an interest in pursuing acquisitions, divestitures (including one or more divestitures of all or part of our business, certain business segments, or sales of our shares which would result in changes to our shareholding structure), financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes.

USE OF PROCEEDS

We estimate that the gross proceeds from the sale of the Notes will be approximately €515 million. Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering into the Escrow Account. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." On or prior to the Acquisition Completion Date, the Sponsor will provide the Shareholder Funding in order to pay part of the consideration payable for the Acquisition.

Bidco and the Issuer intend to use the gross proceeds from the Financing, together with the Shareholder Funding, to (i) fund the purchase price for the Acquisition, (ii) fund cash to the balance sheet of the Target for general corporate purposes and (iii) pay fees and expenses incurred in connection with the Transactions, including estimated fees and expenses to be incurred in connection with the Offering.

In connection with the Transactions, the Issuer will enter into the Revolving Credit Facility Agreement to provide for a Revolving Credit Facility in the amount of €100 million to finance our general corporate and ongoing working capital needs.

The sources and uses of the funds necessary to consummate the Transactions are shown in the table below assuming the Acquisition Completion Date had occurred on October 31, 2017. Actual amounts will vary from the amounts shown in this table depending on several factors, including the actual Acquisition Completion Date and differences from our estimates of fees and expenses associated with the Transactions. Pursuant to the completion account mechanism in the Acquisition Agreement, Lone Star Fund X will acquire the Target on a cash-free and debt-free basis, and the actual purchase price for the Acquisition will be determined based on the actual level of assets and liabilities, including net debt, debt like items and net working capital, of the Target on the Acquisition Completion Date. As a result, the actual purchase price for the Acquisition will depend on the timing of the Acquisition Completion Date and may be higher or lower than the estimated purchase prices as of October 31, 2017.

Sources of Funds	Amount (€ million)	Uses of Funds	Amount (€ million)
Proceeds from the Notes	515	Purchase price for the Acquisition[2]	1,030
Shareholder Funding[1]	585	Cash overfunding[3]	35
		Transaction fees and expenses[4]	35
Total Sources	**1,100**	**Total Uses**	**1,100**

(1) Represents the Shareholder Funding, comprised of an equity contribution and deeply subordinated shareholder debt, which will be contributed and/or on-lent by Lux Holdco to the Issuer. The Shareholder Funding will include the proceeds from the private placement of €100 million aggregate principal amount of PIK Toggle Notes to be issued by PIK Holdco on or about the Acquisition Completion Date.

(2) Represents the purchase price for the Acquisition as if the Acquisition Completion Date had occurred on October 31, 2017, and assumes that the Target's cash, net debt and debt like items on the Acquisition Completion Date will be equal to the Target's cash, net debt and debt like items as of October 31, 2017 and that the Target's net working capital on the Acquisition Completion Date will be equal to the average net working capital of the Target for the twelve months ended July 31, 2017, in each case, as calculated under the Acquisition Agreement. The actual purchase for the Acquisition may vary depending on several factors including the actual cash, net debt, debt like items and net working capital position of the Target on the Acquisition Completion Date. Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. We anticipate that we will repay such drawings in the subsequent months as our working capital requirements decrease. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

(3) Represents the amount of cash expected to be funded to the Target's balance sheet in connection with the Transactions, which will be used for general corporate purposes, including, among other things, funding future capital expenditures and acquisitions, the payment of interest or the repayment of debt.

(4) Includes estimated expenses in connection with the Transactions, including discounts, commissions and commitment, placement, advisory and other fees related to the Notes and Revolving Credit Facility. To the extent the Notes are issued with original issue discount, the amount of fees and expenses will increase. This amount may differ from the estimated amount depending on several factors, including differences from our estimates of fees and expenses and the actual fees and expenses as of the completion of the various transactions referred to in the table above.

CAPITALIZATION

The following table sets forth the consolidated cash and cash equivalents and capitalization (i) of the Target as of October 31, 2017, on a historical basis and (ii) of the Issuer as adjusted for the Ongoing Business and after giving effect to the Transactions (including the use of proceeds from this Offering), as if the Transactions had occurred on October 31, 2017. We believe that presenting the consolidated cash and cash equivalents and capitalization of the Issuer in this manner is the most meaningful way to present the financial position of the Issuer after giving effect to the Transactions as if they had occurred on October 31, 2017, given the Issuer is a holding company formed in connection with the Transactions with no revenue generating activities of its own and does not have any business operations, material assets or liabilities (other than those incurred in connection with its incorporation and the Transactions).

The table below should be read in conjunction with "*Presentation of Financial and Other Data*," "*Summary—Summary Historical Financial Information, Unaudited Adjusted Financial Information for the Ongoing Business and Other Financial Data*," "*Use of Proceeds*," "*Selected Historical Financial Information*" and our Financial Statements and related notes included elsewhere in this offering memorandum.

	As of October 31, 2017	
	Target Actual	Issuer as Adjusted
	(€ million)	
Cash and cash equivalents[1]	**100**	**35**
Financial debt		
Interest bearing borrowings[2]	187	—
Revolving Credit Facility[3]	—	—
Notes offered hereby[4]	—	515
Total financial debt	**187**	**515**
Payables to related parties[5]	69	—
Total indebtedness	**256**	**515**
Share capital[6]	1	**585**
Reserves	316	**—**
Total capitalization	**573**	**1,100**

(1) The adjustments to cash and cash equivalents reflect the movement in cash and cash equivalents as a result of the transactions set forth under "*Use of Proceeds*," and reflect that Lone Star Fund X will acquire the Target on a cash-free and debt-free basis. As adjusted cash and cash equivalents of the Issuer as of October 31, 2017 does not include any adjustments to the Target's cash and cash equivalents due to working capital expansion or contraction or any other cash utilization since October 31, 2017. As a result, our actual cash and cash equivalents on the Acquisition Completion Date may be higher or lower than shown in the table above.

(2) Represents bank overdrafts and secured bank loans relating to Danish mortgages, which will be repaid in connection with the completion of the Transactions pursuant to the closing account mechanism in the Acquisition Agreement.

(3) Represents the €100 million Revolving Credit Facility Agreement to be entered into on or about the Issue Date. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*."

(4) The aggregate principal amount of the Notes is stated gross of any capitalized issuance costs.

(5) Payables to related parties will be repaid in connection with the completion of the Transactions pursuant to the closing account mechanism in the Acquisition Agreement.

(6) As adjusted share capital reflects the Issuer's nominal share capital of €30 thousand and €585 million of Shareholder Funding assuming the Shareholder Funding consisted entirely of an equity contribution. We expect the Shareholder Funding to comprise both an equity contribution and deeply subordinated shareholder debt.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables present selected historical financial data for the periods ended on and as of the dates indicated below. We have extracted the consolidated historical financial data of the Target as of and for the three months ended October 31, 2016 and 2017, respectively, from the Unaudited Interim Financial Statements and the consolidated historical financial data of the Target as of and for the years ended July 31, 2015, 2016 and 2017 from the relevant Audited Financial Statements, in each case, included elsewhere in this offering memorandum.

On July 10, 2017, in connection with our strategy to refocus our ongoing business operations primarily on B2B customers, we announced our agreement to divest our DIY brand, Silvan, to Aurelius Group. The sale of Silvan concluded on August 31, 2017. Additionally, we divested our Cheapy chain, a Swedish discount chain, which was sold in April 2014, and Oscar Perschard, a small Norwegian branch, which was sold in July 2014. We include the results of operation, financial position and cash flows from Silvan, Cheapy and Oscar Perschard in our Financial Statements as discontinued operations, which are shown separately from continuing operations in our Financial Statements. In this offering memorandum, unless otherwise indicated, references to any financial data are only to financial data from continuing operations and exclude the results of operations, financial position and cash flows of Silvan, Cheapy and Oscar Perschard.

Prospective investors should read the summary data presented below in conjunction with, and the summary data presented below is qualified in their entirety by reference to, "*Presentation of Financial and Other Data*," "*Use of Proceeds*," "*Capitalization*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements, included elsewhere in this offering memorandum.

Consolidated Historical Income Statement

	Year ended July 31,			Three months ended October 31,	
	2015	2016	2017	2016	2017
			(€ million)		
Continuing operations					
Revenue	2,246	2,250	2,214	621	618
Cost of sales	(1,683)	(1,695)	(1,683)	(471)	(466)
Gross profit	**563**	**555**	**531**	**150**	**152**
Operating costs:					
Amortization of acquired intangible assets	—	(1)	—	—	—
Employee costs	(295)	(299)	(316)	(77)	(75)
Other	(183)	(181)	(202)	(45)	(49)
Operating costs	(478)	(481)	(518)	(122)	(124)
Operating profit	**85**	**74**	**13**	**28**	**28**
Financial income	6	4	3	1	1
Financial expenses	(10)	(8)	(7)	(3)	(2)
Profit before tax	**81**	**70**	**9**	**26**	**27**
Tax for the year	(23)	(27)	(5)	(4)	(8)
Profit from continuing operations	**58**	**43**	**4**	**22**	**19**
Profit/(loss) from discontinued operations	3	4	(5)	(1)	—
Profit/(loss) for the period	**61**	**47**	**(1)**	**21**	**19**

Consolidated Historical Statement of Financial Position

	As of July 31,			As of October 31,
	2015	2016	2017	2017
			(€ million)	
Assets				
Other intangible assets	9	14	12	13
Property, plant and equipment	409	427	430	341
Investment in a joint venture	—	1	1	1
Trade and other receivables	1	1	1	24
Deferred tax assets	29	23	9	9
Receivables from related parties	84	—	—	—
Total non-current assets	**532**	**466**	**453**	**388**
Inventories	306	322	258	253
Trade and other receivables	300	294	276	333
Receivables from related parties	67	84	97	102
Current tax receivable	3	—	13	2
Cash and cash equivalents	192	143	97	100
Total current assets	**868**	**843**	**741**	**790**
Assets held for sale	13	5	70	86
Total assets	**1,413**	**1,314**	**1,264**	**1,264**
Liabilities				
Trade and other payables	663	666	601	587
Payables to related parties	6	58	57	59
Current tax payable	15	22	29	34
Borrowings	167	20	119	187
Provisions	20	11	23	19
Retirement benefit obligations	1	1	2	2
Current liabilities	**872**	**778**	**831**	**888**
Payables to related parties	57	—	—	—
Borrowings	150	150	—	—
Provisions	10	14	7	6
Retirement benefit obligations	45	48	47	47
Deferred tax liabilities	16	21	6	6
Non-current liabilities	**278**	**233**	**60**	**59**
Liabilities of a disposal group held for sale	—	—	70	—
Total liabilities	**1,150**	**1,011**	**961**	**947**
Net assets	**263**	**303**	**303**	**317**
Equity				
Share capital	1	1	1	1
Reserves	262	302	302	316
Total equity	**263**	**303**	**303**	**317**

Consolidated Historical Cash Flow Statement

	Year ended July 31,			Three months ended October 31,	
	2015	2016	2017	2016	2017
			(€ million)		
Profit for the year	61	47	(1)	21	19
Adjustments for:					
Financial income	(6)	(4)	(3)	(1)	(1)
Financial expenses	10	8	7	3	2
Amortization and depreciation	28	31	29	8	7
Tax	24	27	5	4	8
Gain/loss on disposal and closure of businesses and revaluation on disposal groups	1	(1)	1	—	—
Profit on disposal of property, plant and equipment and assets held for sale	6	(2)	12	(1)	—
Movements in working capital:					
(Increase)/decrease in inventories	5	(20)	15	5	3
(Increase)/decrease in trade and other receivables	(20)	2	10	(40)	(66)
(Increase)/decrease in trade and other payables	37	4	(2)	(32)	(16)
Increase/(decrease) in provisions and other liabilities	(13)	(8)	8	—	(5)
	133	**85**	**81**	**(33)**	**(49)**
Interest received	6	4	3	—	—
Interest paid	(10)	(8)	(7)	(1)	—
Tax paid	(18)	(7)	(15)	(4)	9
Net cash generated from/(used in) operating activities	**111**	**74**	**62**	**(38)**	**(40)**
Acquisition of business (net of cash acquired)	(4)	(1)	(7)	(5)	—
Disposals of businesses (net of cash disposed of)	2	4	—	—	(14)
Purchases of land, property, plant and equipment	(43)	43	(53)	(6)	(11)
Proceeds from sale of land, property, plant and equipment	3	11	9	1	5
Purchase of intangible assets	(4)	(8)	(2)	(1)	—
Net cash used in investing activities	**(46)**	**(37)**	**(53)**	**(11)**	**(20)**
Repayments of related party balances	18	60	(4)	1	(4)
Repayments of borrowings	(95)	—	(62)	—	(80)
Net cash (used in)/generated from financing activities	**(77)**	**60**	**(66)**	**1**	**(84)**
Net cash (used)/generated	(12)	97	(57)	(48)	(144)
Effects of exchange rate changes	(9)	1	1	—	(1)
Net (decrease)/increase in cash, cash equivalents	**(21)**	**98**	**(56)**	**(48)**	**(145)**
Cash, cash equivalents at the beginning of the period	46	25	123	123	67
Cash, cash equivalents at the end of the period	**25**	**123**	**67**	**75**	**(78)**

UNAUDITED ADJUSTED FINANCIAL INFORMATION FOR THE ONGOING BUSINESS

The following Unaudited Adjusted Financial Information for the Ongoing Business is presented to illustrate the impact of the Branch Closures and the Property Portfolio Adjustment on the Target's historical financial information. For a description of the Branch Closures and the Property Portfolio Adjustment, see also "*Presentation of Financial and Other Data*." The Unaudited Adjusted Financial Information for the Ongoing Business is based on, and should be read in conjunction with, our Financial Statements included elsewhere in this offering memorandum and the section entitled "*Selected Historical Financial Information.*"

In particular, the Unaudited Adjusted Income Statement Data for the Ongoing Business for the three months ended October 31, 2016 and 2017, and the years ended July 31, 2015, 2016, and 2017 is adjusted to give effect to the transactions described below, as if they occurred at the beginning of the respective period:

- our closure of 30 underperforming branches and sale of our Sanvold business in (i) Denmark in January 2017 (14 branches), (ii) Finland in January 2017 (8 branches), (iii) Norway in March 2017 and (iv) Sweden in April 2017 (7 branches) (the "Branch Closures"); and

- an adjustment of the Target's property portfolio to exclude certain operational properties in Denmark and Norway, a distribution center in Finland, the headquarters in Copenhagen and 30 vacant properties, which have historically been included in the Target's financial results but do not form part of the Target's ongoing business that will be acquired by Lone Star Fund X in connection with the Acquisition (the "Property Portfolio Adjustment").

In addition, certain other financial information is adjusted to add back amortization of acquired intangible assets, impairment of goodwill and acquired intangible assets, items that management considers to be exceptional and certain other items that management considers to be non-recurring.

The Unaudited Adjusted Financial Information for the Ongoing Business is not presented in accordance with IFRS and has been derived by applying certain adjustments to the line items included in the Financial Statements included elsewhere in this offering memorandum. We present the Unaudited Adjusted Financial Information for the Ongoing Business because we believe that it reflects more closely the Target's business that will be acquired by Bidco in connection with the Transactions and thus provides additional information of the Target's historical performance and financial position of the businesses and operations to be acquired. The Unaudited Adjusted Financial Information for the Ongoing Business may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

The Unaudited Adjusted Financial Information for the Ongoing Business reflects the application of adjustments that are based upon available information and certain assumptions, as described above, that management believes are reasonable under the circumstances. The Unaudited Adjusted Financial Information for the Ongoing Business is presented for informational purposes only. Actual results may differ materially from the assumptions within the accompanying Unaudited Adjusted Financial Information. The Unaudited Adjusted Financial Information for the Ongoing Business has been prepared by management and is not necessarily indicative of the results of operations that would have been realized had the transactions contemplated above as of the dates indicated, nor is it meant to be indicative of any future results of operations that we will experience going forward.

The following table presents the Unaudited Adjusted Financial Information for the Ongoing Business for the years ended July 31 2015, 2016 and 2017, and for the three months ended October 31, 2016 and 2017, respectively.

	Ongoing Business					
	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Revenue[1]	2,100	2,108	2,151	586	618	2,183
Cost of sales[2]	(1,566)	(1,579)	(1,619)	(443)	(466)	(1,642)
Gross profit[3]	**534**	**529**	**532**	**143**	**152**	**541**
Adjusted EBITDA for the Ongoing Business[4]	103	94	93	32	40	101

(1) Revenue for the Ongoing Business consists of historical revenue as derived from the historical financial information of the Target for the relevant period adjusted to give effect to the Branch Closures and the Property Portfolio Adjustment. The following table reconciles revenue for the Ongoing Business, including revenue for the Ongoing Business by business unit, for the periods indicated:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Revenue for the Historical Business	**2,246**	**2,250**	**2,214**	**621**	**618**	**2,211**
STARK DK	897	913	911	257	256	910
STARK FI	622	608	588	168	157	577
Beijer	558	580	561	153	162	570
Neumann	169	149	154	43	43	154
Branch Closures	(146)	(142)	(63)	(35)	—	(28)
STARK DK	(41)	(35)	(19)	(8)	—	(11)
STARK FI	(89)	(89)	(35)	(21)	—	(14)
Beijer	(11)	(15)	(7)	(4)	—	(3)
Neumann	(5)	(3)	(2)	(2)	—	—
Revenue for the Ongoing Business	**2,100**	**2,108**	**2,151**	**586**	**618**	**2,183**
STARK DK	856	878	892	249	256	899
STARK FI	533	519	553	147	157	563
Beijer	547	565	554	149	162	567
Neumann	164	146	152	41	43	154

(2) Cost of sales for the Ongoing Business consists of historical cost of sales as derived from the historical financial information of the Target for the relevant period adjusted to give effect to the Branch Closures and certain exceptional items. The following table reconciles cost of sales for the Ongoing Business for the periods indicated:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Cost of sales for the Historical Business	**(1,683)**	**(1,695)**	**(1,683)**	**(471)**	**(466)**	**(1,678)**
Branch Closures	117	116	54	28	—	26
Exceptional items[a]	—	—	10	—	—	10
Cost of sales for the Ongoing Business	**(1,566)**	**(1,579)**	**(1,619)**	**(443)**	**(466)**	**(1,642)**

(a) Exceptional items consist of the following:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Write off of obsolete inventory held in closed branches	—	—	10	—	—	10

(3) Gross profit for the Ongoing Business consists of historical gross profit as derived from the historical financial information of the Target for the relevant period adjusted to give effect to the Branch Closures and certain exceptional items. The following table reconciles our gross profit for the Ongoing Business for the periods indicated:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Gross Profit for the Historical Business	**563**	**555**	**531**	**150**	**152**	**533**
STARK DK	235	234	226	65	61	222
STARK FI	107	102	94	28	27	93
Beijer	167	170	160	43	46	163
Neumann	45	38	41	10	12	43
Central and Other	9	11	10	4	6	12
Branch Closures	(29)	(26)	(9)	(7)	—	(2)
STARK DK	(11)	(10)	(5)	(2)	—	(3)
STARK FI	(14)	(12)	(2)	(3)	—	1
Beijer	(3)	(5)	(1)	(1)	—	—
Neumann	(1)	1	(1)	(1)	—	—
Exceptional Items[(a)]	—	—	10	—	—	10
STARK DK	—	—	6	—	—	6
STARK FI	—	—	4	—	—	4
Gross Profit for the Ongoing Business	**534**	**529**	**532**	**143**	**152**	**541**
STARK DK	224	224	227	63	61	225
STARK FI	93	90	96	25	27	98
Beijer	164	165	159	42	46	163
Neumann	44	39	40	9	12	43
Central and Other	9	11	10	4	6	12

(a) Exceptional items consist of the following:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Write off of obsolete inventory held in closed branches	—	—	10	—	—	10

(4) The following table provides a reconciliation of our historical profit for the period to Adjusted EBITDA for the Ongoing Business, for the periods indicated:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Profit from continuing operations for the period for the Historical Business	**58**	**43**	**4**	**22**	**19**	**1**
Financial income	(6)	(4)	(3)	(1)	(1)	(3)
Financial expenses	10	8	7	3	2	6
Tax for the period	23	27	5	4	8	9
Depreciation and amortization	25	28	28	8	7	27
Impact of Branch Closures	(9)	(8)	26	(4)	(1)	29
EBITDA for the Ongoing Business	**101**	**94**	**67**	**32**	**34**	**69**
Exceptional items related to the Ongoing Business[(a)]	(2)	(4)	21	—	4	25
Ferguson Group management fee[(b)]	4	4	5	—	2	7
Adjusted EBITDA for the Ongoing Business	**103**	**94**	**93**	**32**	**40**	**101**

(a) Exceptional items for the Ongoing Business consist of the following:

	Year ended July 31,			Three months ended October 31,		Twelve months ended October 31,
	2015	2016	2017	2016	2017	2017
				(€ million)		
Strategic development[(i)]	—	—	6	—	3	9
Advisor fees relating to sale of STARK Group	—	—	1	—	1	2
Restructuring[(ii)]	—	—	5	—	—	5
Profit/(loss) on disposal of property, plant and equipment[(iii)]	—	(1)	8	—	—	8
Profit on disposal of businesses[(iv)]	(2)	(3)	—	—	—	—
Other	—	—	1	—	—	1
Exceptional items related to the Ongoing Business	**(2)**	**(4)**	**21**	**—**	**4**	**25**

(i) Under our "Back to Basics" strategy, we focused on, among other things, decentralizing our decision making processes, developing our SME customer base, tailoring our product assortment to better serve customers and developing our new distribution center. In connection with these initiatives, we incurred costs related to consulting and advisor fees, inventory write-offs, staffing and bonus payments. We consider such costs to be exceptional.

(ii) Restructuring represents consulting and advisor fees incurred in connection with restructuring our head office and STARK FI, which we consider to be non-recurring costs.

(iii) The profit/(loss) on disposal of property, plant and equipment relates to the gain on sale of our Cheapy chain, a Swedish discount chain, in Sweden during the year ended July 31, 2016 and the loss on disposal of property, plant and equipment in Denmark.

(iv) The profit on disposal of businesses represents adjustments to provisions in respect of prior year disposals by STARK FI.

(b) Ferguson Group management fee represents certain charges to us by Ferguson for historical Ferguson Group-related functions and services, such as finance and treasury support and oversight, which will no longer be indicative of our financial performance following the Acquisition Completion Date.

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

The following is a discussion and analysis of our Unaudited Adjusted Financial Information for the Ongoing Business based on the Unaudited Adjusted Financial Information for the Ongoing Business. Please also refer to "Presentation of Financial and Other Data."

You should read this discussion in conjunction with the Financial Statements of the Target, included the notes thereto, included elsewhere in the offering memorandum as well as the information set forth in "Summary—Summary Historical Financial Information, Unaudited Adjusted Financial Information for the Ongoing Business and Other Financial Data," "Selected Historical Financial Information" and "Unaudited Adjusted Financial Information for the Ongoing Business." A summary of the critical accounting estimates that have been applied to the Target's financial statements is set forth below in "—Critical Accounting Judgments." This discussion also includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties that could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of risks and uncertainties facing us as a result of various factors, see "Risk Factors."

Overview

We are the leading non-franchise builders' merchant in the Nordics. We directly operate a total of 179 branches across Denmark, Finland, Sweden, Norway and Greenland from which we serve our diversified customer base of small and medium-sized enterprises, which comprise our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities.

We operate four business units across the Nordics and as of October 31, 2017, we directly operated 66 branches in Denmark, with an additional six branches in Greenland, under our STARK DK business unit, 27 branches in Finland under our STARK FI business unit, 66 branches in Sweden under our Beijer business unit and 14 branches in Norway under our Neumann business unit. Our customers primarily purchase our products for use in the resilient RMI market which has shown stable growth during 14 out of the past 17 years across the Nordic region. In the twelve months ended October 31, 2017, management estimates that we generated approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business from RMI activities and approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business from new build activity.

As of October 31, 2017, we had 5,056 FTEs and a total headcount of 5,667 personnel, and in the twelve months ended October 31, 2017, we generated revenue for the Ongoing Business of €2,183 million and Run-rate Adjusted EBITDA for the Ongoing Business of €109 million, and achieved a Run-rate Adjusted EBITDA margin for the Ongoing Business of 5%.

Key Factors Affecting Results of Operations

Various factors affect our operating results during each period, including, but not limited to:

General Economic Conditions and Activity in the Construction Industry

The construction materials distribution industry and demand for our products in our markets is dependent on the level of activity in the construction and renovation sector in these markets. Total construction and renovation activity includes RMI as well as new build activity. In the twelve months ended October 31, 2017, management estimates RMI activity accounted for approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business, and new build activity accounted for approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business. The level of construction and renovation activity in the Nordics is cyclical in nature and is dependent on the level of construction- and renovation-related expenditures in the residential, industrial and commercial sectors, public investments and public and private spending on infrastructure projects. Such construction- and renovation-related expenditures are particularly sensitive to factors such as GDP growth, interest rates, cost and availability of mortgage financing for residential, commercial and industrial construction and renovation, inflation, consumer and producer confidence as well as other macroeconomic factors. Political instability, changes in government policy, increased immigration and urbanization may also affect the construction and renovation industry. As a result, cyclical fluctuations in the construction and renovation industry has historically affected our sales and gross margin. Historically, RMI activities across the Nordics have exhibited structural resilience through the economic cycle and has shown stable growth during 14 out of the past 17 years, which has in the

past contributed to stable revenue generation and gross margins. RMI activity is more resilient to cyclical fluctuations than new build activity and primarily driven by the need to modernize existing housing stock. In the past, RMI activity has generated a larger proportion of our revenue during economic downturns due to delays or temporary interruptions in the new build industry.

Trends in the Construction and Renovation Industry

Our results of operations are affected by general trends in the construction and renovation industry, including an increase in the number of private consumers hiring SMEs for RMI activity, the growing trend towards urbanization, an ageing population, increased own brand penetration and other key trends. We estimate that SMEs accounted for approximately 50% of the gross profit pool in the construction materials distribution industry across the Nordics in 2016, which is forecast to grow at a faster rate than the overall construction materials distribution market between 2016 and 2021 according to a leading management consulting firm. We consider SMEs to be our core customer group, accounting for approximately 56% of total revenue for the Ongoing Business in the year ended July 31, 2017. Consequently, our business is benefitting from a continuing increase in the number of private consumers hiring SMEs for RMI activity rather than completing RMI works themselves, which has led to stable sales to SMEs during the last three years. This trend has historically been supported by government tax incentives on home improvements in Denmark and Sweden, including, for example, the ROT tax subsidy in Sweden, which allows for a tax deduction of up to 30% of the labor costs incurred in relation to RMI works carried out on one's property, which incentivizes private consumers to hire SMEs for RMI activity. In addition, we believe our business is well-positioned to benefit from growing urbanization trends, particularly given our footprint is strategically skewed toward attractive growth areas. A leading management consulting firm expects the growth of urbanization to lead larger geographic regions and cities to outgrow the rest of the market and increase demand for both residential and non-residential RMI and new build activities in such regions. Changing demographics also affect our results of operations, as an aging population tends to lead to a shift away from DIY toward the hiring of SMEs and other of our B2B customers for new build and RMI needs. Management believes since wealth may increase with age, an older population may also be more able and willing to spend on new build and RMI activities than a younger population. In addition, our results of operations are affected by increasing own brand penetration across the Nordics as own brand SKUs have higher gross margins on average than branded SKUs, according to management estimates. We currently offer our customers approximately 4,110 own brand SKUs. Based on independent market studies, we estimate that own brand products currently hold approximately 10% of the relevant market share in the Nordics, and we expect such market share to double by 2020.

Our Ability to Effectively Compete with Other Building Material Distributors

Competitive pressure from other building material distributors affects our ability to attract customers in the markets in which we operate, and may result in reduced sales volumes and pricing pressure and require us to make additional capital expenditures to upgrade branches or incur additional costs, for example relating to staff numbers or our logistics and distribution network, as we seek to provide more competitive products and services. Given our scale, we believe that we benefit from significant operational advantages compared to our competitors, which are mostly "mom and pop" shops collaborating in buying groups or franchisee-owned operations, which generally cannot match the combination of our harmonized sourcing capabilities across the Nordics, collaborative customer service network and convenient national and cross-regional product availability. Additionally, operating a company-owned network of branches allows us the opportunity to leverage our scale to provide flexible collection and delivery services on a national and cross-regional basis, thus reducing infrastructure and fleet costs, as well as operate at better sourcing and working capital levels than our competitors by harmonizing our product assortment across branches. Furthermore, in order to enhance customer loyalty, we have implemented a customer discount and loyalty bonus system across certain of our business units pursuant to which we offer favorable pricing terms and purchasing conditions to, for example, repeat customers whose total purchase spend with us is high, which may affect our revenue and gross margin. We also provide credit to a majority of our customers, which for many is an essential criteria for purchases. We mitigate the potential risks for providing credit to our customers through credit insurance and our credit control team.

Product Pricing, Product Mix and Supply Costs

The price of our products has a direct impact on our revenue and is dependent on, among other things, general economic conditions and pricing pressure from our competitors in the markets in which we operate. If pricing competition increases, we may sell fewer products than expected or we may sell these at lower prices, which could affect our revenue and gross margin. We have introduced our smart pricing strategy pursuant to which we have implemented consistent shelf prices. In addition, to facilitate movement in inventory, we have established pricing structures under which we offer discounts on certain trade-specific "high runner" products, competitive prices for items purchased frequently and fairer prices for items purchased infrequently. We believe our smart pricing strategy enhances brand and value perception among our customers to further drive sales growth.

Our results of operations are also affected by the type of products that we sell and the type of construction activity for which these products are used by our customers. For example, products such as timber, concrete and insulation materials, which customers may use for new build activity, can generate lower margins than products such as paints, tiles, sealants, sand paper and adhesives, which customers may use for RMI activity. Furthermore, as of October 31, 2017, we offered our customers 4,110 own brand SKUs and are currently in the process of building a strategic common core range of 800 SKUs for our own brand portfolio. Own brand SKUs have higher gross margins on average than branded SKUs, according to management estimates. In the twelve months ended October 31, 2017, we derived approximately 91% of total revenue for the Ongoing Business from branded products and approximately 9% of total revenue for the Ongoing Business from own brand products. Compared to the three months ended October 31, 2016, our own brand products generated approximately 31% more revenue for the Ongoing Business in the three months ended October 31, 2017, according to management estimates. As a result, increased sales of own brand products may positively affect our gross margin.

Moreover, our results of operations are affected by our ability to source our products at competitive prices. Leveraging our scale, our business benefits from our harmonized sourcing capabilities across the Nordics which allow us to reduce costs and increase our gross margin by maximizing purchasing power through rationalizing our supplier base and creating performance-based supplier contracts.

Furthermore, our results of operations are affected by our customers' preferences for our sales channels. Our stock collected channel typically generates higher gross margins due to a higher margin product mix and value-added potential from large product assortment and availability within branches, as well as higher exposure to higher margin RMI activities. Our direct delivery channel typically generates lower gross margins, as large order volumes can lead to discounts and lower purchasing power with manufacturers and as this channel typically has higher exposure to lower margin new build activities. Our stock delivered channel typically generates variable gross margins depending on the country of operation and type of customer contract, including as a result of mixed exposure to RMI and new build activities. As a result, an increase in sales through our stock collected channel may positively affect our gross margin.

Flexibility of Our Cost Structure

Our cost structure has historically provided us with significant downside protection during periods of adverse economic conditions. Given the intrinsic nature of a distributor business, approximately 90% of our cost base is either directly linked to sales (such as cost of sales and fleet costs), or is considered by management to have a high potential for short-term right-sizing (such as employee benefits expenses related to employees with flexible contracts and fleet costs). Our fixed costs mainly relate to the fixed portion of our employee benefits expenses, including our base employee and pension costs, administrative expenses and other fixed costs, such as costs related to IT functions. Additionally, we have historically been able to further adjust our cost structure during economic downturns by rationalizing discretionary costs related to advertisement, infrastructure, administration and IT. Furthermore, the downside protection offered through our variable cost structure is partially due to our large freehold portfolio of 195 properties independently valued at up to €805 million as of September 30, 2017. Given the large portion of owned branches, our business benefits from low impact from rent expenses on our cash flow when compared to our competitors across Europe as we do not have a fixed monthly cash outflow with respect to such rent expenses. In the year ended July 31, 2017, management estimates that external rent accounted for only 14% of our EBITDA for the Ongoing Business. By contrast, external rent represented approximately 20% and 37% of EBITDA for Ahlsell and Byggmax, respectively, during each of their 2016 financial years. Additionally, the rigorous management of our working capital and our flexible capital expenditure levels, have historically allowed us to generate significant cash flows, resulting in a cash conversion rate, defined as Adjusted EBITDA for the Ongoing Business *less* adjusted capital expenditures *divided by* Adjusted EBITDA for the Ongoing Business, of 72%, 70% and 61% for the years ended July 31, 2015, 2016 and 2017, respectively.

Management of Foreign Exchange

Our key operating currencies are the euro, Danish krone, which is pegged to the euro, Swedish krona and Norwegian krone. Our revenue and costs, including sourcing costs, for each business unit are primarily in the respective local currency, which offers natural hedging opportunities. We also have limited exposure to foreign exchange risks in connection with the U.S. dollar as we source some of our own brand products from China in U.S. dollars. In addition, we sometimes source certain of our products for our Beijer branches from Denmark, exposing us to limited foreign exchange risks between the Danish krone and Swedish krona, while at the same time reducing our exposure to Swedish krona and increasing our exposure to Danish krone, which is pegged to the euro.

Management of Capital Expenditures

We incurred €37 million, €28 million and €55 million of Capital Expenditures for the Ongoing Business in the years ended July 31, 2015, 2016 and 2017, respectively, of which €33 million (1.6% of revenue for the Ongoing Business), €20 million (0.9% of revenue for the Ongoing Business) and €53 million (2.5% of revenue for the Ongoing

Business), respectively, related to purchases of land, property, plant and equipment and €4 million (0.2% of revenue for the Ongoing Business), €8 million (0.4% of revenue for the Ongoing Business) and €2 million (0.1% of revenue for the Ongoing Business), respectively, related to purchases of intangible assets.

Maintenance capital expenditures typically relate to branch refurbishment in connection with improving our customer offer and space allocations and IT expenditures. As of September 30, 2017, we had a freehold property portfolio comprising 195 properties, including 153 properties at which we operate branches, eleven properties in Denmark shared with Silvan and other properties. Our freehold property portfolio allows us discretion in our capital expenditures, as we can decide on the amount and timing of our maintenance capital expenditures. The scope and related investment associated with branch refurbishments varies by the size and category of the physical branch as well as its general condition, and we generally target a payback on investment within three to four years.

Expansion capital expenditures have historically comprised one-off expenditures related to the development of new branches, the acquisition of the freehold of existing branches and our distribution center.

In connection with the completion of the Acquisition, we expect to incur expenses related to replicating certain functions, such as stand-alone insurance, IT, finance and treasury functions, that we have previously shared with Ferguson on a Group-wide basis. In addition, in connection with our strategy to optimize the footprint of our branches in above market growth areas, we may in the future selectively acquire freehold properties in strategic locations across the Nordics. Costs incurred in improving and/or expanding our property portfolio are generally capitalized and then depreciated in line with IFRS.

As we continue to invest in the improvement and optimization of our branch network, including through the consolidation of our branches and any selective bolt-on acquisitions that we may pursue in the future, capital expenditures and costs associated with the depreciation of the corresponding capitalized costs will likely increase.

Seasonality, Weather and Trade Periods

Our business activities are cyclical and are subject to significant seasonal influences. Our revenue and net working capital generally reflect seasonality in the building sector, and our most important trading periods in terms of revenue, operating results and cash flow has historically been in our first and fourth financial quarters as a result of increased new build and RMI activity during warmer periods with longer daylight hours, among other things. In the winter months, we typically generate less revenue due to low construction and renovation activity as a result of cold weather, partially offset by an increase in indoor activities such as painting. Additionally, our results of operations are affected by generally consistent seasonal swings in our net working capital. Typically, we experience a cash outflow in the winter months as we tend to incur additional expenses in advance of our peak sales periods that occur during our first and fourth financial quarters. We typically experience a cash inflow in the summer and fall as we finalize collecting payments from customers who have made purchases for their spring construction and renovation projects simultaneously as we begin collecting payments from customers who are making purchases for their summer and early fall construction and renovation projects.

We finance our working capital needs through cash and cash equivalents and third-party borrowings. Following the completion of the Transactions, we will utilize cash on hand and our Revolving Credit Facility to cover swings in our working capital. See also "*—Liquidity and Capital Resources—Net Working Capital*."

Our results are also affected by periods of abnormal, severe or unseasonable weather conditions, particularly if such events occur during our peak sales period. See "*Risk Factors—Risks Related to Our Business and Our Industry—Our business is seasonal and could also be adversely affected by sustained periods of unfavorable weather.*"

Cost Saving and Other Strategic Initiatives

Felix Strategy

In the year ended July 31, 2013, our former management initiated our "Felix" strategy, focusing on the simultaneous pursuit of strong topline growth and cost cutting while also seeking to strengthen the Group's central management. In connection with our "Felix" strategy, our business experienced, among other things, an increase in headquarters and other central costs without capturing related scale benefits and a drop in gross margins as a result of our former management's focus on high volume products with lower margins. Additionally, during the implementation of our "Felix" strategy, our business lacked strategic focus seeking to tailor our product and service offering to both private customers and B2B customers which led to a loss of scale benefits in our product offerings to our core SME customers. Furthermore, due to inconsistent category management across the Group, our customers experienced inconsistent products assortment, availability and product pricing. Due to inconsistent leadership and management difficulties across our business units we also lost key personnel during the implementation of our "Felix" strategy. Ultimately, our "Felix" strategy did not have a positive impact on our financial position during its implementation.

Back to Basics

In the year ended July 31, 2017, after our CEO, Søren P. Olesen, stepped into the role of Group-wide CEO from his previous position with STARK DK, we initiated our "Back to Basics" strategy with the intention to drive our top-line growth by refocusing our operations on our SME core customer group and enhance our profitability by streamlining our headquarters and central administration functions, rationalizing our footprint, simplifying our distribution network and driving better sourcing initiatives through leveraging our scale and harmonizing our product assortment across the Nordics. We estimate that we would have realized total annualized run-rate cost savings of approximately €7 million in the twelve months ended October 31, 2017, mainly as a result of better contractual terms following our renegotiation of key supply contracts and as a result of headcount reductions and a more streamlined headquarters if these cost saving measures had been implemented on November 1, 2016.

Overall, we have identified approximately €74 million in operational, sourcing- and network-related cost savings for the Ongoing Business, which we aim to realize by 2021. Additionally, we have initiated several topline growth initiatives, primarily related to product assortment, availability and pricing, which management believes, together with improvements in the market, have resulted in an increase in revenue for the Ongoing Business of approximately 5% during the twelve months ended October 31, 2017.

Better Sourcing

To reach our objective of developing better sourcing processes, we are implementing a systematic review of our supply chain operations by focusing on three key components: (i) our own brand products, (ii) our direct sourcing costs and (iii) our indirect sourcing costs. By increasing our focus on own brand products, we intend to continue supporting our margins by developing our own brand product portfolio to have reduced overlap with our branded products portfolio and building a strategic common core range of 800 own brand SKUs shared across our business units. We expect that increased sourcing for our own brand products will provide us with greater leverage in negotiations with our suppliers than we may have with suppliers of branded products since suppliers of branded products also receive offers from our competitors. In addition, we are in the process of decreasing our direct sourcing costs by developing our pan-Nordic sourcing setup and consolidating volumes to achieve economies of scale by centralizing sourcing functions through STARK Group Sourcing, our Group sourcing unit, and decreasing procurement costs. We have recently implemented a new organizational model with a new sourcing management team and board and we intend to further leverage our harmonized sourcing platform across the Nordics to consolidate our supplier base and maximize purchasing power. Moreover, we are in the process of reviewing and negotiating our sourcing contracts across our business to align purchasing terms and procurement prices across our four business units. Furthermore, we intend to maintain and, in certain cases, strengthen our general policy of direct sourcing, which allows us to directly negotiate prices with suppliers. In parallel, we are in the process of decreasing our indirect sourcing costs by continuing to streamline our supplier base, creating performance-based supplier contracts and improving the management of demand for our products and supplies. We estimate that we would have realized total annualized run-rate sourcing- and procurement-related cost savings of approximately €3 million in the twelve months ended October 31, 2017, mainly as a result of better contractual terms following our renegotiation of key supply contracts, a leaner cost base for our supply chain and enhanced optimization opportunities for our network if these cost saving measures had been implemented on November 1, 2016.

Overall, we have identified approximately €51 million of sourcing and procurement-related cost savings for the Ongoing Business, primarily including direct sourcing initiatives and increased own brand sourcing, which we aim to realize by the year ending July 31, 2021.

Stronger Network

In connection with building a stronger network to better serve our customers, we are optimizing our branch footprint and logistics platform and providing greater access to increased availability of stock. For example, we exited our Silvan DIY business in 2017 to increase focus on our SME segment, and developed and launched a new SME marketing campaign to leverage our fastest growing profit pool. Additionally, to optimize our physical footprint, in 2017, we closed 30 underperforming branches in low growth areas to focus our business on regions that are expected to outperform national averages. We will continue optimizing the footprint of our branches to capture the benefit of expected growth in the markets in coming years and increase our competitive advantages. While we believe our business benefits from our current geographic coverage, we may in the future pursue strategic relocations and consolidations of certain branches to better locations along highly travelled roads benefiting from higher footfall or visibility and will assess any new branches that we bring into our network on a case-by-case basis. We continue to monitor our existing branch base to selectively close or merge branches that are performing poorly or otherwise do not meet our expectations.

Additionally, we aim to further simplify our distribution network while optimizing our delivery routes and pricing terms by, among other things, establishing additional ship hubs, developing our recently established light-side hub in Denmark to streamline the distribution of slow moving items, downsizing and outsourcing certain of our centralized warehouse processes to achieve cost savings and consolidating the number of dedicated branches used for the distribution of products to better allocate our resources.

Overall, we have identified approximately €13 million of network-related cost savings for the Ongoing Business, primarily related to a simplified distribution network and an optimized footprint of branches, which we aim to realize by the year ending July 31, 2021.

Efficient Operator

We intend to continue focusing on cost management through reduced overhead costs and the optimization of operations at the business unit and branch level. We have recently implemented a number of initiatives to reorganize our managerial structure and optimize the size of our headquarters, with the aim of strengthening local decision-making and accountability and regaining focus on day-to-day operations at the business unit and branch level. At the same time, we intend to maintain efficiency through centralized functions from our headquarters, including for strategy, performance, human resources and compliance across our business. For example, in 2016, we initiated significant downsizing at our headquarters, including the relocation of 178 FTEs from our central headquarters to the business unit level to clarify responsibilities, heighten responsiveness to support requirements and increase accountability. We also initiated a total planned reduction of 55 FTEs, excluding the hiring of 19 FTEs, expected to be completed by the end of June 2018. We estimate that we would have realized total annualized run-rate operational cost savings of approximately €4 million in the twelve months ended October 31, 2017, mainly as a result of headcount reductions and a more streamlined headquarters if these cost saving measures had been implemented on November 1, 2016.

Overall, we have identified approximately €11 million of operational cost savings for the Ongoing Business, primarily related to a leaner headquarters, a streamlined workforce and increased focus on business unit-level activity and cost management, which we aim to realize by the year ending July 31, 2021.

Top Line Growth Initiatives

To improve our revenue generation and sales volume, we have refocused our business on our core customer group, SMEs, which represent the fastest growing profit pool in the Nordic construction materials distribution market. In line with strategically refocusing our business, we are intend to offer SMEs an industry-leading product assortment and availability which is tailored to our customers' trade-specific needs. Additionally, we have recently begun implementing a smart pricing strategy across our business which is aimed at rationalizing shelf prices. In line with our smart pricing strategy, we have established pricing structures under which we offer discounts on certain trade-specific "high runner" products, competitive prices for items purchased frequently and fairer prices for items purchased infrequently. Furthermore, we intend to capture digital growth opportunities by leveraging our existing physical network of branches and logistics facilities, as well as industry experience and product expertise and improving our online platform for SMEs to quickly, efficiently and comprehensively serve and advise our customers on the best products for each of their projects' needs.

Factors Affecting Comparability of Our Financial Statements

The Acquisition

In the future, we will report consolidated financial statements and other information for the Issuer and its consolidated subsidiaries prepared under IFRS. The fiscal year of the Issuer ends on July 31 of each calendar year and the first annual consolidated financial statements for the Issuer will be available in respect of the fiscal year ending July 31, 2018. The Issuer will account for the Acquisition using the acquisition method of accounting under IFRS, which will affect the comparability of the Issuer's consolidated financial statements with the Financial Statements contained in this offering memorandum. We will apply purchase accounting adjustments in connection with the Transactions to our financial statements for accounting periods subsequent to the Acquisition Completion Date. The application of purchase accounting could result in different carrying values for existing assets and assets we may add to our balance sheet, which may include intangible assets, such as goodwill, leasehold rights and software, and different amortization and depreciation expenses. Due to these and other potential adjustments, our financial statements could be materially different once the adjustments are made.

Furthermore, we will incur a substantial amount of indebtedness as a result of the Transactions. As of October 31, 2017, adjusted to give effect to the Transactions, we would have had total third-party debt in the aggregate amount of €515 million, consisting of the Notes. In addition, we would have had €100 million available for drawing

under the Revolving Credit Facility. See "*Summary—Summary Historical Financial Information, Unaudited Adjusted Financial Information for the Ongoing Business and Other Financial Data*." Our indebtedness may limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities, since a substantial portion our cash flow from operations will be dedicated to the repayment of our indebtedness, and this may place us at a competitive disadvantage as some of our competitors are less leveraged.

Disposal of Silvan and the Effects of the Branch Closures and the Property Portfolio Adjustment

On July 10, 2017, in connection with our strategy to refocus our ongoing business operations primarily on B2B customers, we announced our agreement to divest our DIY brand, Silvan, to Aurelius Group. The sale of Silvan concluded on August 31, 2017. Additionally, we divested our Cheapy chain, a Swedish discount chain, which was sold in April 2014, and Oscar Perschard, a small Norwegian branch, which was sold in July 2014. We include the results of operation, financial position and cash flows from Silvan, Cheapy and Oscar Perschard in our Financial Statements as discontinued operations, which are shown separately from continuing operations in our Financial Statements. In this offering memorandum, unless otherwise indicated, references to any financial data are only to financial data from continuing operations and exclude the results of operations, financial position and cash flows of Silvan, Cheapy and Oscar Perschard.

Additionally, in line with our strategy to focus our business on areas with above market growth, we closed 30 underperforming branches in low growth areas, including 14 STARK DK branches in January 2017, eight STARK FI branches in January 2017, seven Beijer branches in April 2017 and the Norwegian Sandvold business in March 2017. As these branch closures occurred during our financial year ended July 31, 2017, our Audited Financial Statements include the contribution to our financial results by these 30 branches until their respective dates of closure. Additionally, the comparative unaudited financial data for the three months ended October 31, 2016 included in the Unaudited Interim Financial Statements includes the contribution to our financial results by these 30 branches for the entire three month reporting period. In the future, these 30 branches will not contribute to the consolidated financial results of the Issuer as a result of which the future consolidated financial statements of the Issuer will not be comparable to our Audited Financial Statements and the comparative unaudited financial data for the three months ended October 31, 2016 included in the Unaudited Interim Financial Statements. At the same time, our future revenue will be affected by our ability to retain sales from these closed branches, which would create an initial increase in year-on-year revenue during the first twelve months following the branch closures as sales would be concentrated to fewer branches. We expect this increase in revenue to weaken in subsequent periods once the retained revenue has been fully reflected in our financial statements. Furthermore, following the completion of the Acquisition, the Issuer will report its consolidated financial results excluding certain operational properties in Denmark and Norway, a distribution center in Finland, the headquarters in Copenhagen and 30 vacant properties, which have historically been included in the Target's financial results but do not form part of the Target's business that will be acquired by Lone Star Fund X in connection with the Acquisition. As a result, the future consolidated financial statements of the Issuer will not be comparable to our Financial Statements.

We also include in this offering memorandum certain Unaudited Adjusted Financial Information for the Ongoing Business for revenue, cost of sales, gross profit, operating costs, trading profit and Adjusted EBITDA. The Unaudited Adjusted Financial Information for the Ongoing Business has been derived by adjusting the historical revenue, gross profit, trading profit and Adjusted EBITDA to give effect to the Branch Closure and Property Portfolio Adjustment described above as of and for the periods presented therein. See "*Presentation of Financial and Other Data*" and "*Unaudited Adjusted Financial Information for the Ongoing Business.*" The Unaudited Adjusted Financial Information for the Ongoing Business is presented for information purposes only and is not intended to represent or be indicative of our results of operations that we would have reported had the Branch Closure and Property Portfolio Adjustment been completed as of the dates and for the periods presented therein, and should not be taken as representative of our consolidated results of operations or financial condition following the completion of the Transactions. The Unaudited Adjusted Financial Information for the Ongoing Business is not comparable to the historical financial results of the Target presented or included in this offering memorandum, and will not be comparable to the future consolidated financial statements of the Issuer.

Description of Key Income Statement Line Items

Revenue

Revenue comprises the sales value of the goods sold and services rendered. Revenue is recorded net of returns, discounts/offers and value added taxes.

Gross Profit

Gross profit is the difference between our revenue and cost of sales where cost of sales includes the purchase price of the products sold and other costs incurred in bringing the inventories to the location in a condition ready for sale. These costs include those of purchasing, storing, salaries and transporting products to the extent that it relates to bringing the inventories to the location in a condition ready for sale.

Operating Costs

Operating costs comprises amortization of acquired intangible assets and other operating costs. Other operating costs include:

- employee costs, comprising, among others, wages, salaries, social security and pension expenses and other employee benefits;
- infrastructure costs, comprising, among others, external rental costs related to properties rented from third parties, equipment rental costs such as fork lifts, waste disposal costs, rates and property taxes net of external rent income from rent charged to third parties for areas occupied on our premises;
- fleet costs, comprising, among others, costs related to our own and rented fleets, costs related to freight services provided by third parties and labor costs for truck drivers;
- marketing and advertising costs and income, comprising, among others, advertising and marketing costs, including for flyers, brochures and catalogues, costs associated with TV commercials and costs related to customer events;
- administrative expenses, comprising, among others, the costs of general management, including fees for professional services and costs associated with alarms and business insurance; and
- other operating expenses, comprising, among others, other staff costs, such as company cars and fuel, travel expenses, external training costs, external IT costs and costs related to bad debts and credit insurance.

Adjusted EBITDA

We define Adjusted EBITDA for the Ongoing Business as historical profit for the period before financial income, financial expenses, tax for the period, depreciation and amortization, exceptional items related to the Ongoing Business and the Ferguson Group management fee, excluding the impact on operating profit resulting from the Branch Closures as described in *"Presentation of Financial and Other Data"* and "*Unaudited Adjusted Financial Information for the Ongoing Business*" adjusted for certain charges to us by Ferguson for historical Ferguson Group-related functions and services, such as finance and treasury support and oversight, which will no longer be indicative of our financial performance following the Acquisition Completion Date. See "*Presentation of Financial Information and Other Data—Non-IFRS Financial Measures*" for a reconciliation of Adjusted EBITDA for the Ongoing Business to historical profit.

Unaudited Adjusted Financial Information for the Ongoing Business

The following section discusses our Unaudited Adjusted Financial Information for the Ongoing Business for the periods set forth below. We believe that presenting the discussion and analysis of our Unaudited Adjusted Financial Information for the Ongoing Business in this manner promotes the overall usefulness of the comparison given the complexities involved with comparing periods of differing lengths and the impact of the Branch Closures and the Property Portfolio Adjustment on our Financial Statements. See also "*Presentation of Financial and Other Data*" and "*Unaudited Adjusted Financial Information for the Ongoing Business.*"

Three Months Ended October 31, 2017 Compared to the Three Months Ended October 31, 2016

The following table presents our Unaudited Adjusted Financial Information for the Ongoing Business for the three months ended October 31, 2016 and 2017.

	Ongoing Business			
	Three months ended October 31,		Increase/ (Decrease)	% Change
	2016	2017		
	(€ million)			
Revenue	586	618	32	5.5%
Gross profit	143	152	9	6.3%
Adjusted EBITDA for the Ongoing Business	32	40	8	25.0%

Revenue for the Ongoing Business

Revenue for the Ongoing Business increased by €32 million, or 5.5%, to €618 million for the three months ended October 31, 2017 from €586 million for the three months ended October 31, 2016. This increase was driven by growth across all of our four business units as a result of strong customer demand as well as the effect from our initiatives to drive top-line growth. Additionally, we believe that we have gained market share in all of our four operating countries. For a more detailed discussion of the change in revenue for the Ongoing Business from the three months ended October 31, 2016 to the three months ended October 31, 2017, please see our analysis of revenue development for the Ongoing Business by business unit below.

Revenue for the Ongoing Business by Business Unit

The following table shows our revenue for the Ongoing Business by business unit for the three months ended October 31, 2016 and 2017, respectively:

	Ongoing Business			
	Three months ended October 31,		Increase/ (Decrease)	% Change
	2016	2017		
	(€ million)			
STARK DK	249	256	7	2.8%
STARK FI	147	157	10	6.8%
Beijer	149	162	13	8.7%
Neumann	41	43	2	4.9%
Total	**586**	**618**	**32**	**5.5%**

STARK DK

Revenue for the Ongoing Business from our STARK DK business unit increased by €7 million, or 2.8%, to €256 million for the three months ended October 31, 2017 from €249 million for the three months ended October 31, 2016. This increase was primarily driven by a combination of successfully winning several large new customers and an increase in revenue generated by existing SME customers.

STARK FI

Revenue for the Ongoing Business from our STARK FI business unit increased by €10 million, or 6.8%, to €157 million for the three months ended October 31, 2017 from €147 million for the three months ended October 31, 2016. This increase was primarily driven by an increase in new construction activity in urban areas and an increase in sales to local builders following the roll-out of our "Project Hunt" initiative, which involves STARK FI contacting local builders whose volumes have recently declined.

Beijer

Revenue for the Ongoing Business from our Beijer business unit increased by €13 million, or 8.7%, to €162 million for the three months ended October 31, 2017 from €149 million for the three months ended October 31, 2016. This increase was primarily driven by a combination of three factors: regaining lost sales associates that left for competitors in previous years, hiring more sales associates in a dedicated initiative called "Top Sales" and addressing product availability issues that arose in connection with the roll-out of a new product assortment.

Neumann

Revenue for the Ongoing Business from our Neumann business unit increased by €2 million, or 4.9%, to €43 million for the three months ended October 31, 2017 from €41 million for the three months ended October 31, 2016. This increase was primarily driven by increased sales from the recently opened Oslo branch.

Gross Profit for the Ongoing Business

Gross profit for the Ongoing Business increased by €9 million, or 6.3%, to €152 million for the three months ended October 31, 2017 from €143 million for the three months ended October 31, 2016. This increase was primarily driven by an increase in sales in our higher gross margin business in Sweden and better pricing in Denmark. For a more detailed discussion of the change in gross profit for the Ongoing Business from the three months ended October 31, 2016 to the three months ended October 31, 2017, please see our analysis of gross profit development for the Ongoing Business by business unit below.

Gross Profit for the Ongoing Business by Business Unit

The following table shows our gross profit for the Ongoing Business by business unit for the three months ended October 31, 2016 and 2017, respectively:

	Ongoing Business			
	Three months ended October 31,		Increase/ (Decrease)	% Change
	2016	2017		
	(€ million)			
STARK DK	63	61	(2)	(3.2)%
STARK FI	25	27	2	8.0%
Beijer	42	46	4	9.5%
Neumann	9	12	3	33.3%
Other[1]	4	6	2	50.0%
Total	**143**	**152**	**9**	**6.3%**

(1) Other represents profit allocated to our headquarters.

STARK DK

Gross profit for the Ongoing Business from our STARK DK business unit decreased by €2 million, or 3.2%, to €61 million for the three months ended October 31, 2017 from €63 million for the three months ended October 31, 2016. This decrease was primarily driven by mix effects as a result of a higher share of large customers that tend to generate lower margins.

STARK FI

Gross profit for the Ongoing Business from our STARK FI business unit increased by €2 million, or 8.0%, to €27 million for the three months ended October 31, 2017 from €25 million for the three months ended October 31, 2016. This increase was primarily driven by strong construction activity, partially offset by lower gross margin percentage driven by sales channel mix.

Beijer

Gross profit for the Ongoing Business from our Beijer business unit increased by €4 million, or 9.5%, to €46 million for the three months ended October 31, 2017 from €42 million for the three months ended October 31, 2016. This increase was primarily due to an increase in sales, which positively impacted bonuses we received from suppliers, as well as a reduction in the value of rebates we offered.

Neumann

Gross profit for the Ongoing Business from our Neumann business unit increased by €3 million, or 33.3%, to €12 million for the three months ended October 31, 2017 from €9 million for the three months ended October 31, 2016. This increase was primarily due to the implementation of our smart pricing initiative, which allowed us to manually increase pricing for certain products, as well as increased sales to large customers.

Adjusted EBITDA for the Ongoing Business

Adjusted EBITDA increased by €8 million, or 25.0%, to €40 million for the three months ended October 31, 2017 from €32 million for the three months ended October 31, 2016. This increase was primarily driven by the increase in gross profit and improved cost management.

Year Ended July 31, 2017 Compared to Year Ended July 31, 2016

The following table presents certain Unaudited Adjusted Financial Information for the Ongoing Business for the years ended July 31, 2016 and 2017.

	Ongoing Business			
	Year ended July 31,		Increase/ (Decrease)	% Change
	2016	2017		
		(€ million)		
Revenue	2,108	2,151	43	2.0%
Gross profit	529	532	3	0.6%
Adjusted EBITDA for the Ongoing Business	94	93	(1)	(1.1)%

Revenue for the Ongoing Business

Revenue for the Ongoing Business increased by €43 million, or 2.0%, to €2,151 million for the year ended July 31, 2017 from €2,108 million for the year ended July 31, 2016. This increase was primarily driven by an increase in revenue in our STARK DK, STARK FI and Neumann business units, partially offset by a slight decrease in revenue in our Beijer business unit due to one-off impacts that increased revenues in the prior year while the first half of the year ended July 31, 2017 saw negative revenue growth, revenue growth picked up significantly in the second half of the year ended July 31, 2017 due to strong construction activity, the implementation of various initiatives and other factors. For a more detailed discussion of the change in revenue for the Ongoing Business from the year ended July 31, 2016 to the year ended July 31, 2017, please see our analysis of revenue development for the Ongoing Business by business unit below.

Revenue for the Ongoing Business by Business Unit

The following table shows our revenue for the Ongoing Business by business unit for the years ended July 31, 2016 and 2017, respectively:

	Ongoing Business			
	Year ended July 31,		Increase/ (Decrease)	% Change
	2016	2017		
		(€ million)		
STARK DK	878	892	14	1.6%
STARK FI	519	553	34	6.6%
Beijer	565	554	(11)	(2.0)%
Neumann	146	152	6	4.1%
Total	**2,108**	**2,151**	**43**	**2.0%**

STARK DK

Revenue for the Ongoing Business from our STARK DK business unit increased by €14 million, or 1.6%, to €892 million for the year ended July 31, 2017 from €878 million for the year ended July 31, 2016. This increase was primarily driven by increased sales to SMEs following the implementation of our "Back to Basics" strategy to increase our top-line growth. During the period under review, we supported our strategic focus on SME customers through initiatives including improved availability of core products, focused product assortment and sales training. The growth in revenue for our STARK DK business unit was partially offset by a decline in private customers as a result of a general shift away from DIY activity in Denmark.

STARK FI

Revenue for the Ongoing Business from our STARK FI business unit increased by €34 million, or 6.6%, to €553 million for the year ended July 31, 2017 from €519 million for the year ended July 31, 2016. This increase was primarily driven by growth in the Finnish construction market as well as management's strategic focus on SMEs supported by a better product assortment and product display. In addition, revenue increased due to the successful execution of "Project Hunt," which involved STARK FI contacting local builders whose volumes have recently declined.

Beijer

Revenue for the Ongoing Business from our Beijer business unit decreased by €11 million, or 2.0%, to €554 million for the year ended July 31, 2017 from €565 million for the year ended July 31, 2016. This decrease was primarily driven by a loss of sales associates that had left Beijer in previous years, which was partially offset by the addition of 28 experienced sales staff as part of our top-line growth initiatives during the third and fourth quarters of the year ended July 31, 2017, which led to increased sales growth in the fourth quarter of the year ended July 31, 2017. Additionally, the decrease in revenue was also driven by a reduction in the ROT tax subsidy from 50% to 30%, which positively affected the prior year period as customers brought forward certain RMI projects to the prior period to take advantage of the higher tax deduction.

Neumann

Revenue for the Ongoing Business from our Neumann business unit increased by €6 million, or 4.1%, to €152 million for the year ended July 31, 2017 from €146 million for the year ended July 31, 2016. This increase was primarily driven by overall market growth in Norway and strong performance of our Tromsø, Bergen and Mjåvann branches, as well as large customer projects commencing in the year.

Gross Profit for the Ongoing Business

Gross profit for the Ongoing Business increased by €3 million, or 0.6%, to €532 million for the year ended July 31, 2017 from €529 million for the year ended July 31, 2016. This increase was primarily driven by increases in revenue generated by our STARK FI and STARK DK business units, offset by a reduction in revenue generated by our Beijer business unit. For a more detailed discussion of the change in gross profit for the Ongoing Business from the year ended July 31, 2016 to the year ended July 31, 2017, please see our analysis of gross profit development for the Ongoing Business by business unit below.

Gross Profit for the Ongoing Business by Business Unit

The following table shows our gross profit for the Ongoing Business by business unit for the years ended July 31, 2016 and 2017, respectively:

	Ongoing Business			
	Year ended July 31,		Increase/ (Decrease)	% Change
	2016	2017		
	(€ million)			
STARK DK	224	227	3	1.3%
STARK FI	90	96	6	6.7%
Beijer	165	159	(6)	(3.6)%
Neumann	39	40	1	2.6%
Other[1]	11	10	(1)	(9.0)%
Total	**529**	**532**	**3**	**0.6%**

(1) Other represents profit allocated to our headquarters.

STARK DK

Gross profit for the Ongoing Business from our STARK DK business unit increased by €3 million, or 1.3%, to €227 million for the year ended July 31, 2017 from €224 million for the year ended July 31, 2016. This increase was primarily driven by better pricing as a result of the implementation of our smart pricing strategy, which increased underlying margins and profit.

STARK FI

Gross profit for the Ongoing Business from our STARK FI business unit increased by €6 million, or 6.7%, to €96 million for the year ended July 31, 2017 from €90 million for the year ended July 31, 2016. This increase was primarily due to a number of corrective actions relating to the reversal and replacement of one of our price reduction initiatives as well as the implementation of a formal weekly price review to monitor manual pricing levels at the branch level. Such actions led to a 0.4% increase in gross margin for our STARK FI business unit for the fourth quarter in the year ended July 31, 2017 compared to the first quarter in the year ended July 31, 2017.

Beijer

Gross profit for the Ongoing Business from our Beijer business unit decreased by €6 million, or 3.6%, to €159 million for the year ended July 31, 2017 from €165 million for the year ended July 31, 2016. This decrease was primarily due to a shift in mix of sales to local and regional builders from sales through our stock collected and stock delivered channels to sales through our direct delivery channel, combined with pricing pressure from competitors. In response, we have implemented a number of strategic initiatives which target margin growth, including reviewing all product pricing for our Beijer business unit, optimizing our supply chain and ensuring that delivery charges are passed on to customers more consistently.

Neumann

Gross profit for the Ongoing Business from our Neumann business unit increased by €1 million, or 2.6%, to €40 million for the year ended July 31, 2017 from €39 million for the year ended July 31, 2016. This increase was primarily due to an increase in gross margin in the fourth quarter of the year ended July 31, 2017 compared to the fourth quarter in the year ended July 31, 2016, which was primarily due to the implementation of a new pricing strategy to increase price points, increased focus on monitoring margins and an increased commitment to pass through price increases from suppliers to customers more consistently. This increase was partially offset by a slowdown in the oil industry, which resulted in pricing pressure in our branches located along the southwest coast of Norway.

Adjusted EBITDA for the Ongoing Business

Adjusted EBITDA for the Ongoing Business decreased by €1 million, or 1.1%, to €93 million for the year ended July 31, 2017 from €94 million for the year ended July 31, 2016. This decrease was primarily driven by higher operating expenses, particularly relating to an increase in sales personnel and one-off employee costs.

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

The following table presents certain Unaudited Adjusted Financial Information for the Ongoing Business for the years ended July 31, 2015 and 2016.

	Ongoing Business			
	Year ended July 31,		Increase/	%
	2015	2016	(Decrease)	Change
	(€ million)			
Revenue	2,100	2,108	8	0.4%
Gross profit	534	529	(5)	(0.9)%
Adjusted EBITDA for the Ongoing Business	103	94	(9)	(8.7)%

Revenue for the Ongoing Business

Revenue for the Ongoing Business increased by €8 million, or 0.4%, to €2,108 million for the year ended July 31, 2016 from €2,100 million for the year ended July 31, 2015. This increase was primarily driven by revenue increases in our STARK DK and Beijer business units partially offset by a decrease in revenue in our STARK FI and Neumann business units. For a more detailed discussion of the change in revenue for the Ongoing Business from the year ended July 31, 2015 to the year ended July 31, 2016, please see our analysis of revenue development for the Ongoing Business by business unit below.

Revenue by Business Unit

The following table shows our revenue for the Ongoing Business by business unit for the years ended July 31, 2015 and 2016, respectively:

	Ongoing Business			
	Year ended July 31,		Increase/	%
	2015	2016	(Decrease)	Change
	(€ million)			
STARK DK	856	878	22	2.6%
STARK FI	533	519	(14)	(2.6)%
Beijer	547	565	18	3.3%
Neumann	164	146	(18)	(11.0)%
Total	**2,100**	**2,108**	**8**	**0.4%**

STARK DK

Revenue for the Ongoing Business from our STARK DK business unit increased by €22 million, or 2.6%, to €878 million for the year ended July 31, 2016 from €856 million for the year ended July 31, 2015. This increase was primarily driven by higher sales volumes as a result of increased activity in the professional construction and renovation industry in Denmark, partially offset by a decrease in revenue from private consumers.

STARK FI

Revenue for the Ongoing Business from our STARK FI business unit decreased by €14 million, or 2.6%, to €519 million for the year ended July 31, 2016 from €533 million for the year ended July 31, 2015. This decrease was primarily driven by a decrease in revenue from private consumers as well as a decrease in revenue from retailer customers following the weaker trading performance of certain smaller retailer customers.

Beijer

Revenue for the Ongoing Business from our Beijer business unit increased by €18 million, or 3.3%, to €565 million for the year ended July 31, 2016 from €547 million for the year ended July 31, 2015. This increase was primarily driven by a reduction in the ROT tax subsidy from 50% to 30%, which increased construction and renovation activity during the first half of our financial year ended July 31, 2016 as customers and consumers brought forward certain RMI projects before the tax reduction took effect from January 1, 2016.

Neumann

Revenue for the Ongoing Business from our Neumann business unit decreased by €18 million, or 11.0%, to €146 million for the year ended July 31, 2016 from €164 million for the year ended July 31, 2015. This decrease was primarily driven by a decrease in demand from customers in the oil industry during the year ended July 31, 2016, which primarily affected Neumann's two largest branches, Byrne and Stavanger. This decrease in revenue was partially offset by increased revenue at our Kristiansand branch driven by growth in the local market as well as increased project activity with a number of large customers.

Gross Profit for the Ongoing Business

Gross profit for the Ongoing Business decreased by €5 million, or 0.9%, to €529 million for the year ended July 31, 2016 from €534 million for the year ended July 31, 2015. This decrease was primarily driven by reductions in our STARK DK and STARK FI businesses. For a more detailed discussion of the change in gross profit for the Ongoing Business from the year ended July 31, 2015 to the year ended July 31, 2016, please see our analysis of gross profit development for the Ongoing Business by business unit below.

Gross Profit for the Ongoing Business by Business Unit

The following table shows our gross profit for the Ongoing Business by business unit for the years ended July 31, 2015 and 2016, respectively:

	Ongoing Business			
	Year ended July 31,		Increase/	%
	2015	2016	(Decrease)	Change
		(€ million)		
STARK DK	224	224	—	0.0%
STARK FI	93	90	(3)	(3.2)%
Beijer	164	165	1	0.6%
Neumann	44	39	(5)	(11.4)%
Other[1]	9	11	2	22.2%
Total	**534**	**529**	**(5)**	**(0.9)%**

(1) Other represents profit allocated to our headquarters.

STARK DK

Gross profit for the Ongoing Business from our STARK DK business unit was €224 million for each of the years ended July 31, 2015 and 2016.

STARK FI

Gross profit for the Ongoing Business from our STARK FI business unit decreased by €3 million, or 3.2%, to €90 million for the year ended July 31, 2016 from €93 million for the year ended July 31, 2015. This decrease was primarily due to higher direct sales as well as the adverse impact of pricing initiatives that were implemented by our former management team in order to drive revenue growth.

Beijer

Gross profit for the Ongoing Business from our Beijer business unit increased by €1 million, or 0.6%, to €165 million for the year ended July 31, 2016 from €164 million for the year ended July 31, 2015. This increase was primarily due to growth in the RMI market, as customers sought to take advantage of the ROT tax subsidy, partially offset by an increase in the discounts offered to customers.

Neumann

Gross profit for the Ongoing Business from our Neumann business unit decreased by €5 million, or 11.4%, to €39 million for the year ended July 31, 2016 from €44 million for the year ended July 31, 2015. This decrease was primarily due to a general decrease in customer demand in Norway as well as a decrease in revenue generation by our Byrne and Stavanger branches, in particular.

Adjusted EBITDA for the Ongoing Business

Adjusted EBITDA for the Ongoing Business decreased by €9 million, or 8.7%, to €94 million for the year ended July 31, 2016 from €103 million for the year ended July 31, 2015. This decrease was primarily driven by lower gross profit and an increase in employee costs.

Liquidity and Capital Resources

Historically, our primary source of liquidity has been our cash flows from operations as well lines of credit made available to Ferguson. Our primary cash needs relate to capital and other expenditures for funding our working capital requirements, maintaining and refurbishing existing branches and meeting debt service requirements. Our ability to generate cash depends on our future operating performance, which in turn depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control, as well as the other factors discussed in "*—Key Factors Affecting Results of Operations*" and "*Risk Factors*." Following the completion of the Transactions, we will also have access to €100.0 million of borrowings under the Revolving Credit Facility to service our working capital and general corporate needs. The availability of this facility is dependent upon certain conditions described further under "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

We believe that, based on our current cash flows, these sources of liquidity, together with available borrowings under the Revolving Credit Facility, will be sufficient to fund our operations, capital expenditure and debt service for at least the next twelve months. We cannot, however, assure you that our business will generate sufficient cash flows from operating activities, that the currently anticipated cost savings and operating improvements will be realized, or that future borrowings will be available under the Revolving Credit Facility in an amount sufficient to enable us to service our indebtedness or to fund our other liquidity needs. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.*"

Cash Flows

The table below sets forth our cash flows from continuing operations for the Historical Business for the periods described therein:

	Historical				
	Year ended July 31,			Three months ended October 31,	
	2015	2016	2017	2016	2017
	(€ million)				
Net cash generated from/(used in) operating activities	107	70	52	(24)	(33)
Net cash used in investing activities	(42)	(34)	(53)	(11)	(22)
Net cash (used in)/generated from financing activities	(71)	36	(55)	(14)	(76)

Cash Flows from Operating Activities from Continuing Operations for the Historical Business

Our cash flow from operating activities from continuing operations for the Historical Business is primarily driven by movements in our operating results before amortization, depreciation and impairment, our net working capital, and interest and tax expenses.

Our cash flow from operating activities from continuing operations for the Historical Business for the three months ended October 31, 2017, amounted to an outflow of €33 million, primarily driven by an outflow of cash due to the cash tied up in increasing working capital, specifically an increase in trade and other receivables, partially offset by positive operating profit.

Our cash flow from operating activities from continuing operations for the Historical Business for the three months ended October 31, 2016, amounted to an outflow of €24 million, primarily driven by a positive operating profit, offset by unfavorable movements in working capital.

Our cash flow from operating activities from continuing operations for the Historical Business for the year ended July 31, 2017, amounted to an inflow of €52 million, primarily driven by a reduction in net working capital, driven by a decrease in inventories and trade and other receivables and a decrease in provisions and other liabilities.

Our cash flow from operating activities from continuing operations for the Historical Business for the year ended July 31, 2016, amounted to an inflow of €70 million, primarily driven by a positive operating profit, partially offset by increased inventory levels in STARK DK due to a change in wood supplier and to increased product availability in STARK FI.

Our cash flow from operating activities for the Historical Business for the year ended July 31, 2015, amounted to an inflow of €107 million, primarily driven by a positive operating profit, a reduction in net working capital supported by longer payment terms with suppliers in Finland instead of cash discounts and a focus across all business units on inventory reduction.

Cash Flows from Investing Activities from Continuing Operations for the Historical Business

Cash used in investing activities from continuing operations for the Historical Business principally relates to capital expenditures, including in relation to the purchases of land, property, plant and equipment, the refurbishment and maintenance of our existing branches, range review related changes and the investment in our distribution center and IT as well as intangible assets.

Cash flows from investing activities from continuing operations for the Historical Business for the three months ended October 31, 2017, decreased by €11 million from a cash outflow of €11 million for the three months ended October 31, 2016, to a cash outflow of €22 million, primarily driven by costs related to the new distribution center for STARK DK and the new STARK Group head office as well as investments in certain of our Beijer branches.

Cash flows from investing activities from continuing operations for the Historical Business for the year ended July 31, 2017, increased by €19 million from a cash outflow of €34 million for the year ended July 31, 2016, to a cash outflow of €53 million for the year ended July 31, 2017. This increase was primarily driven by the acquisition of the freehold of an existing branch for €5 million and land for a new distribution center in Denmark for €11 million, in addition to an IT project costing €3 million, during the year ended July 31, 2017.

Cash flows from investing activities from continuing operations for the Historical Business for the year ended July 31, 2016, decreased by €8 million from a cash outflow of €42 million for the year ended July 31, 2015, to a cash outflow of €34 million for the year ended July 31, 2016. This decrease was primarily driven by a planned reduction in investment in branch maintenance, offset by the acquisition of the freehold of an existing branch in Finland for €8 million in the year ended July 31, 2015.

Cash Flows from Financing Activities from Continuing Operations for the Historical Business

Cash flows from financing activities from continuing operations for the Historical Business for the three months ended October 31, 2017, decreased by €62 million from a cash outflow of €14 million for the three months ended October 31, 2016, to a cash outflow of €76 million, primarily driven by the repayment of our secured long-term bank loans in full on September 30, 2017.

Cash flows from financing activities from continuing operations for the Historical Business for the year ended July 31, 2017, decreased by €91 million from a cash inflow of €36 million for the year ended July 31, 2016, to a cash outflow of €55 million for the year ended July 31, 2017. This decrease was primarily driven by the partial repayment of our secured long-term bank loans.

Cash flows from financing activities from continuing operations for the Historical Business for the year ended July 31, 2016, increased by €107 million from a cash outflow of €71 million for the year ended July 31, 2015, to a cash inflow of €36 million for the year ended July 31, 2016. This increase was primarily driven by a drawdown from the Ferguson Group cash pooling facility.

Net Working Capital

Our working capital generally mirrors developments in our operating business and certain seasonal patterns may therefore cause material fluctuations in our net working capital.

Historically, our inventory levels have increased ahead of our peak sales periods during our first and fourth financial quarters. See "*—Factors Affecting Our Results of Operations—Seasonality, Weather and Trade Periods.*" Typically, we experience a cash outflow in the winter months as we tend to incur additional expenses in advance of our peak sales periods that occur during our first and fourth financial quarters. We typically experience a cash inflow in the summer and fall as we finalize collecting payments from customers who have made purchases for their spring construction and renovation projects simultaneously as we begin collecting payments from customers who are making purchases for their summer and early fall construction and renovation projects. Despite the seasonal variations in net working capital, our net working capital is, on average, positive. During the year ended July 31, 2017, our working capital for the Historical Business normalized from its high point of approximately €80 million in February to its average level of approximately €20 million until May.

Following the completion of the Transactions, we intend to utilize cash on hand and borrowings available under the Revolving Credit Facility to manage seasonal variations in our net working capital. See also "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

We define adjusted net working capital as inventories *plus* trade and other receivables *less* trade and other payables. Adjusted net working capital does not include provisions, related party balances, current tax receivables and payables and retirement benefit obligations. The following information is a summary of the adjusted net working capital related to continuing operations of the Target for the Historical Business as of July 31, 2015, 2016 and 2017 and October 31 2017, respectively:

	Historical			
	As of			
	July 31,			October 31,
	2015	2016	2017	2017
	(€ million)			
Inventories	306	322	258	253
Trade and other receivables	300	294	276	333
Trade and other payables (current)	(663)	(666)	(601)	(587)
Adjusted net working capital	**(57)**	**(50)**	**(67)**	**(1)**

Adjusted net working capital for the Historical Business as of October 31, 2017, increased by €66 million from adjusted net working capital of €(67) million as of July 31, 2017, to adjusted net working capital of €(1) million, primarily driven by seasonality given that our working capital typically increases due to an increase in trade and other receivables during the first quarter of our financial year from customers who have made purchases for their summer and early fall construction projects.

Adjusted net working capital for the Historical Business as of July 31, 2017, decreased by €17 million from adjusted net working capital of €(50) million as of July 31, 2016, to adjusted net working capital of €(67) million, primarily driven by a decrease in inventory, trade and other receivables and payables primarily due to branch closures in that year.

Adjusted net working capital for the Historical Business as of July 31, 2016, increased by €7 million from adjusted net working capital of €(57) million as of July 31, 2015, to adjusted net working capital of €(50) million, primarily driven by an increase in inventory across some of our business units, driven by our former management's desire to increase topline, partially offset by a reduction of trade and other receivables as well as an increase in payables.

Off Balance Sheet Arrangements

As of October 31, 2017, we did not have any off balance sheet arrangements.

Employee Pensions

We operate defined benefit pension plans in Sweden and Norway and defined contribution pension plans in Sweden, Denmark, Finland and Norway. As of July 31, 2017, our defined benefit pension plans in Norway and Sweden had accrued liabilities of €48 million and €1 million, respectively. In line with Swedish law requirements, Beijer has taken out a credit insurance policy with PRI Pensionsgaranti. Beijer's obligations to PRI Pensionsgaranti under the credit insurance policy are guaranteed by Ferguson and secured by a floating charge and pledge over certain of Beijer's assets and business. Ferguson's guarantee will remain in place until the credit insurance policy is due for renewal in May 2018. In connection with the Transactions, we have contacted PRI Pensionsgaranti and informed them of the anticipated change in ownership of Stark Group. Following the consummation of the Transactions, PRI Pensionsgaranti may require additional or replacement guarantees from one or more members of the Group, including the Issuer or one or more Guarantors, and/or may require additional collateral, including over assets and properties constituting Post-Issue Date Collateral. See also "*—Risks Related to Our Financing Arrangements and the Notes— Creditors under the Revolving Credit Facility, any credit facility that refinances or replaces the Revolving Credit Facility, certain hedging obligations and certain other indebtedness and obligations permitted to be incurred on a priority basis under the Indenture are entitled to be repaid in priority to the Notes. Holders of the Notes will not control decisions regarding the Collateral in certain circumstances*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes*." See note 18 to our Audited Financial Statements for further information regarding pensions and other post-employment benefits.

Contractual Obligations

The following table summarizes certain categories of our contractual obligations owed to third parties by period as of July 31, 2017, after giving effect to the Offering:

	Less than 1 year	1–5 years	After 5 years	Total
	Payments due by period end			
	(€ million)			
Notes offered hereby	—	—	515	515
Operating lease obligations[1]	30	56	16	102
Total[2]	**30**	**56**	**531**	**617**

(1) Represents long term rental and lease contracts for business premises and other fixed assets.

(2) The Revolving Credit Facility matures six months prior to the maturity of the Notes and because such facility consists of revolving indebtedness, which may be drawn and repaid from time to time, such indebtedness is not included in this table. Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Acquisition Completion Date to meet our seasonal working capital requirements. See also "*—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*." The Revolving Credit Facility will be repaid and redrawn from time to time to fund our working capital needs. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

Qualitative Disclosures About Market Risk

We are exposed to various market risks, including interest rate, foreign currency exchange rate, credit and liquidity risks associated with our underlying assets, liabilities, forecast transactions and firm commitments. Our treasury department is responsible for managing our exposure to market risk that arises in connection with operations and financial activities, including interest rate, foreign currency exchange rate, credit and liquidity, and credit risk management.

The following sections discuss our significant exposures to market risk. The following discussions do not address other risks that we face in the normal course of business, including country risk and legal risk.

Interest Rate Risk Management

We manage our net exposure to interest rate risk through the proportion of fixed rate financial debt and variable rate financial debt in our total financial debt portfolio. To manage this mix, the Issuer or its subsidiaries may in the future enter into interest rate swap agreements, in which we have exchanged periodic payments based on a notional amount and agreed upon fixed and variable interest rates, and forward contracts, in which we exchange fixed amounts of foreign currency and fixed amounts of euro.

Upon completion of the Transactions, we will be exposed to market risks as a result of changes in interest rates, particularly in relation to floating rate indebtedness, including the Floating Rate Notes and borrowings under the Revolving Credit Facility. Financial liabilities issued at floating rates will expose us to cash flow interest rate risk, while financial liabilities issued at fixed rates expose us to fair value interest rate risk. To manage the exposure to changes in interest rates, following the completion of the Transactions, we may use interest rate swaps to exchange all or a portion of the interest rate exposure on the Floating Rate Notes from a floating interest rate to a fixed interest rate.

Currency Risks

We are exposed to foreign exchange risk, primarily with respect to the euro and, to a lesser extent, Swedish krona. Our principal foreign currency exposures arise from our financing being principally in euro after the Transactions, while our profits are generated in the local currencies of our respective business units. Our operations in Finland involve the euro while our operations in Denmark involve the Danish krone, which fluctuates in value alongside the euro, and together, these operations generated 61%, 59% and 59% of our gross profit for the Ongoing Business in the year ended July 31, 2017, July 31, 2016 and July 31, 2015, respectively. Our residual exposure is primarily related to the Swedish krona, which was relatively stable against the euro in recent years but which we monitor closely to reduce our currency risk and increase any required hedging.

Our key operating currencies are the euro, Danish krone, Swedish krona and Norwegian krone. Our revenue and costs, including sourcing costs, for each business unit are primarily in the respective local currency, which offers natural hedging opportunities. We also have limited exposure to foreign exchange risks related to U.S. dollars, as we source some of our own brand products from China in U.S. dollars. In the year ended July 31, 2017, we estimate our sourcing spend amounted to less than $10 million for own brand products sourced from China, totaling up to 0.5% of our revenue for the Ongoing Business. In addition, we sometimes source certain of our products for our Beijer branches from Denmark, exposing us to limited foreign exchange risks between the Danish krone and Swedish krona.

We may use forward contracts to manage our foreign exchange risk arising from future commercial transactions and recognized financial liabilities.

Liquidity Risk

Liquidity risk arises mostly in connection with cash flows generated and used in financing activities, and particularly by servicing debt, in terms of both interest and capital, and from all our payment obligations that result from business activities. Our liquidity management policy involves minimizing the available cash on a daily basis. The reimbursement capacity is reviewed annually. An adjustment during the year would be possible if necessary.

In general, we manage our liquidity risk by monitoring our cash flow and rolling liquidity reserve forecast in order to ensure that we have sufficient committed facilities to meet our liquidity needs.

Critical Accounting Judgments

The preparation of our financial statements requires our management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Target's critical accounting estimates and judgements are described in note 1 to the Audited Financial Statements included herein.

Accounting Developments and Changes

The following standards have been published, but not yet applied:

a) IFRS 9 "Financial Instruments"

b) IFRS 15 "Revenue from Contracts with Customers"

c) IFRS 16 “Leasing”

d) IFRS 17 “Insurance Contracts”

The Directors anticipate that the adoption of IFRS 9, IFRS 15 and IFRS 17 in future periods will have no material impact on the financial statements of the Group, but are still assessing the impact.

IFRS 16 will impact the majority of the Group’s operating lease arrangement as each lease will give rise to a right of use asset, which will be depreciated on a straight-line basis, and a lease liability, with the related interest charge. This will replace existing lease balances on the balance sheet and charges to the income statement.

The Group continues to assess the full impact of IFRS 16, however the impact will depend on the transition approach and the contracts in effect at the time of adoption. It is therefore not yet practicable to provide a reliable estimate of the financial impact on the Group’s consolidated financial results.

INDUSTRY

Information provided in the offering memorandum on the market environment, market developments, growth rates, market trends *and on the competitive situation in the markets and regions in which the Group operates is based on data, statistical information and reports by several third parties and/or prepared by the Group based on its own information and information derived from such third-party sources, including publicly-available sources such as Euroconstruct, OECD, Rockwool Foundation, Statistics Denmark, Statistics Norway, Statistics Finland and SCB. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation. While we believe this market data and other information to be accurate and correct, we have not independently verified it. Further, such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" and "Information Regarding Forward-Looking Statements" elsewhere in this offering memorandum. The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Information Regarding Forward-Looking Statements."*

Market Overview

Nordic Construction and Renovation Market

The building materials supplied by STARK Group serve the Nordic construction and renovation market. The construction and renovation market may be divided into two sub-sectors with different market dynamics: (i) new construction ("new build"), involving the construction of new residential and non-residential buildings, and (ii) renovation, maintenance and improvement ("RMI"), involving construction work performed on existing residential and non-residential buildings. Within the construction and renovation market, the residential and non-residential sectors are the key driving elements.

According to a leading management consulting firm, the total Nordic residential and non-residential construction and renovation market was estimated at €105 billion in 2016, with the majority, or €58 billion, comprising the resilient RMI market and the remainder, or €47 billion, comprising the new build market.

RMI Market

The RMI market is resilient and significantly less affected by market fluctuations than the new build market. The Nordic RMI market exhibited historically stable and resilient growth even through the economic downturn after the 2008 financial crisis, experiencing positive year-on-year growth in 14 out of the last 17 years according to Euroconstruct.

STARK Group has significant exposure to this resilient market, with RMI activity accounting for approximately 60% of revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business in the twelve months ended October 31, 2017, according to management estimates. Such exposure to the RMI market leads to a degree of counter-cyclicality of gross profit in downturn periods. New build sales tend to be characterized by larger orders for construction projects that can involve products, as well as a sales channel, that generate lower margins. In contrast, RMI sales, which are made predominantly to SME customers that comprise STARK Group's core customer group, tend to be characterized by more frequent and smaller purchases of high margin products, typically through a sales channel that generates higher margins. In a period of potential downturn, the resilience of the RMI market counteracts the cyclicality of the new build market, and while new build sales may decrease, gross margins may benefit from a higher share of revenue coming from higher-margin RMI sales.

Growth in the RMI market is impacted by a number of macroeconomic, regulatory, and sector-specific factors, such as interest rates, government subsidies or housing transaction volumes. According to Euroconstruct, the Nordic RMI market is expected to grow at a CAGR of approximately 1.7% between 2016 and 2019. In particular, the Danish, Swedish, Finnish and Norwegian RMI markets are forecasted to grow at CAGRs of approximately 2.1%, 0.9%, 1.7% and 2.2%, respectively, over the same period.

Residential RMI

The Nordic residential RMI market is expected to grow at a CAGR of approximately 1.7% between 2016 and 2019, driven by an increasing willingness and ability to pay for repairs and modernizations, in line with historical growth rates and favored by the general upturn in the economy.

The Danish residential RMI market is forecasted to grow at an average annual rate of approximately 2.2% between 2016 and 2019, according to Euroconstruct. The Danish residential RMI market is expected to benefit from higher housing needs due to increasing immigration and a growing trend towards urbanization, and will be further supported by a tax relief scheme introduced in 2016 that will apply to projects related to energy conservation and the installation of broadband internet.

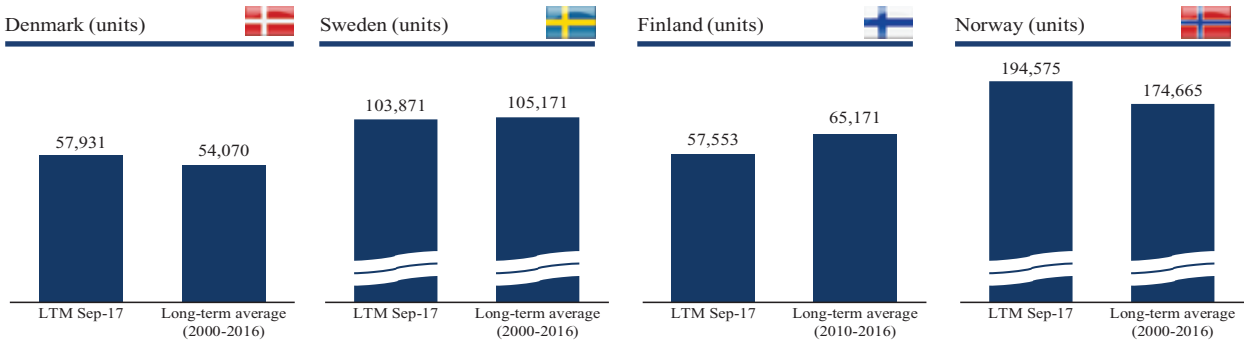
The Swedish residential RMI market is expected grow at a CAGR of approximately 0.2% over the period from 2016 to 2019, according to Euroconstruct. Residential RMI experienced stable growth in Sweden between 2014 and 2016 on the back of strong consumer-driven market growth, sustained private consumption, growing house prices and low interest rates. In addition, simpler rules for the extension of family houses, such as adaptations of roofs to extend attics, positively impacted the Swedish residential RMI market. Beginning in 2015, the downward adjustment of tax deductions on labor costs became the key reason behind only moderate growth forecasts over the next two years, although such effect is expected to be counterbalanced by (i) increasing immigration rates, leading to transformations and renovations of existing buildings, and (ii) a government support program applying to multi-family properties built between 1961 and 1975 under which investment support is provided if such building becomes at least 20% more energy-efficient after the renovation. Additionally, residential RMI growth in Sweden is expected to reflect the positive impact of renovation works carried out by property owners in an effort to improve building quality and raise rents.

The Finnish residential RMI market is forecasted to grow at a CAGR of approximately 1.7% between 2016 and 2019. Changes in overall economic conditions in Finland have caused fluctuations in new housing construction volumes, while RMI has increased steadily over the past 20 years. The outlook of residential RMI in Finland remains positive as renovation needs are generally growing, with blocks of flats and attached houses reaching the age when renovation is typically required.

The Norwegian residential RMI market is expected to grow at an average annual rate of approximately 2.6% over the period from 2016 to 2019, primarily driven by strong growth in private consumption, with a substantial increase in the willingness of households to spend money on RMI works, and by an increasing number of housing transformations, particularly from office buildings into dwellings. In addition, the Norwegian residential RMI market will further benefit from an expected increase in real wages and reduction in the level of unemployment.

Across all four countries, housing transaction volumes represent a key driver of RMI activity. When properties change hands, RMI work is likely to be performed either before the sale by the seller to increase valuation or after the sale by the buyer to renovate and personalize the newly purchased property. In the twelve months ended September 30, 2017, the total estimated number of sales of residential housing in Denmark reached 57,931 units, slightly above the long-term average from 2000 to 2016, according to Statistics Denmark. In Sweden, transaction volumes with respect to granted registrations of real estate titles are in line with the longer term average between 2000 and 2016, according to SCB.

Housing Transactions in the Nordics



Source: Statistics Denmark, Statistics Norway, Statistics Finland, SCB.
Note: Denmark: Total residential estimated number of sales; Finland: Total number of transactions, all building types; Sweden: Granted registrations of title of real estate, ordinary purchases; Norway: Number of registered transfers of real properties.

Non-Residential RMI

Euroconstruct estimates that the Nordic non-residential RMI market will grow at a CAGR of approximately 1.7% between 2016 and 2019, in line with historical growth rates and driven mainly by renovations and modernizations in public service-type institutions, such as schools or hospitals.

The Danish non-residential RMI market is forecasted to grow at a CAGR of approximately 2.0% between 2016 and 2019, according to Euroconstruct. RMI needs in public buildings remain high in Denmark. Schools modernization projects in Denmark are expected to add to overall RMI activity from 2017 onwards. With respect to Danish hospitals, a number of old units are gradually being replaced by new ones, and the medium-term effect on RMI activity will depend upon the new usage, if any, of the former hospital buildings.

The Swedish non-residential RMI market is expected to grow at an average annual rate of approximately 1.7% over the period from 2016 to 2019, according to Euroconstruct, primarily driven by a favorable real estate age structure, which leads to an increased number of buildings in need of repairs or modernizations each year. Furthermore, as long as rents and vacancies are stable, professional property owners tend to stick to their renovation plans in order to preserve property value. The government's goal to reduce energy consumption in the building stock is also expected to boost non-residential RMI activity.

The Finnish non-residential RMI market is forecasted by Euroconstruct to grow at a CAGR of approximately 1.6% between 2016 and 2019, on the back of considerable expected growth in renovations and modernizations of public buildings, namely schools and hospitals, as well as in maintenance works on commercial and industrial premises. In general, due to the age structure, the need to renovate non-residential spaces is expected to increase steadily in the medium- to long-term.

The non-residential RMI market in Norway is forecasted to grow at a CAGR of approximately 1.8%, according to Euroconstruct. Key growth drivers include expected growth in building renovations by private companies, on the back of improved overall economic conditions in Norway, and the extraordinary government grants to municipalities and counties for RMI works on public buildings offered in 2016 to be utilized in the coming years.

New Build Market

For STARK Group, new build activity accounted for approximately 40% of total revenue for the Ongoing Business and approximately 25% of the gross profit for the Ongoing Business in the twelve months ended October 31, 2017, according to management estimates. New build activity is primarily dependent on factors such as population growth, immigration rates and urbanization as well as vacancy levels and lease rates within the non-residential new build market. Growth in new construction reflects general developments in the overall economy, and is impacted by macroeconomic and regulatory changes such as interest rate movements and government construction targets.

According to Euroconstruct, the Nordic new build market is forecasted to grow at a CAGR of approximately 4.1% over the period from 2016 to 2019. In particular, the Danish, Swedish, Finnish and Norwegian new build markets are forecasted to grow at CAGRs of approximately 6.3%, 7.1%, 0.7% and 2.6%, respectively, over the same period.

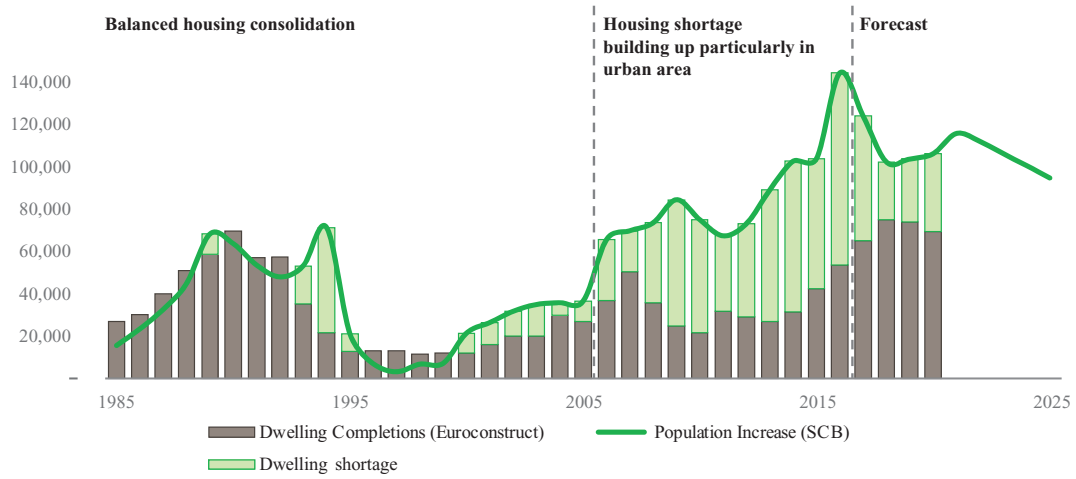
Residential New Build

The Nordic residential new build market is forecasted to grow at an average annual rate of approximately 4.2% between 2016 and 2019, according to Euroconstruct, driven by favorable economic conditions across the Nordics, increasing immigration and a growing trend towards urbanization.

The Danish residential new build market is forecasted to grow at a CAGR of approximately 9.6% between 2016 and 2019, driven by immigration as well as internal migration towards larger cities where housing is getting scarcer and more expensive. In particular, people are expected to move to areas within reasonable distance from Copenhagen, where the number of unoccupied dwellings is limited and new construction is needed. Furthermore, according to Euroconstruct, the Danish residential new build market is still considerably below the peak level reached in 2008, which further justifies strong growth expectations. In addition, with the revision of the residential real estate taxation system in May 2017, there will be a new system for evaluating the taxable value of each piece of real estate that is expected to result in overall lower property taxes.

The Swedish residential new build market is expected to grow at an average annual rate of approximately 5.9% over the period from 2016 to 2019, according to Euroconstruct. Sweden is facing substantial immigration, which will increase dwellings on temporary building permits. According to Euroconstruct, there is still a scarcity of housing in more than 80% of all Swedish municipalities and approximately 90% of the Swedish population lives in cities characterized by a housing shortage, especially with respect to affordable rental apartments. For this reason, the Swedish government has set a construction target of 600,000 new dwellings by 2025, compared to the previous target of 250,000 by 2020. The recent lag in housing supply and population growth is expected to drive long-term new residential demand in Sweden, as shown in the chart below.

Recent Lag in Housing Supply and Population Growth Driving Long-Term New Residential Demand in Sweden



Source: Euroconstruct; Sweden Statistics; Boverket

The Finnish residential new build market is expected to grow at a CAGR of approximately 2.4% between 2016 and 2019, mainly driven by urbanization as well as increased investments in new non-subsidized rental units. Real estate funds as well as individual citizens are expected to continue to be highly active in acquiring new dwellings given the scarcity of rental housing in Finland.

The Norwegian residential new build market is estimated to grow at a CAGR of approximately 1.7% between 2016 and 2019, according to Euroconstruct. Euroconstruct forecasts high levels of construction activity and increasing housing completions in 2018 and 2019. However, capacity constraints, weak population growth and declining house prices are expected to limit the growth in housing starts over the same period.

Non-Residential New Build

According to Euroconstruct, the Nordic non-residential new build market will grow at a CAGR of approximately 3.9% between 2016 and 2019, fueled by new constructions in both the public and private sectors.

The Danish non-residential new build market is forecasted to grow at a CAGR of approximately 3.6% over the period from 2016 to 2019, due to the start of a large program of new hospitals, which is expected to drive growth in the coming years.

The Swedish non-residential new build market is expected to grow at a CAGR of approximately 9.1% between 2016 and 2019, according to Euroconstruct, mainly driven by increased construction in the industrial sector due to growing industrial production, low vacancy rates in office buildings, particularly in the Stockholm area, and higher building activity in the commercial sector such as retail chains, on the back of higher demand due to population growth and higher levels of private consumption.

The Finnish non-residential new build market is expected to remain fairly stable, as the volume of vacant space remains high across all building types and in nearly all cities, thus exercising some downward pressure on the market.

The Norwegian non-residential new build market is forecasted to grow at a CAGR of approximately 3.9% in the period from 2016 to 2019, supported by a brighter economic outlook, a continued weak currency and low interest rates. Strong growth in new construction in relation to public projects in Norway, primarily new schools and hospitals, will be counterbalanced by a reduction in population growth and overall low levels of capacity utilization in the industrial sector where competitiveness is maintained as a result of the weak Norwegian krone. In addition, improved overall economic conditions in Norway are expected to generate a positive impact on new construction of commercial buildings, such as shopping centers and stores.

Key Market Drivers

The Nordic construction materials distribution market is driven by total construction and renovation activity, which in turn is driven by a variety of factors, including, among others: (i) macroeconomic trends, namely GDP, private consumption, consumer confidence and interest rates, (ii) regulatory initiatives, such as subsidies and tax deductions on

new construction or renovation works, and (iii) sector-specific trends such as growth in SMEs within the construction and renovation industry, urbanization and changing demographics, a growing acceptance of own brand offerings evidenced through purchases by customers and other key trends.

Macroeconomic Trends

General macroeconomic trends such as GDP and interest rates affect demand for construction and renovation in different ways. For instance, when GDP growth is high, people have greater confidence in the economy and hence they may build or renovate houses and purchase more building products. According to a leading management consulting firm, GDP is expected to grow across the Nordics in the coming years at a CAGR of 0.8% in Finland and 2.6% in Sweden, each from the period from 2016 to 2019, with the largest increase expected in Sweden due to expansionary monetary policy. Norway's GDP is expected to rebound due to a monetary and fiscal stimulus, while slower growth is expected in Finland due to lower domestic demand.

Private consumption also affects the building material distribution market. According to a leading management consulting firm, the share of personal income allocated to buying construction materials is relatively stable, implying a high correlation between general consumption and the construction and renovation retail market. Private consumption is forecasted to grow at CAGRs of 1.5%, 2.4%, 1.9% and 1.9% in Denmark, Sweden, Norway and Finland, respectively, between 2016 and 2019.

Consumer confidence is closely related to private consumption. Greater consumer confidence implies increased spending and less saving, which has a positive effect on the construction materials distribution market. OECD, a leading management consulting firm and industry experts expect that the increase in consumer confidence experienced across the Nordics in recent years will continue until 2018 across all four countries in which we operate.

Movements in lending interest rates have a marginal impact on STARK Group's market. While a decrease in rates is beneficial, higher rates reduce household income and consumption, thus leading to increased savings and higher mortgage costs, which can have an unfavorable effect on construction and renovation activity. Sweden's Riksbank has recently kept the repo rate negative, while rates are expected to be low both in the Euro area, as reaffirmed by the ECB in March 2017, and in Norway. By contrast, the Danish Central Bank increased rates for the first time in two years in 2016.

Regulatory

Regulatory initiatives, namely subsidies, tax rate changes and government investments, have an impact on both regulatory macro trends such as GDP as well as on the type and volume of construction and renovation activity.

Government subsidies increase the attractiveness of new construction investments as well as RMI works among households and municipalities. In Denmark, the minimum down-payment threshold was preliminarily decreased from 14% to 10% in July 2012, with the ambition to increase the threshold to 14% again in 2017. However, the Ministry of Immigration and Integration has recently submitted a proposal to extend the preliminary period by two more years until 2019. Low down-payment requirements allow municipalities to build more social housing under unchanged budget restrictions, hence generating a positive effect on total construction activity and, ultimately, on the construction materials distribution market.

The RMI market is typically able to benefit from European energy policies that have recently aimed to reduce energy consumption in the building sector toward zero carbon emission buildings and stricter European building regulations that also aim to standardize a high quality indoor climate to improve residents' health. Such European and national building regulations and energy policies are expected to increase the demand for building material products in the Nordics because existing buildings, particularly buildings built in the 1960's and 1970's, that are not able to meet these requirements will require renovation. For instance, the Danish government allows tax deductions of up to DKK 12,000 for home-improvement and other RMI expenses, provided that the projects undertaken include a "green" aspect, such as improvements in energy-efficiency. In Sweden, the ROT policy allows a tax deduction of up to 30% of the labor costs incurred in relation to RMI works carried out on one's property. In Finland, the government offers a subsidy for RMI construction works aimed at improving and promoting home living for elderly or disabled people.

Government investments, ranging from social housing to renovations of schools and other public buildings, fuel total construction and renovation activity, thus favorably impacting the construction materials distribution space. The Swedish government has set a target of 600,000 new homes by 2025, and has introduced investment subsidies for the construction of rental and student accommodation.

Taxes directly and indirectly impact private household consumption, consequently affecting the degree to which new construction and especially renovation works can be financed. In particular, a reduction in taxes, such as on capital gains, can have a favorable impact on total construction and renovation activity. As an example, the Finnish government offers a tax refund on some customary renovation labor-related expenditures of up to €2,400 each year per person. The refund has been in place since 1997 and is not expected to change substantially in the coming years.

Sector-Specific Trends

In addition to the growth of the underlying construction materials distribution market, current sector-specific trends are expected to offer additional growth, according to a leading management consulting firm. In particular, the shift towards high-growth SME customers, the growing trend towards urbanization and a change in demographics, the increased penetration of higher-margin own brand products and other key trends are expected to drive future growth in the building material distribution space.

SME Growth

SMEs, STARK Group's core customer group, represented approximately 50% of the total Nordic construction materials distribution market's gross profit pool in 2016, while private consumers, large contractors and other customers accounted for approximately 24%, 13% and 13%, respectively, according to a leading management consulting firm.

SMEs are forecasted to outgrow the market in the coming years and generate gross profit growth at a CAGR of approximately 3% between 2016 and 2021, above total market gross profit growth of approximately 1.8%. The change in consumer preferences towards full-service providers is expected to shift growth away from DIY and towards SMEs. The regulatory environment is also expected to favor SME growth, as tax deductions on RMI works in Denmark and Sweden will continue to incentivize the use of SMEs by households when carrying out home renovation or improvement works. In addition, growth in SMEs is further supported by overall improved economic conditions across the Nordics. The Rockwool Foundation found that the share of households who have worked on smaller DIY projects in Denmark has fallen from approximately 49% in 1996 to approximately 37% in 2007 and 24% in 2016.

Urbanization and Changing Demographics

Internal migration from rural areas and smaller towns towards larger city centers will be one of the key medium-term drivers of both residential and non-residential construction and renovation activity, according to a leading management consulting firm. In fact, as people move to cities for study or job related reasons, demand for new housing as well as for RMI works on the existing stock is expected to increase. Along the same lines, construction and renovation activity in the public, commercial and industrial sectors will also benefit.

According to a leading management consulting firm, the growing urbanization trend underpins the expectation of larger regions and cities to outgrow the rest of the market, thereby representing one of the key reasons behind the shift in growth in favor of distributors with attractive locations closer to large city centers. STARK Group is well-positioned to benefit from such trends, given its footprint is strategically skewed towards attractive growth areas across its four markets.

Changing demographics can also affect the growth of the Nordic construction materials distribution market. An aging population tends to lead to a shift away from DIY toward the hiring of SMEs and other of our B2B customers for new build and RMI needs. Management believes since wealth may increase with age, an older population may also be more able and willing to spend on new build and RMI activities than a younger population.

Own Brand Penetration

Own brand products currently have low penetration in the Nordic construction materials distribution market, but is expected to experience substantial growth in the coming years, according to a leading management consulting firm. Own brand products in the Nordics are estimated by such firm to hold approximately 10% of the relevant market share, which is considerably less than other developed countries, primarily due to the smaller scale of Scandinavian enterprises and a general lack of historical focus on such products. Own brand products have a market share, for example, of approximately 31% in France, 29% in Germany, 22% in the Netherlands and 20% in the United Kingdom. As a result, based on a leading management consulting firm, we estimate own brand products will double their relevant market share in the Nordics by 2020. Future growth is expected to be driven mainly by (i) opportunities for distributors to realize higher margins on average for own brand SKUs as compared to branded SKUs, and (ii) growing customer willingness to purchase own brand products, with more than 50% of customers willing to purchase up to half of their baskets in own

brand products. Future growth is expected to be driven to a lesser extent by (i) the ability to differentiate against competitors, (ii) lower reliance on national manufacturer brands, (iii) increased control over product launch and market positioning, and (iv) the opportunity to actively manage the products' life cycle.

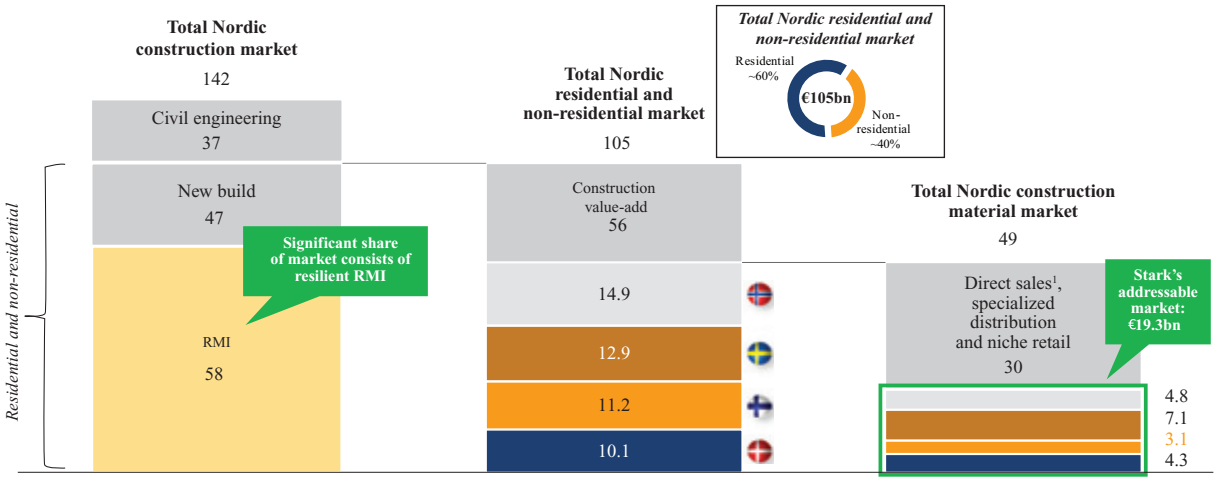
According to a leading management consulting firm, the product categories that are expected to be most impacted by the own brand trend are those with a few high-selling SKUs where brand is less important, such as fasteners, paint, clothing, basic building supplies, hand tools and interior joinery. By contrast, the impact on other categories such as power tools, wood and plumbing is forecasted to be milder, primarily due to the brand value and high quality requirements generally associated to these products.

Addressable Market of STARK Group

Within the broader residential and non-residential construction and renovation market, the Nordic building materials retail and distribution space, where end-users can purchase products directly from manufacturers or, alternatively, from builders' merchants and other distributors, was estimated at approximately €49 billion in 2016.

Direct sales, specialized distribution and niche retail represent approximately 61% of the total Nordic construction materials distribution market, or approximately €30 billion, while retailers and builders' merchants, like STARK Group, comprise the remaining 39%, or approximately €19.3 billion. Of this addressable market of approximately €19.3 billion in which STARK Group operates, approximately €7.1 billion come from Sweden, approximately €4.8 billion from Norway, approximately €4.3 billion from Denmark and approximately €3.1 billion from Finland.

STARK Group's Addressable Market (€ billion, 2016)

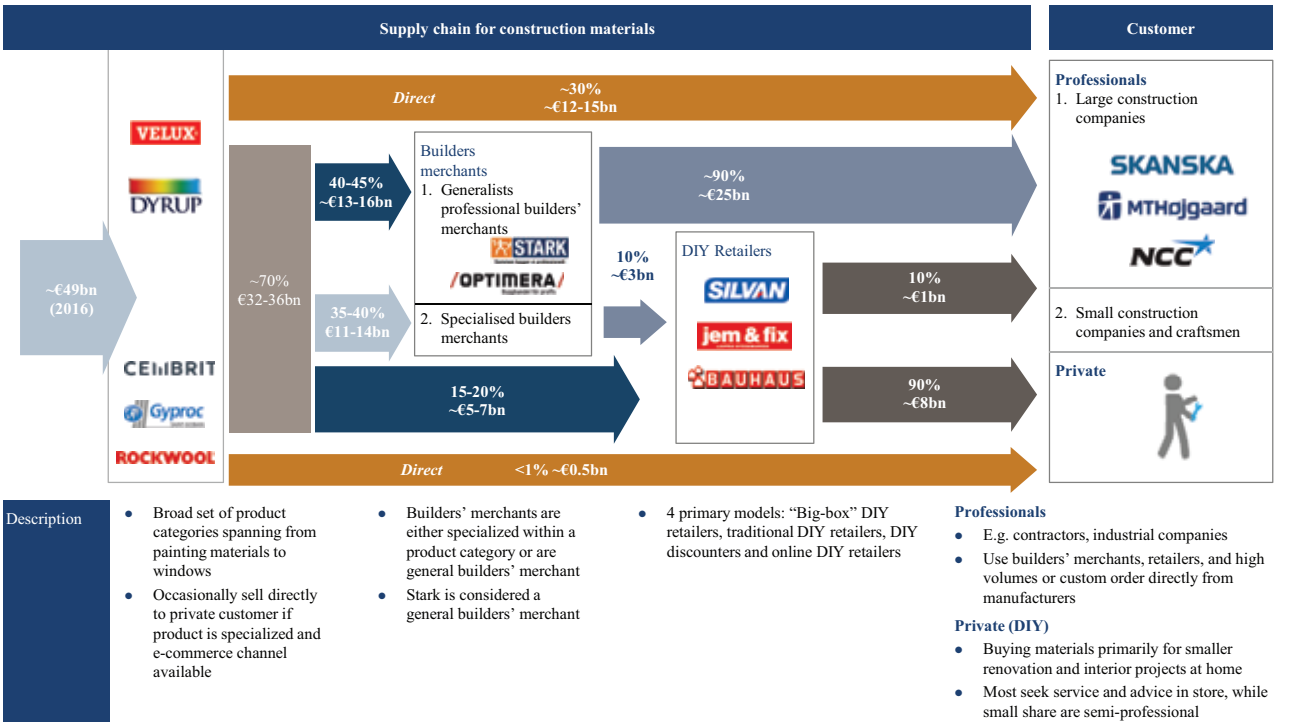


Source: A leading management consulting firm.
(1) Direct sales from manufacturer to customers.

Building Material Distribution Landscape

The building material distribution landscape in which STARK Group operates consists of product manufacturers, distributors and customers, including B2B customers as well as B2C customers. The manufacturer, B2B customer and B2C customer base tend to be highly fragmented. Individual manufacturers therefore have either limited ambition or capabilities to sell directly to B2B customers and B2C customers without the assistance of distributors, except in cases of very large orders by big customer accounts where the economics make sense. However, even in these situations, distributors can provide invoicing, credit, processing and other services, thus acting as key connectors between manufacturers and B2B customers. As a result, distributors like STARK Group act as indispensable aggregators in the value chain, providing manufacturers with a cost-efficient and effective distribution channel and providing B2B customers and B2C customers with efficient sourcing, product expertise, timely availability of products and product aggregation.

Value Chain of Building Material Distributors in the Nordics



Source: A leading management consulting firm.

Competitive Landscape

Overall Market

The competitive landscape within the Nordic construction materials distribution market broadly includes general and specialized professional builders' merchants, "big box" DIY retailers, DIY discounters, traditional DIY retailers and online DIY retailers, but STARK Group competes primarily with other general professional builders' merchants.

- **General professional builders' merchants**, to which category STARK Group belongs, are mainly focused on B2B customers, such as large construction companies and especially SMEs. General professional builders' merchants generally cover several product categories under leading branded products and own brand products as well as provide high levels of customer service, including through their own distribution and sales network of central and well-developed warehouses and logistics networks.

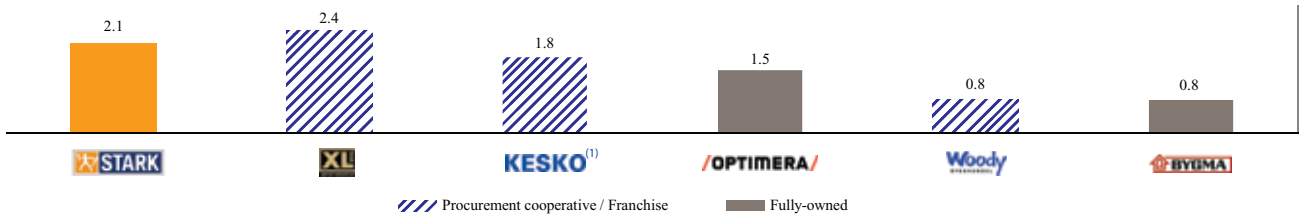
- **Specialized professional builders' merchants** are distinctly focused on B2B customers, and their value proposition is centered around excellent customer and distribution services. Large specialized professional builders' merchants tend to be international companies focused on one product category. Small specialized professional builders' merchants tend to be local or regional distributors focused on one product category with a largely regional sales force. Multi-specialist professional builders' merchants tend to cover several product categories and have their own distribution and sales networks.

- **DIY retailers** hold a small piece of the market and have limited distribution capacity and sales forces. **"Big box" DIY retailers** are generally present in large cities with prime store locations, such as retail parks, and offer a wide product assortment, while customer service is generally not prioritized. **DIY discounters**, **traditional DIY retailers** and **online DIY retailers** focus on private consumers and offer discount to premium products and brands, as well as different levels of customer service. DIY discounters offer second-tier and own brand products at the lowest prices, and are mainly located in large retail parks. By contrast, online DIY retailers generally have only few physical stores, offer tier-one products at higher prices and generate over 80% of sales through their online channels.

STARK Group's main competitors are Woody, Bygma, Optimera, Kesko and XL Byg. Of these, only Bygma and Optimera are non-franchise builders' merchants like STARK Group, while Woody and XL Byg are purchasing

partnerships, and Kesko is a retail conglomerate operating according to a mixed model and managing and developing a number of distribution chains in the Nordics, such as K-Rauta and Byggmakker. The franchise structure, including of XL Byg and Woody which are substantially a collection of "mom and pop" shops united in buying groups, does not allow full benefits from scale advantages, such as efficient sourcing or wide product assortment, which represent key success factors in the construction materials distribution business.

STARK Group is the Largest Non-Franchise Builders' Merchant in the Nordics (Sales from the Year Ended July 31, 2016, € billion)

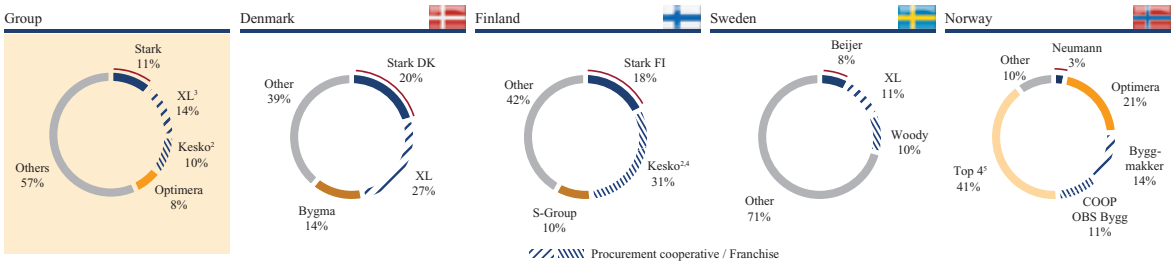


Source: Public fillings.

(1) Kesko's principal business model in the Finnish market is a franchise model, in which independent entrepreneurs, known as K-retailers, run retail stores in Kesko's chains. Outside Finland, Kesko mainly engages in own retailing and B2B trade. In the year ended July 31, 2016, K-retailers represented approximately 45% of Kesko's net sales.

Based on revenue for the year ended July 31, 2016, management estimates STARK Group is the largest non-franchise builders' merchant in the Nordics. Including franchises and procurement cooperatives, management estimates STARK Group is the number two general builders' merchant in the Nordics, with a market share of approximately 11%, preceded by XL Bygg with approximately 12% market share and followed by Kesko and Optimera with approximately 9% and 7% market share, respectively.

Market Share(1) / Market Position, for the Year ended July 31, 2016



Source: Company information submitted to the European Commission.
Based on data from the year ended July 31, 2016, including general professional builders merchant with a market share greater than 5%.

(1) Includes B2C and B2B competitors and assumes for illustrative purposes a national market definition.

(2) Kesko's principal business model in the Finnish market is a chain business model (i.e. franchise), in which independent entrepreneurs, known as K-retailers, run retail stores in Kesko's chains. Outside Finland, Kesko mainly engages in own retailing and B2B trade. In the year ended July 31, 2016, K-retailers represented approximately 45% of Kesko's net sales.

(3) Includes Bygg Torget, Byggeriet, and Sentrum Bygg, which, together with XL Bygg, represent the leading construction products operator in Norway known as Mestergruppen.

(4) K-Rauta and Rautia.

(5) Includes Maxbo (10%), Bygger'n (10%), Mestergruppen (i.e. XL Bygg, Bygg Torget, Byggeriet, and Sentrum Bygg, 17%), and Carlsen Fritzøe (4%).

Focus on Denmark

The construction materials distribution market in Denmark is largely fragmented and made up of both B2B and B2C competitors. STARK DK's main competitors within the Danish market include XL Byg and Bygma. XL Byg is a DIY and professional builders' merchant like STARK Group, but operates as a purchasing partnership of independent stores, which can imply a number of disadvantages from a sourcing, logistical and overall strategy perspective since branches may be in competition with one another. By contrast, Bygma is a company-owned distributor with a high-end product assortment, targeting B2B customers and, to a lesser extent, B2C customers. The majority of its stores are located close to large cities, but it is also present in smaller towns and in the countryside. Bygma has a business model most comparable to that of STARK Group.

Based on revenue for the year ended July 31, 2016, management estimates STARK DK is the largest non-franchise builders' merchant in Denmark. Including procurement cooperatives and franchises, management

estimates STARK DK is the second largest general builders' merchant in Denmark by revenue. For the year ended July 31, 2016, management estimates STARK DK has held 20% market share in Denmark (calculated on a national market basis), with STARK DK's largest competitors, XL Byg and Bygma, having held 27% and 14%, respectively.

Focus on Sweden

The construction materials distribution market in Sweden is largely fragmented and made up of both B2B and B2C competitors, with approximately 58% of the market comprising players with less than 1% market share according to a leading management consulting firm. Beijer's main competitors in the Swedish market are XL Bygg and Woody. Like XL Bygg, Woody is a purchasing partnership of independent stores offering a high-end product assortment and targeting B2B customers as well as B2C customers.

Based on revenue for the year ended July 31, 2016, management estimates Beijer is the largest non-franchise builders' merchant in Sweden. Including procurement cooperatives and franchises, management estimates Beijer is the third largest general builders' merchant in Sweden by revenue. For the year ended July 31, 2016, management estimates Beijer has held 8% market share in Sweden (calculated on a national market basis), with Beijer's largest competitors, XL Bygg and Woody having held 11% and 10%, respectively.

Focus on Finland

The construction materials distribution market in Finland is largely fragmented and made up of both B2B and B2C competitors. STARK FI's primary competitors are Kesko (or K-Group) and the retail cooperative, S-Ryhmä (or S-Group). Kesko competes in Finland under a franchise model mainly through its managed companies, K-Rauta and Rautia (whose stores recently all moved under the K-Rauta brand), while S-Ryhmä competes through its subsidiaries, Kodin Terra and Rauta-Prisma. Both Kesko and S-Ryhmä target B2B customers as well as B2C customers. However, S-Ryhmä's Kodin Terra and Rauta-Prisma stores are primarily focused on private consumers in large and medium sized cities, while Kesko's K-Rauta stores have a substantial geographical coverage, from large branches in major cities to small branches in rural areas.

Based on revenue for the year ended July 31, 2016, management estimates STARK FI is the largest non-franchise builders' merchant in Finland. Including procurement cooperatives and franchises, management estimates STARK FI is the second largest general builders' merchant in Finland by revenue. For the year ended July 31, 2016, management estimates STARK FI has held 18% market share in Finland (calculated on a national market basis), with STARK FI's largest competitors, K-Group and S-Group, having held 31% and 10%, respectively.

Focus on Norway

The construction materials distribution market in Norway is largely fragmented and made up of both B2B and B2C competitors. Neumann's key competitors within the Norwegian construction materials distribution market are Kesko, Optimera and Maxbo. Kesko competes through its subsidiary Byggmakker, while Maxbo is fully-owned by Løvenskiold-Vækerø AS and operates as a combination of franchise and non-franchise operations.

Based on revenue for the year ended July 31, 2016, management estimates Neumann is the largest non-franchise builders' merchant in Bergen, Tromsø and southwestern Norway. For the year ended July 31, 2016, management estimates Neumann has held 3% market share in Norway (calculated on a national market basis), with Neumann's largest competitors, Optimera, Byggmakker, COOP OBS Bygg and Maxbo, having held 21%, 14%, 11% and 10%, respectively.

BUSINESS

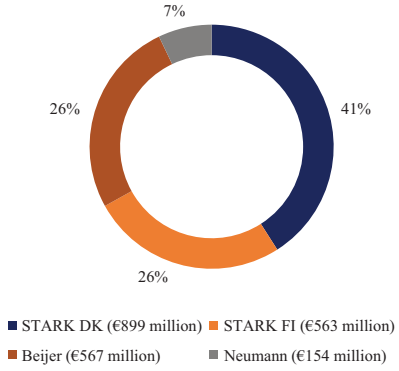
Overview

We are the leading non-franchise builders' merchant in the Nordics. We directly operate a total of 179 branches across Denmark, Finland, Sweden, Norway and Greenland from which we serve our diversified customer base of small and medium-sized enterprises, which comprise our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities. We benefit from significant operational advantages compared to our competitors, which are mostly "mom and pop" shops collaborating in buying groups and franchisee-owned operations. As a result, our competitors generally cannot match the combination of our harmonized sourcing capabilities across the Nordics, collaborative customer service network and convenient national and cross-regional product availability.

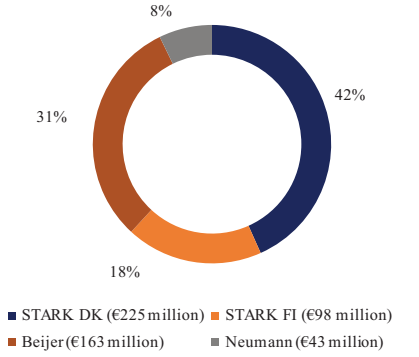
We operate four business units across the Nordics and as of October 31, 2017, we directly operated 66 branches in Denmark, with an additional six branches in Greenland, under our STARK DK business unit, 27 branches in Finland under our STARK FI business unit, 66 branches in Sweden under our Beijer business unit and 14 branches in Norway under our Neumann business unit.

The following charts show the shares of total revenue for the Ongoing Business and total gross profit, excluding profit allocated to our headquarters, for the Ongoing Business by business unit for the twelve months ended October 31, 2017:

Revenue for the Ongoing Business



Gross Profit for the Ongoing Business



Our customers primarily purchase our products for use in the resilient RMI market which has shown stable growth during 14 out of the past 17 years across the Nordic region. In the twelve months ended October 31, 2017, management estimates that we generated approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business from RMI activities and approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business from new build activity. Our resilient cash flow during our last three years has also benefitted from our stable gross margin, variable cost structure and effective working capital management. Our variable cost structure has allowed us to reduce labor costs, unwind working capital and reduce capital expenditures during the most recent economic downturn.

In each of our markets, we seek to offer our customers a broad range of branded and own brand products, consisting of heavy building materials, timber and panels, tools and hardware, flooring and joinery, light-side and other products. The following table provides an overview of our key product categories and the percentage of our revenue for the Ongoing Business generated by each product category during the year ended July 31, 2017:

Key Product Category	Types of Products	Share of Revenue for the Ongoing Business
Heavy Building Materials	Plasterboard, insulation, bricks, tiles, etc.	36%
Timber and Panels	Sawn timber, construction timber, etc.	34%
Tools and Hardware	Power tools, nails, screws, fastenings, etc.	18%
Flooring and Joinery	Façade doors, internal doors, windows, etc.	7%
Light-side	Garden machines, kitchen and bathroom products, etc.	4%
Other	Products for freight and unmapped activities, etc.	2%

To differentiate our business from our competitors, boost our ability to execute range innovation, control product lifecycles and reduce our dependency on national manufacturer brands, we continue to focus on expanding the penetration of our own brand SKUs, which have higher gross margins on average than branded SKUs, according to management estimates. As of October 31, 2017, our own brand portfolio comprised 4,110 SKUs spread across our four brands, Raw, Raptor, Domestic and Basics. We believe we are well-positioned to have the widest own brand offering in the Nordics as a result of our size, scale and level of coordination across countries. In the twelve months ended October 31, 2017, we derived approximately 91% of total revenue for the Ongoing Business from branded products and approximately 9% from our own brand products.

We support our 179 strategically located branches through our extensive logistics platform, which includes five ship hubs, one light-side hub, five central distribution centers, approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs, allowing for proximity to our customers and harmonized delivery capabilities across the Nordics. Leveraging our broad physical footprint, we offer our customers three distinct sales channels: stock collected by customers inside our branches, stock delivered by us to our customers from our facilities, including weekday delivery within 24 hours in Denmark, and direct delivery by us to customers from the manufacturer's facilities. To maximize accessibility of our products across all of our markets, we also support our operations through a variety of digitalized customer services under our online sales platforms, including online and mobile phone order, product search and price comparison capabilities.

In the year ended July 31, 2017, after our CEO, Søren P. Olesen, stepped into the role of Group-wide CEO from his previous position with STARK DK, we implemented our "Back to Basics" strategy which comprises a number of strategic initiatives to refocus our business on our core SME customer group, reduce sourcing and operational costs, build a more efficient branch and logistics network and streamline our leadership structure by enhancing local decision making and accountability. Management estimates that these programs, together with improvements in the market, have already had a positive effect on our revenue and earnings during the twelve months ended October 31, 2017.

As of October 31, 2017, we had 5,056 FTEs and a total headcount of 5,667 personnel, and in the twelve months ended October 31, 2017, we generated revenue for the Ongoing Business of €2,183 million and Run-rate Adjusted EBITDA for the Ongoing Business of €109 million, and achieved a Run-rate Adjusted EBITDA margin for the Ongoing Business of 5%.

Our Strengths

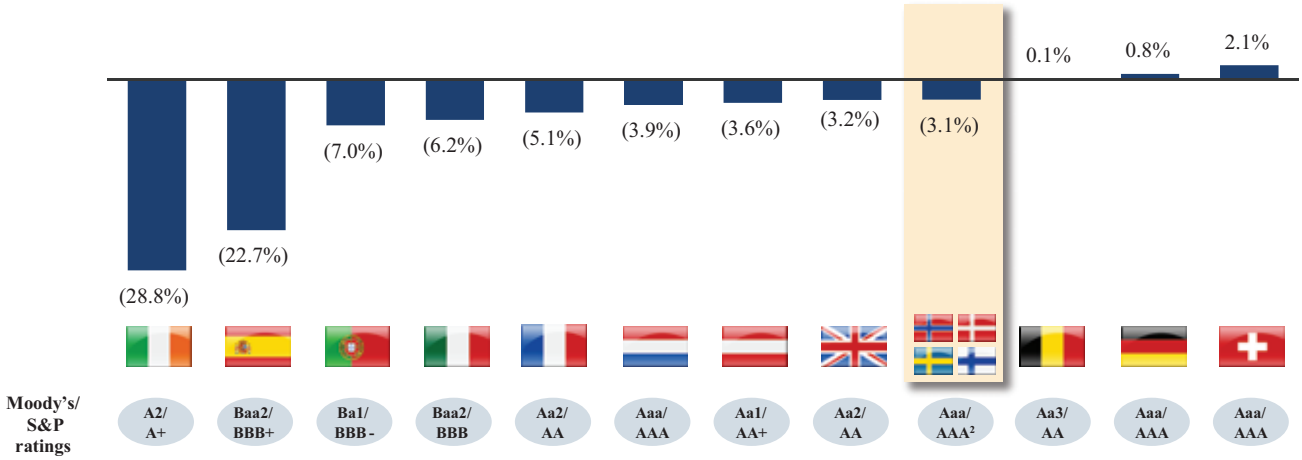
We believe that the following strengths have been instrumental in our success and position us for future growth:

Strong Construction and Renovation Market Fundamentals and Outlook

We believe that our leading market position across the Nordics has allowed us to benefit from the strong fundamentals of the Nordic construction and renovation market. Historically, the construction and renovation market in the Nordics has exhibited stable growth, expanding at a CAGR of 2.4% from 2000 to 2016 according to Euroconstruct, and proving to be among the most resilient markets during the most recent global economic downturn according to Euroconstruct.

Nordics were amongst the most resilient Western European markets during the last downturn

(2007-2010 total construction[1] CAGR)



Source: Euroconstruct (84th Conference, November 2017), Moody's, Standard & Poor's

(1) Includes residential and non-residential construction as well as civil engineering.

(2) Denmark Aaa/AAA; Norway Aaa/AAA; Sweden: Aaa/AAA; Finland: Aa1/AA+.

The Nordic construction materials distribution market is driven by total construction and renovation activity, which in turn is driven by a variety of factors, including, among others: (i) macroeconomic trends, namely GDP, private consumption, consumer confidence and interest rates, and (ii) regulatory initiatives, such as subsidies and tax deductions on new construction or renovation works. Additionally, the Nordic construction materials distribution market is expected to benefit from a number of sector-specific trends which are expected to outperform the general construction and renovation market, according to a leading management consulting firm. Such sector-specific trends include, among other key trends, (i) growth in SMEs within the construction and renovation industry, (ii) urbanization and changing demographics and (iii) a growing acceptance of own brand offerings evidenced through purchases by customers.

According to Euroconstruct, the Nordic RMI market is expected to grow at a CAGR of approximately 1.7% between 2016 and 2019. In particular, the Danish, Swedish, Finnish and Norwegian RMI markets are forecasted to grow at CAGRs of approximately 2.1%, 0.9%, 1.7% and 2.2%, respectively, over the same period. According to Euroconstruct, the Nordic new build market is forecasted to grow at a CAGR of approximately 4.1% over the period from 2016 to 2019. In particular, the Danish, Swedish, Finnish and Norwegian new build markets are forecasted to grow at CAGRs of approximately 6.3%, 7.1%, 0.7% and 2.6%, respectively, over the same period.

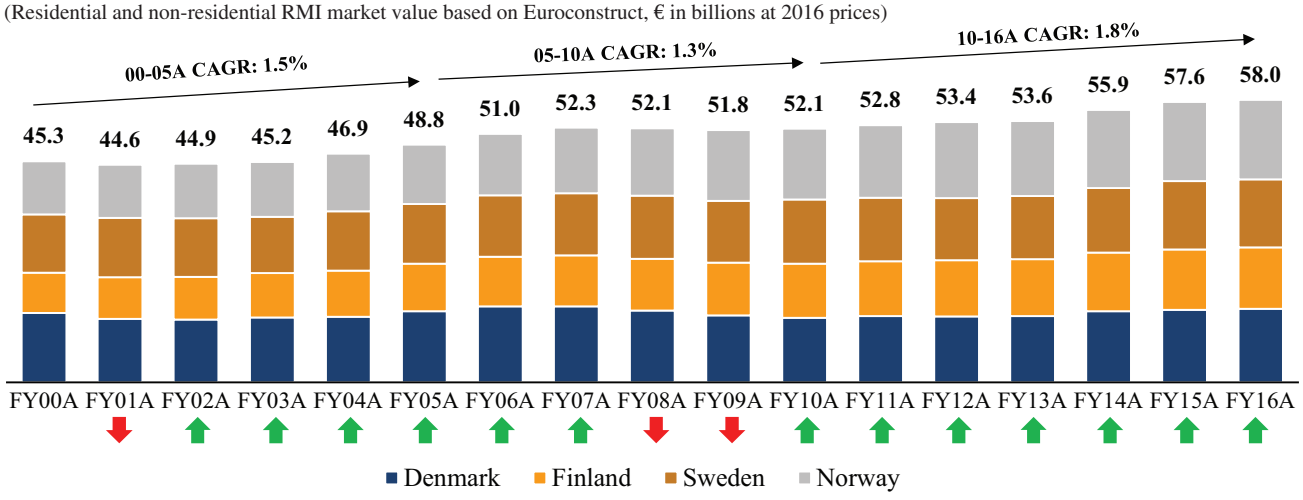
Significant Exposure to Structurally Resilient RMI Market Across the Nordics

In the twelve months ended October 31, 2017, management estimates RMI activity accounted for approximately 60% of total revenue for the Ongoing Business and approximately 75% of gross profit for the Ongoing Business, and new build activity accounted for approximately 40% of total revenue for the Ongoing Business and approximately 25% of gross profit for the Ongoing Business, respectively.

The construction and renovation market in the Nordics comprises both the RMI sector and the new build sector, and our business benefits from our significant exposure to the structurally resilient RMI sector. RMI activities in the Nordics are significantly less affected by market fluctuations, showing more than eight times less variance in growth rates than the new build sector according to a leading management consulting firm. RMI activity across our core markets has shown stable through-the-cycle growth during 14 out of the past 17 years, growing at CAGRs of approximately 1.6% from 2000 to 2016 according to Euroconstruct.

Nordic market exhibited strong resilient RMI growth even through economic downturn

(Residential and non-residential RMI market value based on Euroconstruct, € in billions at 2016 prices)



Source: Euroconstruct.

Leading Position in the Nordics

We are the leading non-franchise builders' merchant in the Nordics. We hold the number one position among non-franchise builders' merchants in the Nordics, with 11% market share based on revenue in the year ended July 31, 2016, compared to 7% market shares for the next leading non-franchise builders' merchant in the Nordics, Optimera, according to management estimates. Management estimates that STARK DK, our most profitable business unit, holds the number one position among non-franchise builders' merchants in Denmark, with 20% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to 14% market shares for the next leading non-franchise builders' merchants in Denmark, Bygma. Management estimates that STARK FI holds the number one position among non-franchise builders' merchants in Finland, with 18% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to 10% market share for the next

leading non-franchise builders' merchant in Finland, S-Ryhmä. Management estimates that Beijer holds the number one position among non-franchise builders' merchants in Sweden, with 8% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, which is a greater share than each other non-franchise builders' merchant in Sweden that collectively hold 70% of the B2B and B2C market in Sweden. Management estimates that Neumann holds the number one position among non-franchise builders' merchants in Bergen, Tromsø and southwestern Norway, with an overall 3% market share (calculated on a national market basis) based on revenue in the year ended July 31, 2016, compared to an overall 21% market share for the leading non-franchise builders' merchant in Norway, Optimera.

Competitive Advantages

We believe our scale, branch network, logistics platform, full ownership structure and broad customer-centric product and service offering harmonized across the Nordics create competitive advantages and provide us with significant operational advantages compared to our competitors. Our business benefits from an extensive network of 179 branches across the Nordics that are strategically located in areas with high population density and limited available additional real estate, making it difficult for potential competitors to replicate our footprint and customer reach in our core markets. Additionally, operating a company-owned network of branches allows us to harmonize our product assortment and manage our product availability across our business, resulting in superior product assortment and availability in branches and via delivery while simultaneously enabling optimized working capital levels. For instance, STARK DK promises product availability on a certain core range of approximately 1,000 SKUs, which if not available in-branch, will be delivered to our customers in Denmark within four hours and free of charge. Leveraging our scale, we also benefit from significant harmonized sourcing capabilities across the Nordics which allow us to streamline our sourcing efforts and negotiate better pricing terms with our suppliers. We are thus able to provide better pricing to our customers and optimize cost to serve to improve our competitiveness in the market. In addition to our branch network, we fully control an extensive logistics platform consisting of five ship hubs, one light-side hub, five central distribution centers, approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs, which allows for proximity to our customers and enables us to meet our customers' demand for flexible collection and delivery services on a national and cross-regional basis. As of October 31, 2017, we had a deep and loyal customer base of approximately 29,000 active customers, which we define as customers who have spent more than €5,000 on our products and services in the year ended July 31, 2017. As of October 31, 2017, we support our customers with a dedicated sales force of more than 850 employees, excluding branch sales staff and office sales support staff, as well as tailored post-sale service offerings, such as credit accounts. We believe that operating a company-owned network of branches allows us to share best customer service practice across branches and provides our customers with consistently high service.

Additionally, we believe that we face only a limited threat from pure-play online retailers who lack the physical store footprint to provide the in-person specialist advice that is important to our customers in their purchasing decisions as well as the special infrastructure required to deliver heavy-side building materials, which make up a significant portion of the products we sell. Heavy building materials and timber and panels possess low value to weight ratios, which have historically proved to be unprofitable for pure-play online retailers. We also believe that pure-play online retailers are unable to meet our customers' requirement for personalized relationships and post-sale services, including our ability to offer customers individualized pricing options and sales discounts, customer credit options, complex logistics solutions, in-branch advice, in-person technical support and quicker access to products, maintenance services and replacement products.

Diversified Business Model

We sell to a diversified customer base who use our products in a variety of end markets and to which we offer varied sales channels. Collectively, this diversification provides downside protection in times of cyclicality and thus comprises key drivers of resilience of our business.

We have established strong, long-lasting relationships with a wide range of customers, including SMEs, which comprise our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities. In the twelve months ended October 31, 2017, our top 20 customers only generated approximately 7% of total revenue for the Ongoing Business and approximately 3% of gross profit for the Ongoing Business, with the remaining approximately 93% of total revenue for the Ongoing Business and approximately 97% of gross profit for the Ongoing Business being generated by a long tail of customers, including SME customers for whom STARK Group is a critical supplier. Our fragmented customer base is further diversified in that both small and large customers often have a variety of product preferences and requirements, purchasing from multiple product categories, frequently and in small quantities, making our role as a "one stop shop" for our core customer groups particularly important.

In addition to low customer concentration, our business benefits from a diversified mix of sales channels designed to maximize the accessibility of our products, including: (i) stock collected by customers inside our branches, (ii) stock delivered by us to our customers from our facilities, and (iii) direct delivery by us to customers from the manufacturer's facilities. In the year ended July 31, 2017, we generated approximately 38%, 29% and 33% of total revenue for the Ongoing Business and approximately 60%, 27% and 13% of total gross margin for the Ongoing Business from our stock collected, stock delivered and direct delivery channels, respectively.

Furthermore, our business benefits from geographic diversification, which enables us to capitalize on the different macroeconomic growth drivers of our core markets of Denmark, Sweden, Finland and Norway. As the different growth drivers experience peaks and troughs at different times, our business benefits from more stable through-the-cycle revenue generation. In addition, as the Nordic region as a whole may experience a separate economic cycle, our business benefits from resistance to national economic cycles, which is a stabilizing factor with respect to our revenue.

Lastly, we are exposed to a diverse supplier base and are not dependent on a single supplier for the operation of our business. In the twelve months ended October 31, 2017, our top ten suppliers, excluding unmapped suppliers, accounted for approximately 28% of our total sourcing spend for the Ongoing Business, with no one supplier accounting for 10% or more of our total sourcing spend for the Ongoing Business.

High Customer Retention due to Steady Base of Loyal SME Customers and Best-in-Class Product and Relationship Offerings

We rely on a deep and loyal base of SME customers who exhibit frequent purchasing patterns with respect to our products and services. As of October 31, 2017, our active customer base of 29,000 customers, which we define as customers who have spent more than €5,000 on our products and services in the year ended July 31, 2017, had an average life of 9.8, 7.5, 6.0 and 8.3 years in Denmark, Sweden, Finland and Norway, respectively. According to exit interviews of 119 customers of STARK DK, Bygma or XL Byg, conducted by a leading management consulting firm in 2016, about 83% of our customers in Denmark purchase our products at least once a week.

SMEs represent our largest gross profit pool, and we estimate SMEs represent a higher percentage of our revenue for the Ongoing Business than the percentage of revenue generated by SMEs in the total Nordic construction materials distribution market. We continue to provide SMEs with a leading assortment of products and services, guaranteed availability of key products and more favorable pricing and credit terms when compared to our competitors. For example, compared to our competitors, we believe we offer our SME customers the best warranty and loyalty benefits. On average, our SME customers have shopped with us for approximately ten years in Denmark and approximately eight years in Sweden.

Value of Business is Underpinned by Owned Real Estate Portfolio

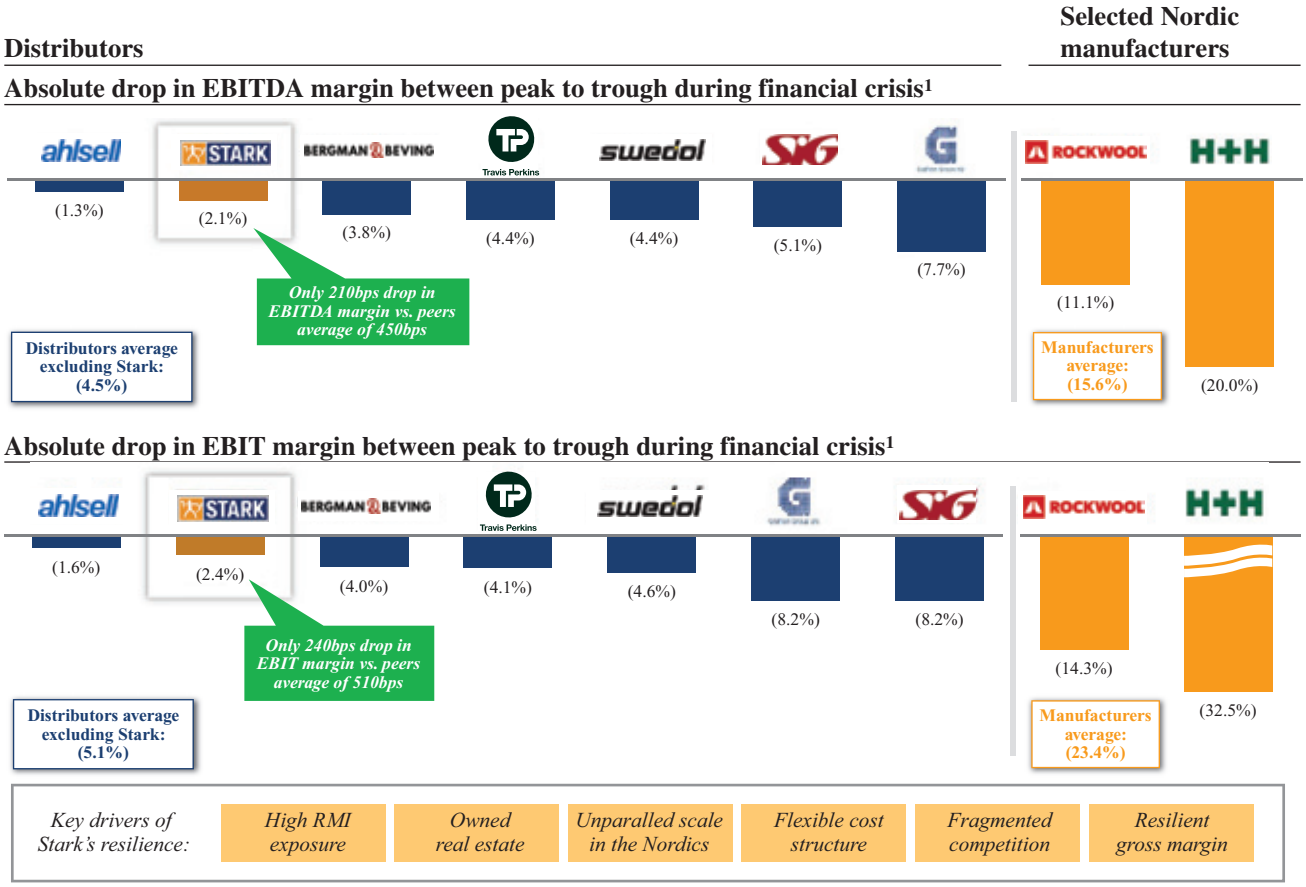
We own an extensive portfolio of 195 freehold properties with more than 1,000,000 square meters of space and an average gross leasable area of 5,820 square meters, including 153 properties at which we operate branches, covering key above-market growth areas across the Nordics. Given the large portion of owned branches, our business benefits from low impact from rent expenses on our cash flow when compared to our competitors across Europe as we do not have a fixed monthly cash outflow with respect to such rent expenses. In the year ended July 31, 2017, management estimates that external rent accounted for only 14% of our EBITDA for the Ongoing Business. By contrast, external rent represented approximately 20% and 37% of EBITDA for Ahlsell and Byggmax, respectively, during each of their 2016 financial years. In addition, as a result of our owned property portfolio, a large portion of our capital expenditures is discretionary as we can generally decide the timing of any improvements to such properties, and we have historically had the flexibility to reduce our capital expenditures during economic downturns.

As of September 30, 2017, our freehold real estate portfolio was independently valued at up to €805 million, covering over 150% of our indebtedness for the Ongoing Business after giving *pro forma* effect to the Transactions.

Variable Cost Structure Provides Resilient Earnings and Cash Flow

Our cost structure has historically provided us with significant downside protection during periods of adverse economic conditions. Given the intrinsic nature of a distributor business, approximately 90% of our cost base is either directly linked to sales (such as cost of sales and fleet costs), or is considered by management to have a high potential for short-term right-sizing (such as employee costs related to employees with flexible contracts and fleet costs). Our fixed costs mainly relate to the fixed portion of our employee costs, including our base employee and pension costs, administrative expenses and other fixed costs, such as costs related to IT functions. Additionally, we have historically

been able to further adjust our cost structure during economic downturns by rationalizing discretionary costs related to advertisement, infrastructure, administration and IT, which allowed us to maintain stable margins between 2006 and 2011 compared to a number of our key competitors. The following chart provides an overview of the drop in peak and trough EBITDA margin and EBIT margin of a number of building material distributors as well as selected Nordic manufacturers of building material products:



Source: Company filings

(1) We define absolute drop in EBITDA margin and EBIT margin as the difference between peak and trough margins. We define the peak period as between 2006 and 2008 and we define the trough period as between 2008 and 2011.

Note: The financial data presented in this table is not calendarized. STARK's EBITDA margin and EBIT margin are based on Ferguson's Nordics financials as reported by Ferguson in its consolidated financial statements, and exclude the year ended July 31, 2016 due to unavailable public data. STARK's EBITDA margin and EBIT margin are not directly comparable to the EBITDA margin and EBIT margin, respectively, of the Target for the years ended July 31, 2015, 2016 and 2017, due to subsequent changes in STARK's business, including as a result of the Branch Closures and the Property Portfolio Adjustment. See "*Presentation of Financial and Other Data*." EBITDA margin and EBIT margin for STARK's competitors are based on publicly available information, and STARK's competitors may calculate EBITDA margin and EBIT margin differently from STARK. As a result, STARK's EBITDA margin and EBIT margin for the periods indicated herein may not be comparable to the EBITDA margin and EBIT margin of its competitors.

Additionally, the rigorous management of our working capital, including through the tightening of credit controls and improvement of payment terms with suppliers, and our flexible capital expenditure levels, have historically allowed us to generate significant cash flows, resulting in a cash conversion rate, defined as Adjusted EBITDA for the Ongoing Business *less* adjusted capital expenditures *divided by* Adjusted EBITDA for the Ongoing Business, of 72%, 70% and 61% for the years ended July 31, 2015, 2016 and 2017, respectively. We believe that our efficient working capital management will allow us to continue maintaining resilient financial performance going forward.

Experienced Management Team Has Refocused Our Business and Introduced Cost Saving Initiatives

Our business is supported by an experienced management team, including, for instance, our CEO, Søren P. Olesen, and our Business Development Director, Daniel R. Potok, with a combined 39 years of experience in the construction and renovation and retail industries. Mr. Olesen, who stepped into the role of Group-wide CEO in November 2016, brings with him 24 years of experience in the construction and renovation industry, including three

years as CEO of STARK DK. Our Business Development Director, Daniel R. Potok, who recently joined the Group, brings with him more than 15 years of experience in the professional service sector advising leading Nordic and European builders' merchants and retailers. Our senior management team is supported by the CEOs and managing directors of each of our business units, comprising a leadership team with significant industry experience.

In the year ended July 31, 2017, following a comprehensive review of our leadership position in the Nordic construction materials distribution markets, our customer value propositions and the management of our operations, our CEO together with other members of senior management began implementing our "Back to Basics" strategic plan, incorporating clearly defined cost saving and efficiency initiatives. Our "Back to Basics" initiatives aim to drive our top-line growth by creating a customer centric business model refocusing our operations on our SME core customer group, enhance our profitability by streamlining our headquarters and central administration functions, enforcing cross-functional collaboration between our headquarters and business units and driving better sourcing initiatives through leveraging our scale, and rationalizing our footprint by exiting unprofitable branches and locations and simplifying our distribution network.

Implementation of Strategic Initiatives Has Yielded Positive Results

In connection with our "Back to Basics" strategy, to increase focus on our SME segment, we exited our Silvan DIY business in 2017 and developed and launched a new SME marketing campaign to leverage our fastest growing profit pool. Additionally, to optimize our physical footprint, in 2017, we closed 30 underperforming branches in low growth areas to focus our business on regions that are expected to outperform national averages. Furthermore, to streamline administrative functions, in 2016, we initiated significant downsizing at our headquarters, including the relocation of 178 FTEs from our central headquarters to the business unit level to clarify responsibilities and increase accountability and a total planned reduction of 55 FTEs, excluding the hiring of 19 FTEs, expected to be completed by the end of June 2018. We have also initiated (i) further leveraging of our harmonized sourcing platform across the Nordics by rationalizing our supplier base to maximize purchasing power, (ii) the expansion of our own brand offerings to support gross margin development while rationalizing our product portfolio, (iii) the simplification of our distribution network and reduction of our distribution costs and (iv) the optimization of our branch network with an eye toward regions where we have identified growing demand for our products. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Cost Saving and Other Strategic Initiatives.*"

We estimate that we would have realized total annualized run-rate cost savings of approximately €7 million in the twelve months ended October 31, 2017 through our "Back to Basics" strategy, mainly as a result of better contractual terms following our renegotiation of key supply contracts and as a result of headcount reductions and a more streamlined headquarters if these cost saving measures had been implemented on November 1, 2016. Overall, we have identified approximately €74 million in operational, sourcing- and network-related cost savings for the Ongoing Business, which we aim to realize by 2021. Additionally, we have initiated several topline growth initiatives, primarily related to product assortment, availability and pricing, which management believes, together with improvements in the market, have resulted in an increase in revenue for the Ongoing Business of approximately 5% during the twelve months ended October 31, 2017. We believe that our operational improvements have allowed us to outperform the market in each of Denmark, Finland, Sweden and Norway in the third quarter of the year ended December 31, 2017.

Our Strategy

Based on our key strengths, our ongoing strategic plan continues to focus primarily on cost-reduction and, to a lesser extent, growth in our revenue and market share through the following strategies:

Better Sourcing

To reach our objective of developing better sourcing processes, we are implementing a systematic review of our supply chain operations by focusing on three key components: (i) our own brand products, (ii) our direct sourcing costs and (iii) our indirect sourcing costs. We have already begun to implement several initiatives in connection with these key components, the results of which we expect will positively impact our financial position in the near term.

Historically, there was a lack of focus on our own brand product portfolio and an excessive overlap of our own brand product proposition with our branded product proposition, with the vast majority of our own brand SKUs not being shared across our business units. By increasing our focus on own brand products, we intend to increase leverage with our suppliers and continue supporting our margins, as own brand SKUs have higher gross margins on average than branded SKUs, according to management estimates. As of October 31, 2017, our own brand portfolio comprised 4,110

SKUs spread across our four brands: Raw, Raptor, Domestic and Basics. We are currently building a strategic common core range of 800 own brand SKUs which will have reduced overlap with our branded products portfolio. Furthermore, following our disposal of our Silvan DIY business and in line with refocusing our business on our SME core customer group, we will continue to reduce the number of our DIY SKUs. In the twelve months ended October 31, 2017, we derived approximately 9% of total revenue for the Ongoing Business from own brand products. Based on independent market studies, we estimate that own brand products will double their share of the relevant market in the Nordics by 2020, and in line with this estimated growth, we aim to more than double the share of our revenue generated by our own brand products.

Historically, there was a lack of focus on our direct sourcing costs, including as our business units each defined product categories independently and entered into individualized Nordic framework agreements with suppliers. As a result, we only took limited advantage of bundling purchases from suppliers across business units to achieve volume discounts and partially utilized our eSourcing tool, which aims to optimize efficiency and decrease our sourcing spend through various internet-enabled sourcing methods to reduce the time spent on in-person price negotiations, collect pricing data easily and enable high competition among suppliers. In addition, we previously did not track key performance indicators consistently across business units, preventing us from adequately monitoring and driving performance. Consequently, we believe there is significant potential for savings with respect to our direct sourcing costs, and under our "Back to Basics" strategy, we intend to decrease our direct sourcing costs by better leveraging our position as the leading non-franchise builders' merchant in the Nordics, while building longer term relationships with key suppliers to further reduce costs and ensure the quality and security of the supply for a number of our key products. On August 1, 2017, we launched STARK Group Sourcing, our harmonized sourcing unit across the Nordics, which is designed to maximize sourcing synergies between our business units through a three-step process of (i) rationalizing our suppliers, (ii) rationalizing our product assortment and common core range of SKUs and (iii) improving payment terms with suppliers. We believe STARK Group Sourcing will enable us to benefit from significant economies of scale. Leveraging a "one door" decision making policy, our sourcing unit will continue to conduct best practice and fact-based negotiations with suppliers under direct sourcing campaigns, with the aim of further reducing costs and increasing efficiencies.

Historically, there was a lack of focus on our indirect sourcing costs, leading to decentralized sourcing processes and unexploited cost saving opportunities in key indirect sourcing areas such as marketing and logistics, IT and facility management. As part of our "Back to Basics" strategy, we have identified initiatives which we believe will reduce our indirect sourcing costs with minimal effort. Such initiatives include continuing to streamline our supplier base, creating performance-based supplier contracts and improving the management of demand for our products and supplies.

We have identified approximately €51 million of sourcing and procurement-related cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Stronger Network

To enhance our ability to serve customers, we seek to continuously improve our customers' experience in our branches by building a stronger branch network and providing more efficient logistics operations and higher availability of stock. In line with our "Back to Basics" strategic plan, we will continue optimizing the footprint of our branches to capture the benefit of expected growth in the markets in coming years and increase our competitive advantages. We aim to increase the accessibility of our branches through facility improvements which are tailored to the needs of our customers and trends in our markets and aimed to provide consistent and positive customer shopping experiences. While our business benefits significantly from our current geographic coverage, we may in the future pursue strategic relocations and consolidations of certain branches to better locations along highly travelled roads benefiting from higher footfall or visibility and will assess any new branches that we bring into our network on a case-by-case basis. We continue to monitor our existing branch base to selectively close or merge branches that are performing poorly or otherwise do not meet our expectations.

To pursue cost saving opportunities, we have identified several measures which we intend to action in the short term. For instance, we aim to further simplify our distribution network while optimizing our delivery routes and pricing terms by, among other things, establishing additional ship hubs, developing our recently established light-side hub in Denmark to streamline the distribution of slow moving items, downsizing and outsourcing certain of our centralized warehouse processes to achieve cost savings and consolidating the number of dedicated branches used for the distribution of products to better allocate our resources.

We have identified approximately €13 million of network-related cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Efficient Operator

We aim to continue optimizing our operations to create a leaner, more efficient operational structure with improved support for our business units and reduced costs. In connection with our "Back to Basics" strategy, we have focused on cost management through reduced overhead costs by having reorganized our managerial structure and optimized the size of our headquarters, with the aim of strengthening local decision-making and accountability and regaining focus on day-to-day operations at the business unit and branch level while still maintaining efficiency through centralized functions from our headquarters, including for strategy, performance, human resources and compliance across our business.

We have identified approximately €11 million of operational cost savings for the Ongoing Business, which we aim to realize by the year ending July 31, 2021.

Drive Top-Line Growth

We intend to continue driving our top-line growth by enhancing our value proposition to SMEs, providing leading customer services, implementing smart pricing and leveraging our physical assets and industry experience. We continue working with and for our SME customers to offer better terms and shopping experiences. For instance, we are rationalizing our product assortment by focusing on trade-specific "high runner" products that SMEs prefer, and guaranteeing availability of certain core assortments of products to immediately fulfill our customers' requirements. With respect to such trade-specific "high runner" products, we aim to improve our smart pricing strategy to maintain a reputable value perception among our customers and to simultaneously drive movement in inventory and revenue. Furthermore, we intend to capture digital growth opportunities by leveraging our existing physical network of branches and logistics facilities, as well as industry experience and product expertise and improving our online platform for SMEs to quickly, efficiently and comprehensively serve and advise our customers on the best products for each of their projects' needs. In connection with these strategic initiatives, we believe we are well-positioned to increase revenue and profitability as we continue capitalizing on our scale and competitive advantages.

Our History

We were founded as Aarhus Trælasthandel A/S in 1896. To increase our presence in the construction materials distribution markets of the Nordics, we have since expanded our retail trade business operations through a strategy of acquiring new businesses and opening new branches in our existing business units. Key acquisitions included Beijer in Sweden in 1989, Neumann in Norway in 1997 and Starkki in Finland in 2000.

We were acquired in a take-private transaction by CVC in 2003 and sold to Ferguson, which then operated as Wolseley Plc, in 2006. In March 2017, in connection with Ferguson's strategic decision to refocus its business towards the United States, including by changing its reporting currency and name from Wolseley Plc to Ferguson, Ferguson elected to sell its Nordics business. Ferguson's Nordics business represented a small part of its larger operations scheme, with its Nordics business receiving less focus than its other business segments. In connection with Ferguson's realignment initiatives, Ferguson agreed to sell STARK Group to Lone Star and we currently expect the Acquisition to close in the spring of 2018.

In the year ended July 31, 2017, after our CEO, Søren P. Olesen, stepped into the role of Group-wide CEO from his previous position with STARK DK, we began implementing our "Back to Basics" strategy, which is aimed at significant footprint rationalization, reducing operational costs, leveraging our scale to improve our procurement and logistics platforms, organizational and managerial structural changes and growth through calculated acquisitions and disposals as well as marketing. For instance, during the year ended July 31, 2017, we closed 30 underperforming branches in low growth regions in order to regain better focus on our core business. In addition, in July 2017, we announced our agreement to divest our DIY brand, Silvan, in order to focus primarily on B2B customers and particularly to refocus on SMEs, our core customer group.

Our Business

We are the leading non-franchise builders' merchant in the Nordics. Our competitors in our largest markets are mostly "mom and pop" shops collaborating in buying groups, such as XL Byg and Woody, and large builders' merchants operating under a franchise model, such as Kesko, S-Ryhmä and Byggmakker, as well as niche companies and local retailers. We have established a strong position in the market through our geographical diversification, which provides key scale advantages, and our broad range of product offerings for both RMI activities and new build activities. Our business benefits from a large and varied customer base, including SMEs, our core customer group, as well as large construction companies, private consumers and other types of customers, such as public authorities, and we supply our products to our customers through fully company-owned physical branches, telephone and mail order channels and online, providing delivery services across all four key Nordic countries in which we operate. We provide three distinct s

ales channels for the convenience of our customers: stock collected by customers inside our branches, stock delivered by us to our customers from our facilities and direct delivery by the manufacturer to customers from the manufacturer's facilities.

As of October 31, 2017, we directly operated all 179 of our branches, comprising 66 branches in Denmark, with an additional six branches in Greenland, under our STARK DK business unit, 27 branches in Finland under our STARK FI business unit, 66 branches in Sweden under our Beijer business unit and 14 branches in Norway under our Neumann business unit. Of the 179 properties at which we operate each of our branches, we own 153, or 85%, of such properties and we lease 26, or 15%, of such properties.

An overview of each of our four business units, as of and for the twelve months ended October 31, 2017, is set forth in the table below:

Business Unit	Geography	Number of Branches	Target Customers	Key Product Categories	Revenue / Gross Profit for the Ongoing Business[1]
STARK DK	Denmark; Greenland	72	SMEs and large construction companies	Heavy building materials	€899 million / €225 million
STARK FI	Finland	27	SMEs, private consumers and large construction companies	Heavy building materials and timber and panels	€563 million / €98 million
Beijer	Sweden	66	SMEs, private consumers and large construction companies	Heavy building materials and timber and panels	€567 million / €163 million
Neumann	Norway	14	SMEs, private consumers and large construction companies	Heavy building materials	€154 million / €43 million

(1) Gross profit for the Ongoing Business per business unit excludes profit allocated to our headquarters.

Business Units

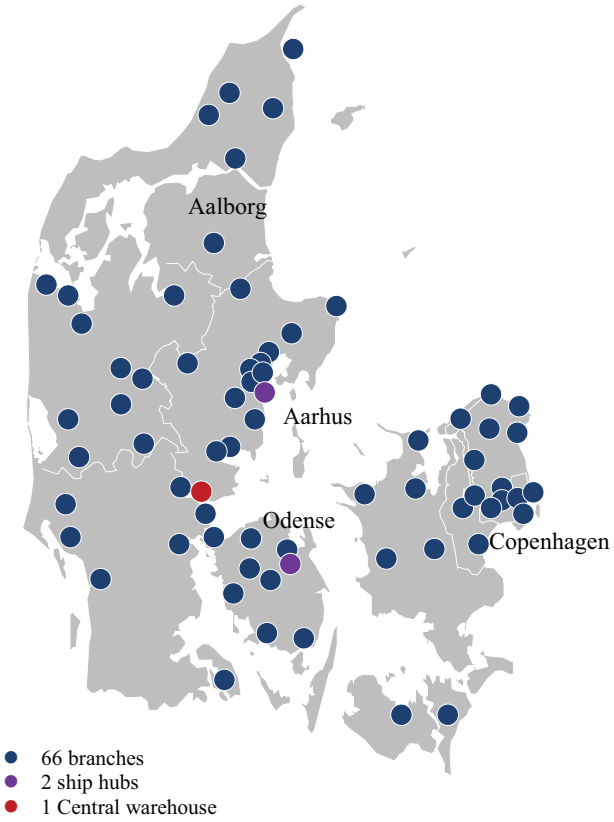
We operate four business units, STARK DK, STARK FI, Beijer and Neumann. Each of our business units offers a wide product range from each of our core product categories to meet the preferences and needs of our core customers in the respective country of operation.

STARK DK

STARK DK, our most profitable business unit, is the leading non-franchise builders' merchant in Denmark. Management believes STARK DK benefits from strong brand awareness and high customer loyalty when compared to competitors.

In the twelve months ended October 31, 2017, STARK DK's share of the revenue for the Ongoing Business was €899 million, accounting for 41% of total revenue for the Ongoing Business and STARK DK's share of the gross profit, excluding profit allocated to our headquarters, for the Ongoing Business was €225 million, accounting for 42% of total gross profit for the Ongoing Business.

As of October 31, 2017, we directly operated 66 STARK DK branches, of which we owned the properties for 58 such branches, in attractive locations across Denmark, including all major cities such as Copenhagen, Aarhus, Odense and Aalborg, as well as in strategic locations in rural areas in Denmark. Additionally, we directly operated six STARK DK branches on leased properties in strategic locations in Greenland. The following map shows our nationwide network of STARK DK branches across Denmark.



Source: Company information
Note: There are an additional six STARK DK branches in Greenland.

While STARK DK serves two main types of customers, SMEs and large construction companies, its largest customer base comprises SMEs. We believe our STARK DK branches are uniquely positioned to capture SME growth in attractive growth regions in Denmark as compared to its competitors. We focus our marketing strategies to enhance customer loyalty among SMEs. As part of our "Back to Basics" strategy, we have also initiated and, in certain cases, completed enhancements to our STARK DK product portfolio to have greater focus on underpenetrated product categories which we believe are important to SMEs, such as doors and windows, roofing, floors and tiles, paint and sealing, climate and façades, workwear and locks and brackets.

As of October 31, 2017, STARK DK offered a wide range of total SKUs, with a tailored range of approximately 25,000 SKUs accounting for the majority of STARK DK's revenues. STARK DK offers high availability on a basic assortment of approximately 5,000 SKUs and guaranteed availability of approximately 1,000 SKUs. STARK DK is continuing to optimize its product assortment with the aim of completing the updated product assortment range by the end of 2018. While STARK DK offers products from each of our core product categories, the heavy building materials product category generates the largest share of its revenue. STARK DK generates its revenue from each of our three sales channels in generally equal proportion.

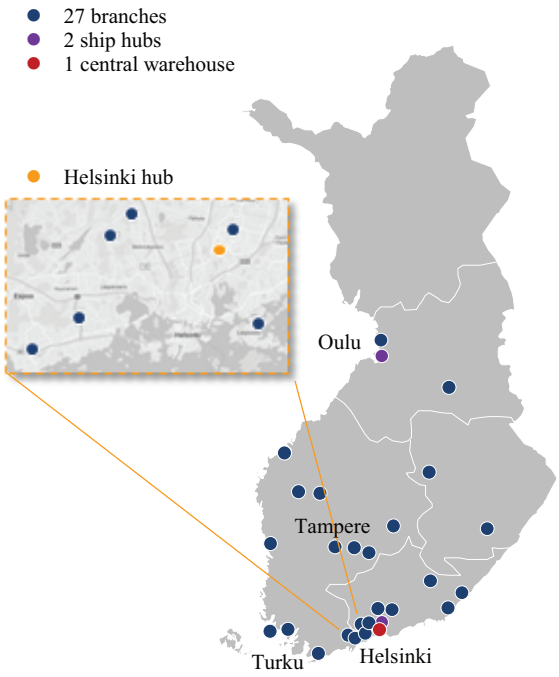
We continue to seek ways to enhance STARK DK's product and service offering to grow and meet customer demand. For instance, as part of our initiatives aimed at better sourcing and own brand product penetration, STARK DK began sourcing Raw brand paint in January 2016 to further increase revenue from own brand paint. We have already achieved significant savings under this initiative during the year ended October 31, 2017 and, as a result, we intend to roll this out across our other business units. Moreover, we expect demand for our STARK DK products to continue growing as urbanization trends, which typically increase the construction of residential buildings, in Denmark are highest and are above market growth in major cities in which we have branches, such as Copenhagen, Aarhus and Aalborg, according to a leading management consulting firm.

STARK FI

STARK FI is the leading non-franchise builders' merchant and the only national non-franchise builders' merchant chain in Finland. STARK FI benefits from a unique branch footprint and distribution set-up in the attractive capital region of Helsinki with further presence in additional high growth areas, including all major Finnish cities. STARK FI has a call center facility that operates 24 hours a day and seven days a week, allowing customers to place their orders at any time. STARK FI's distribution set-up also provides 24-hour weekday delivery service to customers in the greater Helsinki area.

In the twelve months ended October 31, 2017, STARK FI's share of the revenue for the Ongoing Business was €563 million, accounting for 26% of total revenue for the Ongoing Business and STARK FI's share of the gross profit, excluding profit allocated to our headquarters, for the Ongoing Business was €98 million, accounting for 18% of total gross profit for the Ongoing Business.

As of October 31, 2017, we directly operated 27 STARK FI branches, of which we owned the properties for 25 such branches, in attractive locations across Finland, including all major cities such as Helsinki, Turku, Oulu and Tampere, as well as in strategic locations in rural areas. The following map shows our nationwide network of STARK FI branches across Finland.



Source: Company information

While STARK FI serves five main types of customers, SMEs, private consumers, large construction companies and other types of customers such as public authorities, its largest customer base comprises SMEs. Based on management estimates, STARK FI is also the number one partner for national construction companies. Under our "Back to Basics" strategy, we are in the process of implementing certain initiatives to increase sales efforts toward SMEs, including sales leadership training for our salesforce, regular meetings to discuss our customer portfolio management and our "Profit Hunt" initiative. Our "Profit Hunt" initiative, a strategy implementation program designed to emphasize a data driven sales culture to increase B2B sales, generated increased revenue from SMEs in a pilot program at one of our STARK FI branches and, as a result, we have rolled this out across seventeen other STARK FI branches with the goal of replicating this across all of our STARK FI branches by 2019.

STARK FI offers products from each of our core product categories, but the timber and panels product category generates the largest share of its revenue. As compared to our other business units, a larger proportion of STARK FI's revenue is generated through our direct delivery sales channel for large, heavy products. STARK FI has historically operated with a different business model compared to that of our other business units, with a substantial share of business being dedicated to direct delivery and wholesale operations namely to retailers and large construction companies. Due to direct delivery and wholesale operations comprising a substantial portion of its business, STARK FI has historically had lower margins compared to our other business units.

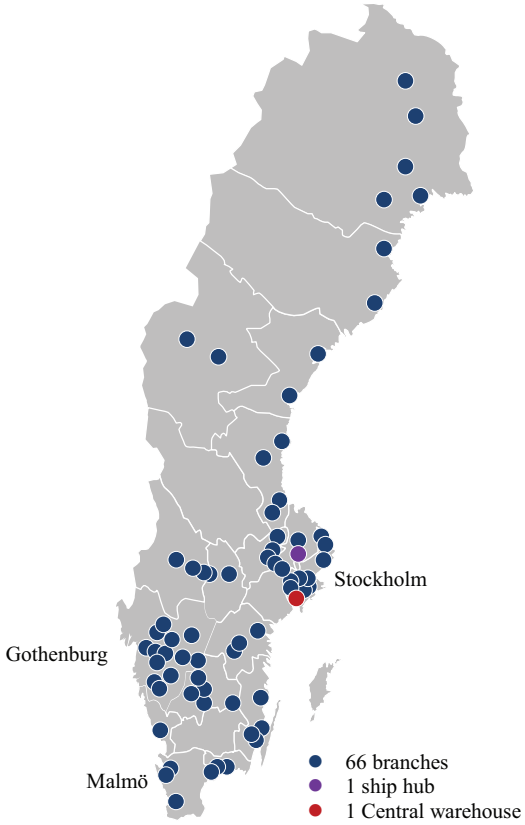
We continue to seek ways to enhance STARK FI's product and service offering to grow and meet customer demand. For instance, we have recently introduced a new product placement strategy in certain of our STARK FI branches to offer fasteners next to our timber and panels offering to increase sales of complementary fasteners. We have also recently introduced power tools accessories in all of our STARK FI branches, based on customer needs and expectations. In addition, we expect demand for our STARK FI products to continue growing. This is primarily because management believes STARK FI is the provider of choice for national construction companies and, according to a leading management consulting firm, urbanization trends in Finland are highest and are above market growth in the Helsinki region where we have well-established presence of several of our branches.

Beijer

Beijer is a leading non-franchise builders' merchant in Sweden. Beijer benefits from strong customer loyalty and high brand awareness among professional builders, particularly as a result of an established customer facing online sales platform that comprises the strongest digital B2B building materials offering in Sweden.

In the twelve months ended October 31, 2017, Beijer's share of the revenue for the Ongoing Business was €567 million, accounting for 26% of total revenue for the Ongoing Business and Beijer's share of the gross profit, excluding profit allocated to our headquarters, for the Ongoing Business was €163 million, accounting for 31% of total gross profit for the Ongoing Business.

As of October 31, 2017, we directly operated 66 Beijer branches, of which we owned the properties for 53 such branches, in attractive locations across Sweden, including in the highest growth areas of all major cities such as Stockholm, Gothenburg and Malmö, as well as in strategic locations in rural areas. The following map shows our nationwide network of Beijer branches across Sweden.



Source: Company information

While Beijer serves four main types of customers, SMEs, large construction companies, private consumers and other types of customers, its largest customer base comprises SMEs and large construction firms. We focus our marketing strategies to enhance customer loyalty among SMEs, for which a new marketing campaign called "We Build the Builders" was recently launched with positive feedback. As part of our "Back to Basics" strategy, we have also initiated and, in certain cases, completed enhancements to our Beijer product portfolio to have greater focus on underpenetrated segments which we believe are important to SMEs, such as façades, concrete, windows, doors and roofing.

While Beijer offers products from each of our core product categories, the timber and panels product category, followed closely by the heavy building materials product category, generate the two largest shares of its revenue. Beijer typically generates the greatest proportion of its revenue from our stock collected sales channel.

We continue to seek ways to enhance Beijer's product and service offering to grow and meet customer demand. For instance, Beijer recently launched a sales program to refocus on particular customer-centric sales activities, create internal competition among Beijer's branches and improve marketing to increase customer awareness of Beijer's products. Beijer also utilizes a performance management process team that meets regularly to oversee its operations and

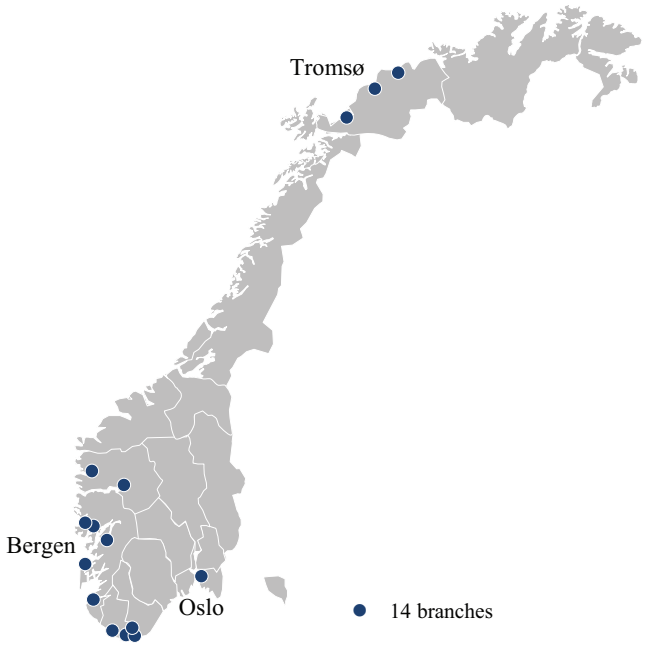
sales. In addition, Beijer's customer contract management is being handled centrally, which will allow Beijer to implement smart pricing terms consistently across customer contracts. Moreover, we expect demand for our Beijer products to continue growing as urbanization trends in Sweden are highest and are above market growth in major cities in which we have branches, such as Stockholm, Gothenburg and Malmö, according to a leading management consulting firm.

Neumann

Neumann is a leading non-franchise builders' merchant in Bergen, Tromsø and southwestern Norway. Management believes Neumann benefits from high customer loyalty when compared to competitors. Neumann also benefits from a long history of serving professional builders dating back to 1839, when its predecessor, Rieber & Sønn, was established.

In the twelve months ended October 31, 2017, Neumann's share of the revenue for the Ongoing Business was €154 million, accounting for 7% of total revenue for the Ongoing Business and Neumann's share of the gross profit, excluding profit allocated to our headquarters, for the Ongoing Business was €43 million, accounting for 8% of total gross profit for the Ongoing Business.

As of October 31, 2017, we directly operated 14 Neumann branches, of which we owned the properties for nine such branches, in attractive locations across Norway, covering high growth regions in northern and southwestern Norway, including strong presence in Bergen, as well as in strategic locations in other regions of Norway such as Oslo and Tromsø. The following map shows our nationwide network of Neumann branches across Norway.



Source: Company information

While Neumann serves four main types of customers, SMEs, private consumers, large construction companies and other types of customers, its largest customer base comprises SMEs. We focus our marketing strategies to enhance customer loyalty among SMEs. As part of our "Back to Basics" strategy, we intend to introduce a new discount structure tailored to each of Neumann's customer groups, which will initially be based on preferences of our SME customers.

While Neumann offers products from each of our core product categories, the heavy building materials product category generates the largest share of its revenue. As a result, with the aim of enabling Neumann to better serve SMEs, we introduced a hub in Norway in 2017 focused on selling heavy building materials. Neumann typically generates the greatest proportion of its revenue from our stock collected sales channel.

We continue to seek ways to enhance Neumann's product and service offering to grow and meet customer demand. For instance, Neumann utilizes a performance management process team that meets regularly to oversee its operations and sales performance. In addition, we expect demand for our Neumann products to continue growing as Neumann's customer base includes national construction companies and, according to a leading management consulting firm, urbanization trends in Norway are highest and are above market growth in major cities in which we have branches, such as Bergen and Tromsø.

Customers

We have developed a large and highly diversified customer base and enjoy long-standing relationships with many of our largest customers. In the twelve months ended October 31, 2017, our top 20 customers only generated approximately 7% of total revenue for the Ongoing Business and approximately 3% of gross profit for the Ongoing Business.

Our customers comprise both B2B customers, our primary customer group, and B2C customers. Brief descriptions of our different customer groups are set forth below:

- *SMEs*: SMEs are small- and medium-sized enterprises, which we typically define as companies with less than 50 employees. Due to information on the employee size of a company being non-public in certain of our operating countries, we also define SMEs, in Finland, as local construction companies and, in Norway, as local builders, entrepreneurs and masonry or bricklayer customers. We focus our business on SMEs, which make up our core customer group and provide us with the most revenue. SMEs accounted for approximately 56% of total revenue for the Ongoing Business in the year ended July 31, 2017.

- *Private consumers:* We define private consumers as individuals who purchase our products and services on a DIY basis. Private consumers are our second largest customer group by revenue. Private consumers accounted for approximately 19% of total revenue for the Ongoing Business in the year ended July 31, 2017.

- *Large construction companies:* We define large construction companies as companies with more than 50 employees, as well as customers with national accounts. Large construction companies are our third largest customer group by revenue. Large construction companies accounted for approximately 14% of total revenue for the Ongoing Business in the year ended July 31, 2017.

- *Other customers*: We define other customers as public, government and regulatory entities as well as retail companies. Other types of customers accounted for approximately 12% of total revenue for the Ongoing Business in the year ended July 31, 2017.

We aim to retain and grow our customer base as we continue to monitor changes in customer and end-user purchasing criteria and patterns to ensure we are well-placed to invest in and benefit from any changes underway, including a shift in contemporary focus projects.

Product Offering

Each of our four business units offers a wide range of products to meet their respective target customers' preferences and needs, while enabling distribution of and customer access to core building material product categories. Our scale provides us with the ability to meet our customers' product criteria and provide on-time sourcing and guaranteed availability of key products. Each of our four business units carries each of our six core product categories as set forth in the table below. The table below also sets forth the revenue, percentage of total revenue, gross profit and percentage of gross profit generated by each key product category for the year ended July 31, 2017.

Key Product Category	Types of Products	Revenue for the Ongoing Business	Share of Revenue for the Ongoing Business
Heavy Building Materials	Plasterboard, insulation, bricks, tiles, etc.	€771 million	36%
Timber and Panels	Sawn timber, construction timber, etc.	€731 million	34%
Tools and Hardware	Power tools, nails, screws, fastenings, etc.	€395 million	18%
Flooring and Joinery	Façade doors, internal doors, windows, etc.	€141 million	7%
Light-side	Garden machines, kitchen and bathroom products, etc.	€90 million	4%
Other	Products for freight and unmapped activities, etc.	€44 million	2%

Product Assortment

We offer our customers a broad variety of leading branded products as well as an assortment of our own brand products. In the twelve months ended October 31, 2017, we derived approximately 91% of total revenue for the Ongoing Business from branded products and approximately 9% from our own brand products.

Branded Products

We stock branded products, including from premium suppliers such as Rockwool, Icopal, Metsä, UPM, DeWalt, Bosch, and Black & Decker. With our logistics network across the Nordics, we aim to offer our suppliers a cost efficient intraregional distribution platform, which includes less populated areas in which our suppliers may not have business operations of their own, thereby differentiating us from our competitors.

Own Brand Products

The creation and management of our own brand products is a core element of our business strategy, and we estimate that approximately 50% of our target customers are willing to buy half or more of their total basket in own brand products. In the twelve months ended October 31, 2017, we generated revenue by, or incurred costs in procuring, a total number of 4,110 own brand SKUs. As part of our strategy, we aim to build a strategic common core range of 800 SKUs to be sold in each of our four business units and have already launched 173 SKUs for this common core range, have 353 SKUs in our pipeline to be launched by the year ending July 31, 2018 and have the remaining 274 SKUs in our pipeline to be launched by 2020.

Our own brand product portfolio contains four brands: Raw, Raptor, Domestic and Basics.

- ***Raw***: We aim to provide the best quality products for our customers through our premium brand, Raw. In the twelve months ended October 31, 2017, we generated revenue by, or incurred costs in procuring, a total number of 2,251 SKUs under our Raw brand, mainly in the timber and panels, heavy building materials and flooring and joinery product categories.

- ***Raptor***: We aim to provide good to high quality products for our customers through our mid-tier brand, Raptor. In the twelve months ended October 31, 2017, we generated revenue by, or incurred costs in procuring, a total number of 710 SKUs under our Raptor brand, mainly in the tools and hardware and light-side product categories.

- ***Domestic***: We aim to provide good to high quality products for our customers through our mid-tier brand for household products, Domestic. In the twelve months ended October 31, 2017, we generated revenue by, or incurred costs in procuring, a total number of 1,140 SKUs under our Domestic brand, mainly in the light-side and flooring and joinery product categories.

- ***Basics***: We aim to provide good quality, low price products for our customers through our value brand, Basics. In the twelve months ended October 31, 2017, we generated revenue by, or incurred costs in procuring, a total number of nine SKUs under our Basics brand, mainly in the tools and hardware product category.

We believe that our own brand products help to differentiate us from other builders' merchants and general building materials retailers, boost our ability to execute range innovation, control product lifecycles and reduce our dependency on national manufacturer brands and, since they are sold exclusively through our fully company-owned network, permit us to more effectively lead penetration of such products and attract and retain customers of such products over time. In addition, our own brand SKUs have higher gross margins on average than branded SKUs, according to management estimates.

Product and Range Review

We perform product and range reviews to determine the type and number of products necessary to stock at each of our branches and collectively across all of our branches. Going forward, we intend to perform our product and range reviews with the preferences of SMEs particularly in mind and to reflect contemporary trends among craftsmen within SMEs as opposed to other customers.

Historically, each of our branches were required to have the same base assortment of SKUs but were free to select the remaining assortment autonomously. Customers were only able to easily access the product assortment at their local branch, which held approximately 8,000 to 14,000 SKUs out of a total of approximately 78,000 SKUs across all branches. However, as approximately 20,000 SKUs under this model accounted for 93% of our revenue according to a leading management consulting firm, we sought to create a more efficient sourcing strategy to produce higher working capital and sourcing gains.

In recent years, we have invested resources to upgrade our inventory structure to concentrate on availability, service, range and value for money which fit with our customers' and end-users' needs. For example, each of our

branches in Denmark holds approximately 8,000 to 14,000 SKUs, localized to take into account specific customers' preferences and needs. In addition, certain of our products, such as our full light-side assortment of approximately 11,500 SKUs, are available for weekday delivery within 24 hours to customers in Denmark. We are also preparing to add an assortment of heavy-side SKUs to this offering, which we anticipate will allow us to make approximately 15,000 SKUs available for weekday delivery within 24 hours to such customers. In addition, we consider which SKUs have low and high selling potential, respectively, based on various customer criteria related to the importance of quality and price and we implement guaranteed availability either in branches or via delivery on our core product assortment subsets based on such analyses to eliminate "out of stock" days. For instance, STARK DK in Denmark promises product availability on a certain core range of approximately 1,000 SKUs, which if not available in-branch, will be delivered within four hours and free of charge. The rationalization of our product assortment to reduce our assortment of SKUs and allow for greater local variance and guaranteed availability of an in-demand core range of SKUs provides us with opportunities for sourcing and working capital advantages.

Price Positioning

We aim to deliver a consistent customer experience that reinforces our brand promise and drives sales through positive perceptions of quality, value and choice. We offer a broad range of branded and own brand building material products at what we believe to be a competitive range of prices and through a variety of payment methods, including cash, debit cards and credit cards. We also provide the majority of our customers with short-term credit for which we carry the associated credit risk. We mitigate such credit risk by maintaining credit insurance, and we have historically experienced minimal financial losses from these arrangements.

Over the past three years, we have been utilizing a smart pricing strategy, under which we have a dedicated pricing team and smart pricing software. Our pricing strategy has been implemented in phases, which included setting consistent shelf prices, discount structures based on customers' size and buying profiles, a project pricing software tool and a price guidance software tool. We also use vast market data publicly available to us to price our products at competitive prices and have begun gathering all of our customers' contracts centrally to better manage our customer pricing terms on a consistent basis over time. Our discount structure facilitates increased sales for trade specific "high runner" and known value products. We offer competitive prices for items purchased frequently and fairer prices for times purchased infrequently, which we believe enhances brand and value perception among our customers to further drive sales growth than in turn will drive movement in inventory.

The price increases on infrequently bought items generally offset the margin loss incurred in connection with the price reductions we offer on trade-specific "high runner" products. In addition, the increased sales volumes enable us to negotiate volume-driven discounts from our suppliers, which also have positive effects on our margins. These pricing strategies have historically optimized our total sales and minimized the overall level of markdowns.

Customer Service

General

We complement our broad product offering with in-branch customer service and technical support, an after-sales service and ongoing product support in relation to the products we sell. Our sales teams are well informed about our products and are trained to use effective and customer-friendly techniques to expertly advise our customers and maximize the probability of converting customer footfall into sales, as walk-in top-up sales remain important to our business model.

As a fully company-owned chain, we have and take the opportunity to share best practices across our branches in all aspects of client facing services, including sales, product knowledge and overall customer service. We use multiple methods to monitor the quality of staff performance and customer service, including a management tool to calculate net promoter scores ("NPS") as an alternative to traditional customer satisfaction research. We measure and monitor NPS on a daily basis, enabling us to monitor customer satisfaction at the branch level regularly and cater our customer services accordingly. Branch, telephone, mail and internet ordering channels and the options for sales channels enable our customers to access our products at their convenience. We believe that our service proposition contributes to a high degree of customer satisfaction, attracts more people to our branches and other channels and generates customer loyalty, repeat purchases and recommendations to friends and family.

Digitalized Customer Services

To maximize accessibility of our products across all of our markets, we also support our operations through a variety of digitalized customer services under our online sales platforms, including online and mobile phone order, product search and price comparison capabilities.

We believe we have a competitive advantage over pure-play online retailers as they do not have the physical presence and infrastructure required to compete with our immediate product availability and direct sales processes, particularly for heavy building products and timber and panels, that generate and support our online sales to customers. For example, heavy building materials and timber and panels represented 36% and 34%, respectively, of total revenue for the Ongoing Business in the year ended July 31, 2017 and our logistics capabilities, including our physical distribution platform and fleet of crane trucks, allows us to continue to deliver such products to customers quickly and efficiently despite the complexity pure-play online retailers may face with respect to such deliveries. In addition, customers value the possibility to negotiate prices on large orders and the loyalty discounts we offer, and while pure-play online retailers are capable of offering low list prices due to their savings on physical distribution networks, they are not usually capable of negotiating prices on an individual basis which is a key consideration for B2B customers. Furthermore, the possibility to extend credit terms represents a core attraction for trade customers, and pure-play online retailers typically require immediate payment by debit or credit card, and the latter generally allows no more than forty days of credit to the customer.

Sales through our online sales platforms generated less than 2% of total revenue for the Ongoing Business in the twelve months ended October 31, 2017. Online sales for B2B builders' merchants are generally still limited but we expect this channel may grow, as our online sales platforms may increase efficiency for both our customers and our business, offering our customers a potentially quicker and easier method for purchasing our products and also allowing us the opportunity to configure payment and logistics more quickly.

Marketing and Publicity

As of October 31, 2017, we had a dedicated sales force of more than 850 employees, excluding branch sales staff and office sales support staff. While we derive the majority of our revenue from long-term repeat customers and thus implement strategies to enhance customer loyalty and retention, our marketing and sales strategies toward new customers also play an important role in our operations. We pursue an active marketing and sales strategy to offer our customers a one-stop shop with access to an wide assortment of SKUs across brands and manufacturers as well as qualified expert advice on the products we sell based on deep product knowledge. We utilize targeted marketing for each of our business units directed at key customer groups, including SMEs from which we generate the highest proportion of our revenue. For example, we focus our marketing and sales strategies to enhance customer loyalty among SMEs, including by organizing social events, such as golfing, fishing and racing, with such customers. In addition, through our sales and marketing platform, we also increase our business prospects and margins by offering our suppliers a cost efficient marketing partnership as well as market intelligence and strong and broad customer relations.

Supply Chain

Overview

In recent years, we have invested resources to upgrade our supply chain and enhance the quality of support to our business in order to launch STARK Group Sourcing on August 1, 2017, the only single-company mandated sourcing set-up harmonized across the Nordics within the construction materials distribution industry. STARK Group Sourcing is designed to leverage benefits of scale to maximize sourcing synergies between each of our business units through a three-step process of (i) rationalizing our suppliers, (ii) rationalizing our product assortment and common core range of SKUs and (iii) improving payment terms with suppliers.

STARK Group Sourcing is operated by a team of 45 full-time equivalents ("FTEs") supported by an advisory board of seven managers across the four Nordic countries in which we operate. Our advisory board consists of our CEO, business unit CEOs, Chief Procurement Officer and Business Development Director.

Leveraging its "one door" decision-making policy, STARK Group Sourcing focuses on strategic sourcing and logistics through best practice and fact-based negotiations, as well as on increasing our own brand product penetration. STARK Group Sourcing has been able to negotiate attractive payment terms with our suppliers, which we strive to continuously improve with the aim of increasing our working capital.

In addition to STARK Group Sourcing, we also have dedicated assortment and category management teams in each of our business units. The main responsibility of our assortment and category management teams is to determine the range composition and product selection, product pricing and trading for their respective business unit.

Our supply chain consists of three main processes as set forth below: procurement and sourcing, logistics and post-sale services.

Procurement and Sourcing

As part of our strategy, we continue to focus on reducing our procurement and sourcing costs while maintaining the level of quality and service we receive from our various suppliers. We have achieved certain efficiencies through a rationalization of our supplier base as well as through the application of benchmarking, tendering and other competitive techniques to award contracts.

As of October 31, 2017, we worked with more than 3,300 suppliers, which we have identified for rationalization as part of our "Back to Basics" strategy. We spent approximately €2 billion in sourcing activities for the Ongoing Business, before rebates, in the twelve months ended October 31, 2017. We aim to maintain good relationships with our suppliers to ensure we benefit from product innovation, competitive prices and surety of supply. This results in value-adding services for our customers as we are able to procure our supplies with benefits of scale and final authority provided by operating a company-owned network of branches, which enables us to more quickly secure and offer lower pricing. Similarly, our suppliers are provided with value from our procurement and sourcing activities since they receive high volume sales with a single counter-party and thus receive cost-efficient sales since we can purchase full pallets of goods at scale and deliver partial pallets in specified quantities on an as needed basis to customers.

For the twelve months ended October 31, 2017, we spent approximately 43% of our sourcing spend for the Ongoing Business on our operations for STARK DK in Denmark, approximately 26% of our sourcing spend for the Ongoing Business on our operations for STARK FI in Finland, approximately 23% of our sourcing spend for the Ongoing Business on our operations for Beijer in Sweden and approximately 7% of our sourcing spend for the Ongoing Business on our operations for Neumann in Norway.

For the twelve months ended October 31, 2017, we spent approximately 91% of total sourcing spend for the Ongoing Business on supplies for branded products and approximately 9% of total sourcing spend for the Ongoing Business on supplies for our own brand products. We are aiming to expand our own brand offering to increase sourcing spend on these products to support gross margin development for our product offering.

For the twelve months ended October 31, 2017, we spent approximately 37% of our sourcing spend for the Ongoing Business on heavy building materials, 26% on timber and panels, 16% on flooring and joinery, 13% on tools and hardware, 6% on light-side and 2% on other products.

Logistics

Our logistics processes consists of both inbound and outbound logistics operations.

Inbound Logistics

Our inbound logistics operations involves the storage of our products. Regional stocking of our products allows for market leading availability for our customers. In addition, strategically located hubs benefit our suppliers without requiring them to introduce capital commitment to store and ship their supplies. We typically receive payment for our inbound logistics costs from our suppliers.

As of October 31, 2017, our inbound logistics platform consisted of five ship hubs and one light-side hub, totaling more than one million square meters of warehousing, to serve our network of branches in the Nordics. We also utilize certain of our branches to stock and distribute our products. Two of our ship hubs are located in Denmark, two additional ship hubs are located in Finland and the remaining ship hub is located in Sweden. Our light-side hub is located in Denmark and is used for distribution of products purchased online and of slow moving items.

Sales Channels

Our sales channels involve the collection, distribution and delivery of our products. We aim to offer our suppliers a cost efficient distribution platform, which includes less populated areas in which our suppliers may not have business operations of their own. We aim to offer our customers flexibility with respect to their desired delivery type and timing as well, including cost efficient deliveries on a consistent basis and convenient proximity of product collection points. We typically receive payment for our sales channel costs from our customers or such costs are embedded in our product prices.

We offer the following sales channels:

- ***Stock collected***: Stock collected relates to goods available as stock and purchased or collected by customers inside our branches. Such goods are often reflective of smaller orders and one-off purchases by smaller construction companies and private consumers. Stock collected typically generate gross margins between

25% and 29% as this sales channel involves a higher margin product mix, including tools and hardware, and value-added potential from large product assortment and availability within branches, as well as higher exposure to higher margin RMI activities.

- ***Direct delivery***: Direct delivery relates to goods that are delivered directly from the manufacturer to the customer and therefore not recorded in our stock. We act as distributors for such goods and do not incur delivery costs relating to such goods, resulting in the lowest cost-to-serve of these three sales channels. Such goods are often reflective of large construction needs of national as well as regional and local B2B customers. Direct delivery typically generates gross margins between 5% and 15%, as large order volumes can lead to discounts and lower purchasing power with manufacturers and as this channel typically has higher exposure to lower margin new build activities.

- ***Stock delivered***: Stock delivered relates to goods purchased by customers and held as stock in our branches or distribution centers prior to being delivered to customers, with delivery of certain products completed within 24 hours during weekdays in Denmark from the time of purchase. Such goods are often reflective of orders by national, regional and local B2B customers. Stock delivered typically generate variable gross margins depending on the country of operation and type of customer contract, including as a result of mixed exposure to RMI and new build activities.

As of October 31, 2017, our sales channels involved 179 branches, including six branches in Greenland, across the four Nordic countries in which we operate as well as five central distribution centers located in Brønerslev, Tommerop, Aarhus, Stockholm and Helsinki. As of October 31, 2017, our sales channels involved approximately 120 delivery trucks that we directly operate and a range of third party-owned delivery trucks across the Nordics that we hire depending on our needs.

Post-Sale Services

Our post-sales services include credit accounts, payment handling, warranties and technical support. We aim to offer our customers flexible payment terms, such as short-term credit, and convenient post-sales customer services. We aim to offer our suppliers outsourcing of their payment handling schemes, customer credit assessments, front line credit handling and end-user product feedback.

Suppliers

We believe that the diversity of our supplier base reduces our exposure to changes related to any single supplier. In the twelve months ended October 31, 2017, our top ten suppliers, excluding unmapped suppliers, accounted for approximately 28% of our total sourcing spend for the Ongoing Business, with no one supplier accounting for 10% or more of our total sourcing spend for the Ongoing Business.

As of October 31, 2017, we worked with more than 3,300 suppliers, at least approximately 42% of which were located in Denmark, at least approximately 7% of which were located in Finland, at least approximately 16% of which were located in Sweden, at least approximately 13% of which were located in Norway, at least approximately 3% of which were located in the rest of Europe and at least approximately 0.1% of which were located in the rest of the world, with the remaining 18.9% currently unclear due to data procurement issues.

We conduct business with our suppliers under Nordic or local cooperation agreements, Nordic or local own brand agreements and trade agreements depending on whether we are sourcing branded products or own brand products. In the twelve months ended October 31, 2017, approximately 36% of our sourcing spend was incurred under Nordic agreements, approximately 47% of our sourcing spend was incurred under local agreements and approximately 0.1% of our sourcing spend was incurred under trade agreements. Approximately 17% of our sourcing spend was incurred without a framework agreement in place.

Agreements with Suppliers for Branded Products

For the sourcing of branded products, we use a central contract management system that produces a standardized supplier contract in English or the local language. The applicable law for such contract is the law of the lead business unit entering into the contract. The template supplier agreement consists of (i) commercial terms, (ii) legal terms and (iii) a supplier manual. The ability to include non-standardized terms is limited and requires prior approval from, in the case of commercial terms, the relevant sourcing director for the business unit in question and in the case of legal terms, various Group legal teams. Typical terms of these contracts include terms governing termination, the assignment of contractual rights, payment, rebates and indemnities and delivery dates, some of which allow for different options to be agreed by the supplier and the business unit party thereto. Certain of our supplier contracts include a tiered pricing scheme, which we negotiate to garner higher discounts on larger volumes of product purchases.

The supplier manual sets out certain administration, delivery and packaging instructions applicable to all of our suppliers. We aim to purchase materials from suppliers that develop and produce products that have high brand recognition for our branded products, are of high quality and use leading technology. We require that all our suppliers agree to satisfy minimum requirements under our code of conduct, including with respect to quality assurance standards, and we work with them to ensure that they understand the importance of our code of conduct. We manage our relationships with suppliers across our business through regular meetings, senior management engagement and strategic follow-ups.

Our finance team checks all supplier agreements before approving them for payment through our finance system, and reports any contracts with unauthorized, non-standardized terms to our legal team for review.

Agreements with Suppliers for Own Brand Products

For the sourcing of own brand products, we use the same central contract management system to produce a similarly standardized supplier contract but with an additional schedule of terms providing information and specifications concerning our own brand products.

Agreements with Suppliers in China

For the sourcing of products from China, STARK Group Sourcing enters into direct or wholesale agreements with suppliers in China that are standardized but different from our standard contracts used outside of Asia. Agreements with suppliers in China reflect local requirements and cultural norms. In connection with our separation from Ferguson as part of the Acquisition, we no longer source from China through an affiliate of Ferguson. When sourcing from China, our business units liaise with a dedicated department that places orders from the business units under framework agreements with the local Chinese suppliers, advises on compliance with import and export requirements and facilitates arrangements with freight forwarders. Such agreements are then transferred to our central contract management system for centralized maintenance.

Information Technology

We have historically had a fully in-house IT operation setup, but will be moving towards greater reliance on external strategic IT partners. While under the Ferguson Group, our operations were managed by Ferguson's shared technology service provider, which provided, among other things, shared data centers, software applications, security services, maintenance services and engineering solutions. In connection with the Acquisition, and during an agreed transition period, we plan to outsource most of our IT services, including, for example, hosting, support functions and application management services.

Real Properties

Part of our strategy is to manage our freehold property portfolio to provide the best operating locations for each of our business units while building brand value and maximizing returns from each site. The key differentiating factor when compared to our competitors is that all of our 179 branches are fully company-owned, meaning we directly operate all 179 branches. For instance, XL Byg, K-Rauta, Woody and Kesko, some of our main competitors in our four core markets of Denmark, Finland, Sweden and Norway, respectively, operate under a franchise or procurement cooperative business model. Full control over our branch and distribution network provides us with an efficient set-up of our operations on a Group-wide basis and enables us to meet increased customer requirements for flexible collection and delivery services on both a national and cross-regional basis, as applicable.

As of September 30, 2017, we had a freehold real estate portfolio that was independently valued at up to €805 million. Since the real estate market is affected by many factors, including but not limited to, general economic conditions, interest rates, inflation rates, urbanization rates, household disposable income levels and supply and demand dynamics, many of which are beyond our control, the valuation of our real estate portfolio may not be accurate. In addition, the value of our real properties may depreciate. See "*Risk Factors—Risks Related to Our Business and Our Industry—The valuation of our freehold real estate portfolio may not be accurate or may decrease significantly and our obligations under our leasehold real estate portfolio may be restrictive.*"

As of September 30, 2017, we had a strategically located freehold property portfolio with a total of 195 properties with an average gross leasable area of 5,820 square meters. The following table provides an overview of our property portfolio by business unit as of September 30, 2017.

	Properties	Average Total Gross Leasable Area (square meters)	Yield based on Market Value of Properties in 10 Years	Market Value of Properties in 10 Years[1] (€ million)
STARK DK	105	5,475	7.4%	333
STARK FI	26	7,712	7.4%	112
Beijer	55	5,844	7.0%	232
Neumann	9	4,244	7.3%	46
Total	**195**	**5,820**	**7.3%**	**722**

(1) The valuations have been prepared by an independent evaluator on a property by property basis, without taking into account a property portfolio premium. Such independent evaluator expects that the investment market will offer a premium on the total property portfolio that equals an average yield of 6.5%, which would provide a total property portfolio value up to €805 million.

Intellectual Property

As of October 31, 2017, we had approximately 120 registered trademarks for our business units as well as our own brand products, excluding certain trademarks that will not be included as part of the Acquisition. Business unit trademarks are registered in the relevant country and, where possible, across the entire Nordic area. Own brand product trademarks are registered, where possible, in both word and logo format in all Nordic countries and certain relevant low cost sourcing countries where local registration is a requirement for exporting goods.

As of October 31, 2017, we had approximately 160 registered website domain names with the appropriate authorities in the Nordics and abroad, excluding certain website domain names that will not be included as part of the Acquisition.

We rely on intellectual property laws, confidentiality procedures and contractual provisions to protect our intellectual property rights, such as trademarks, trade names, copyrights, design rights and domain names. We regard our trademarks and other intellectual property rights as valuable assets in the marketing of our products and take appropriate action when necessary to protect them.

Employees

As of October 31, 2017, our workforce consisted of 5,056 FTEs and a total headcount of 5,667 personnel as set forth in the below chart.

Country	Number of FTEs	Headcount
Denmark		
Headquarters	42	43
STARK DK	2,346	2,692
Finland	948	1,004
Sweden	1,417	1,593
Norway	272	304
Other (including Greenland)	31	31
Total	**5,056**	**5,667**

Collective labor agreements are in place for the vast majority of our employees in Denmark, Finland, Sweden and Norway, and where they are not in place, tend to be followed in practice. We believe our relations with our employees are good. We cannot assure you, however, that we will be able to reach satisfactory agreements with our employees in the future, or that these agreements will be concluded without work stoppages or strikes.

Insurance

While under the Ferguson Group, we maintained insurance coverage under a Group insurance plan to cover risks associated with the ordinary operation of our business, including general liability, property and business interruption, and product liability insurance. In connection with the Acquisition, we will procure new insurance coverage from the

Acquisition Completion Date, to insure our branches, hubs, distribution centers and other properties against such hazards as fire, explosion, theft, flood, mischief and accidents. In addition, we will continue to maintain certain local insurances in place to satisfy local business or regulatory requirements. All of our policies have historically been and will continue to be underwritten with well-established insurance providers, and we have historically and will continue to conduct periodic reviews of our insurance coverage, both in terms of coverage limits and deductibles. We believe that our insurance coverage will continue to be sufficient for the risks associated with our operations. No new material claims have been made under our insurance policies within the last twelve months and there have been no recent material changes to our insurance premiums.

Health and Safety

We give high priority to the continued health and safety of all of our employees and customers. We aim to eliminate all health and safety related incidents that may occur as a result of our activities or our products whether they occur in our branches, at our customers' premises or in our hubs and distribution centers and during our delivery processes. We have a health and safety department that sets standards for health and safety throughout our business units and regularly monitors progress made towards achieving such standards. We conduct health and safety audits two times per year on average in each of our branches.

Environmental Matters

We are subject to numerous supranational, national and local environmental laws and regulations, including in connection with the operation of our branches, hubs and distribution centers. We could incur significant costs, including fines, penalties and other sanctions, third-party claims and environmental cleanup costs, as a result of violations of or liabilities under environmental laws and regulations or operational permits and licenses required thereunder. In connection with the Acquisition, a vendor due diligence environmental survey was conducted on all of our sites. We believe that our operations are currently in substantial compliance with all applicable environmental, laws and regulations. These environmental laws and regulations are constantly changing, however, as are the priorities of those who enforce them, and we could incur additional costs complying with future laws and regulations. Although environmental matters have not had a material impact on our business to date, we cannot assure you that environmental conditions identified and/or environmental obligations imposed on us in the future relating to any of our prior, existing or future properties will not have a material adverse effect on our business, financial condition, results of operations or cash flow.

Regulatory Matters

We are subject to governmental regulation from national and international regulatory authorities concerning, among other things, export and import quotas and other customs regulations; consumer and data protection; the advertisement, promotion and sale of merchandise; product safety; timber sourcing; the health, safety and working conditions of our employees; the safety of our branches and their accessibility for the disabled; and our competitive and marketplace conduct. As our business increases its exposure to own brand products, our exposure to product related compliance requirements will increase as primary legal responsibility in connection with such products will rest with us. In addition, all businesses that process data in the European Union are working towards compliance with the General Data Protection Regulation. We have a plan to achieve compliance that is in line with market practice in this area. Subject to the foregoing, we believe that we are in compliance in all material respects with these regulations. We cannot assure you, however, that any future changes in the requirements or mode of enforcement of these laws and regulations will not have a material adverse effect on our business, financial condition, results of operations and cash flow.

Legal Proceedings

We become involved, from time to time, in various claims and lawsuits arising in the ordinary course of our business, such as employee and customer claims, disputes with suppliers and intellectual property disputes. We are not currently party to any material administrative, legal or arbitration proceeding that may have or have had a significant effect on our financial position or profitability, and we are not aware of any such proceedings being pending or threatened. We note, however, that the outcome of legal proceedings can be extremely difficult to predict, and we offer no assurances in this regard.

MANAGEMENT

The Issuer

The Issuer is a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg with registered offices at Atrium Business Park – Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B219221.

The following table sets forth the names, ages and positions of the current managers of the Issuer.

Name	Age	Position
Marianne Smetryns	35	Manager (*gérant*)
Yumiko Kato	46	Manager (*gérant*)

Set forth below is a brief description of the experience of the individuals who serve as the current managers of the Issuer.

Marianne Smetryns. Ms. Smetryns was appointed Manager (*gérant*) of the Issuer in February 2018. Since 2012, Ms. Smetryns has also been the Vice President of Legal at Lone Star Capital Investments S.à r.l. Ms. Smetryns is also currently Manager of a number of entities, including, among others, LSF10 Wolverine Topco S.à r.l., LSF10 Wolverine Midco S.à r.l., LSF10 Wolverine Holdings S.à r.l., LSF10 Wolverine GP S.à r.l. and LSF10 Wolverine Investments S.C.A. Ms. Smetryns holds (i) a Bachelor's degree with a specialization in Business Law from the University of Nancy in France, (ii) a Master's degree in Company Law from the University of Nancy in France while also having studied at the University of Newcastle upon Tyne in the United Kingdom, (iii) a Master's degree in Business Law (*Droit des affaires*) from the University of Grenoble in France and (iv) a Master of Laws (LLM) in Commercial Law from the University of Sheffield in the United Kingdom. Ms. Smetryns has also qualified as an Attorney-at-Law (*Avocat à la Cour*) in Luxembourg. Ms. Smetryns is not currently named in the registered list (*Avocats à la Cour*) of the Luxembourg Bar as she does not currently practice law at a law firm.

Yumiko Kato. Ms. Kato was appointed Manager (*gérant*) of the Issuer in February 2018. Since 2016, Ms. Kato has also been the Assistant Vice President of Legal at Lone Star Capital Investments S.à r.l, where from 2009 to 2016, she was the Senior Project Manager and Assistant Vice President of Accounting. Ms. Kato is currently Manager of a number of entities, including among others, LSF10 Wolverine Topco S.à r.l., LSF10 Wolverine Midco S.à r.l., LSF10 Wolverine Holdings S.à r.l., LSF10 Wolverine GP S.à r.l. and LSF10 Wolverine Investments S.C.A. Ms. Kato holds a Bachelor of Arts in Law from Sophia University in Tokyo, Japan. Ms. Kato also successfully completed the Certified Public Accountant examination in Illinois, the United States.

Bidco

Bidco is the direct subsidiary of the Issuer. Bidco is managed by its management board. The management board of Bidco is responsible for setting the strategic goals, business plan and high-level operating decisions for the Group.

The following table sets forth the names, ages and positions of the current members of the management board of Bidco:

Name	Age	Position
Søren Peschardt Olesen	50	Chief Executive Officer (CEO)
Kambiz Nourbakhsh	42	Managing Director, Lone Star Europe
Savvas Savvidis	38	Managing Director, Hudson Advisors UK Ltd
Patrick Lebreton	50	Managing Director, Hudson Advisors UK Ltd
Vinay Khandelwal	37	Managing Director, Lone Star

Set forth below is a brief description of the experience of the individuals who serve as the current members of the management board of Bidco.

Søren Peschardt Olesen. Mr. Olesen was appointed the CEO of the Target in November 2016. Previously, from 2014 to 2016, Mr. Olesen was the CEO of STARK DK. Mr. Olesen is also currently the Chairman of the board of directors of various other Group companies, namely Stark Danmark A/S, DT Holding (Sweden) AB, Beijer Byggmaterial Aktiebolag, Beijer Byggmaterial i Uppsala Aktiebolag, Neumann Bygg AS, DT Finland Oy and Starkki Property Oy. In addition, Mr. Olesen is a member of the board of directors of three other Group companies, namely

Stark Group A/S, Hobro Nytrælst A/S and Stark Kalaallit Nunaat A/S, as well as a non-Group company, namely Svendsen Sport A/S. Until 2018, Mr. Olesen was also a member of the board of Stark Danmark A/S and a non-Group company, T. Tholstrup Catering ApS. Prior to joining the Group, Mr. Olesen was the CEO of Flugger A/S from 2007 to 2013, Chairman of the board of directors of Lagkagehuset A/S and Idedesign A/S and a member of the board of directors of DI. Mr. Olesen holds a Master of Science in Economics from the Aalborg University in Denmark as well as a Master of Art in Economics from Maastricht University in the Netherlands.

Kambiz Nourbakhsh. Mr. Nourbakhsh was appointed a Managing Director of Lone Star Europe in August 2014. Previously, from 2011 to 2014, Mr. Nourbakhsh was an Investment Professional at Mount Kellett Capital. Mr. Nourbakhsh holds a Master of Economics and Business Administration from the Vienna School of Economics in Austria.

Savvas Savvidis. Mr. Savvidis is currently a Managing Director with Hudson Advisors UK Ltd having joined in July 2015. Mr. Savvidis is also currently a director of EVOCA Group SpA. Previously, from 2008 to 2015, Mr. Savvidis was a Principal at Apax Partners. Mr. Savvidis holds a Bachelor of Arts in Economics from the University of Cambridge in the United Kingdom and a Master of Business Administration from Harvard Business School in Massachusetts, the United States.

Patrick Lebreton. Mr. Lebreton was appointed a Managing Director of Hudson Advisors UK Ltd in September 2016. Mr. Lebreton is also currently a director in the board of directors of MRH GB UK Ltd and Balta Group. Previously, from 2012 to 2015, Mr. Lebreton was a Managing Director of Montagu Associates. Mr. Lebreton holds a Bachelor of Science from Georgetown University in Washington, D.C., the United States and a Master of Business Administration from Harvard Business School in Massachusetts, the United States.

Vinay Khandelwal. Mr. Khandelwal was appointed Managing Director of Lone Star in January 2018. Previously, Mr. Khandelwal worked at Hudson Advisors from 2010 to 2017, Moody's from 2009 to 2010 and Lehman Brothers from 2004 to 2008. Mr. Khandelwal holds degrees from the Indian Institute of Technology in Kanpur, India and the Indian Institute of Management in Ahmedabad, India.

The Senior Management Team of the Target and its Subsidiaries

The senior management team is responsible for the day-to-day operations of the Target and its subsidiaries.

The following table sets forth the names, ages and positions of the current members of the senior management team of the Target and its subsidiaries:

Name	Age	Position
Søren Peschardt Olesen	50	Chief Executive Officer (CEO)
Peter Jirasek	45	Interim Chief Financial Officer (Interim CFO)
Daniel Potok	39	Director, Business Development
Jørgen Nielsen Holmgaard	53	Chief Procurement Officer
Britta Korre Stenholt	47	CEO, STARK DK
Harri Antero Päiväniemi	49	CEO, STARK FI
Kjell Paulsrud	52	CEO, Neumann
Geir Thomas Fossum	38	CEO, Beijer

Set forth below is a brief description of the experience of the individuals who serve as the current members of the senior management team of the Target to the extent not already described above.

Peter Jirasek. Mr. Jirasek was appointed Interim CFO in February 2018. Since 2013, Mr. Jirasek has held several positions within the Ferguson Group, including CFO of Wolseley Canada from 2015 to 2018 and CFO of Wolseley CE from 2013 to 2015. Mr. Jirasek holds a degree from the University of Economics in Prague, Czech Republic and a Master of Business Administration from Bradley University in Illinois, the United States.

Daniel Potok. Mr. Potok was appointed the Director of Business Development in November 2016. From 2016 to 2017, Mr. Potok was also the Director of Online and Digital Business for STARK DK. Previously, Mr. Potok was the Principal and Nordic Head of Retail and Consumer Goods at A.T. Kearney A/S. Mr. Potok holds a Master of Business Administration in Technology Management and a Bachelor's degree in Corporate Finance from Lunds School of Engineering at Lund University in Sweden.

Jørgen Nielsen Holmgaard. Mr. Holmgaard was appointed the Chief Procurement Officer in August 2017. Prior to being appointed the Chief Procurement Officer, since 2011, Mr. Holmgaard held several other positions within the Group, including as Commercial Director of STARK DK, Group Sourcing Director of STARK Group, the Commercial Director of STARK DK, a member of the board of directors of Electro Energy, the Sourcing Director of STARK DK and the Sales Director of STARK DK. Mr. Holmgaard was also an Officer in the Danish Military Academy. Mr. Holmgaard holds a Bachelor of Business Administration from the Business Academy in Aalborg, Denmark. Mr. Holmgaard is also currently a member of the fair committee in the Danish Builders Merchant Association.

Britta Korre Stenholt. Ms. Stenholt was appointed the CEO of STARK DK in February 2017. Ms. Stenholt is also currently a Director of STARK Danmark A/S and a member of the board of directors of Danske Byggecentre, a trade union in which STARK DK is represented. Prior to being appointed the CEO of STARK DK, Ms. Stenholt held other positions within the Group, including a member of the board of directors for STARK Danmark A/S from 2016 to 2017 and the CSO of STARK DK from 2015 to 2017. Previously, Ms. Stenholt was a consultant contracted by McKinsey & Company in 2014 as well as the VP of Medium Accounts and the SVP of Small Business and Partners at TDC Business from 2010 to 2012 and 2013 to 2014, respectively. Ms. Stenholt holds a Master of Science in Mathematics and Economics from Syddansk University in Denmark.

Harri Antero Päiväniemi. Mr. Päiväniemi was appointed the CEO of STARK FI in January 2017. Mr. Päiväniemi is currently a member of the board of directors for RaSi, STL and Oy Sultrade LTD. Previously, from 2015 to 2017, Mr. Päiväniemi was the General Manager of Russia and CIS at Electrolux, the Chairman of the board of directors for Elektroniikan Tukkukauppiaat Ry from 2013 to 2015, the Managing Director of Elextrolux Oy Ab from 2013 to 2015 and the Senior Vice President of Commercial Organization at Electrolux Professional from 2010 to 2013. Mr. Päiväniemi holds a Master of Science in Economics from the University of Vaasa in Finland.

Kjell Paulsrud. Mr. Paulsrud was appointed the CEO of Neumann in September 2017. Mr. Paulsrud is currently also a member of the board of directors of BH Nordic AS, where he was also the CEO from 2012 to 2017 and a majority owner until December 2017. Previously, Mr. Paulsrud was the Managing Director of Ryds Bilglass AS from 2016 to 2017, Mediq Norge AS from 2016 to 2017 and Vitusapotek AS and Norsk Medisinaldepot AS from 2004 to 2012. Mr. Paulsrud studied marketing at Wang Marketing School in Oslo, Norway. Mr. Paulsrud also studied marketing and communications at the Norwegian School of Marketing in Oslo, Norway.

Geir Thomas Fossum. Mr. Fossum was appointed the CEO of Beijer Byggmaterial in April 2017. Mr. Fossum is currently also a member of the board of Beijer Byggmaterial Aktiebolag, Beijer Byggmaterial i Uppsala Aktiebolag and DT Holding (Sweden) AB and the deputy of the board of BraByggare AB. Previously, Mr. Fossum has held other positions in the Group, namely the interim CEO of STARK Finland from 2016 to 2017 and the CEO of Neumann from 2014 to 2017. Prior to joining the Group, Mr. Fossum was a director in NorgesGruppen ASA. Mr. Fossum holds a Bachelor of Business Administration from BI Norwegian Business School in Oslo, Norway.

Compensation of Directors and Executive Officers

General

The total remuneration of our directors and other key management personnel for the year ended July 31, 2017 was €1 million. The remuneration of our directors and senior management team is evaluated through individual performances and market trends.

Management Participation Program

Following the Acquisition Completion Date, Lone Star Fund X plans to implement management participation plans pursuant to which certain directors, officers and managers of the Group, will be permitted to indirectly invest up to approximately €6 million in ordinary shares and preferred equity certificates issued by Lux TopCo S.à r.l. ("Lux Topco"), an indirect parent company of the Issuer. It is currently anticipated that all eligible directors, officers and managers of the Group will invest in a management pooling vehicle to be established pursuant to Luxembourg law, which in turn will acquire the relevant ordinary shares and preferred equity certificates issued by Lux Topco. We currently expect the terms of our future management participation plans to be included in an investment agreement providing, *inter alios*, for customary put and call option provisions, and tag-along and drag-along rights attached to the ordinary shares and preferred equity certificates.

PRINCIPAL SHAREHOLDERS

Following the Transactions, Lone Star Fund X will indirectly, through wholly-owned or majority-owned subsidiaries, own 100% of the share capital of Lux Holdco. Lux Holdco, the direct parent of the Issuer, holds 100% of the limited shares of the Issuer and Lux GP, the Issuer's general partner, holds the only unlimited share in the Issuer. As a result, Lone Star Fund X will indirectly own all the share capital of the Target (excluding shares held by management pursuant to the proposed management participation program). See also "*Management—Compensation of Directors and Executive Officers—Management Participation Program*."

The Sponsor

Following the completion of the Acquisition, Lone Star Fund X will be the indirect principal shareholder of the Group. Lone Star Fund X is the most recently established opportunity fund organized by the principals of Lone Star. Lone Star Funds ("Lone Star") is a leading private equity firm that invests globally in real estate, equity, credit and other financial assets with affiliate offices in North America, Western Europe and Asia. Since the establishment of its first fund in 1995, Lone Star has closed approximately 480 investments in over 1,400 transactions at an aggregate purchase price of approximately $190 billion (including acquisition financing and co-investors), such as investments in Xella, Esmalglass, the Balta Group, Forterra and Continental Building Products.

Shareholder Funding

The Acquisition is expected to require €1,100 million of debt and equity financing (including transaction fees and expenses and cash funded to the Target's balance sheet for general corporate purposes). The Acquisition will be financed through (i) the issuance of the Notes in the aggregate principal amount of €515 million and (ii) €585 million of Shareholder Funding to be indirectly provided by Lone Star Fund X via its direct and indirect subsidiaries to Bidco. We expect the Shareholder Funding to consist of an equity contribution and deeply subordinated shareholder debt. Any shareholder debt to be provided to the Issuer by Lux Holdco and on-lent to Bidco will be subordinated to all other present and future obligations of the Issuer and Bidco (other than the Issuer's or Bidco's common equity) and will not be guaranteed or secured. Additionally, such shareholder debt will not contain any covenants or events of default, and will mature at least six months after the final maturity date of the Notes.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Ordinary Course of Business Relationships with Subsidiaries and Affiliated Companies

In the course of our ordinary business activities, we regularly enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. For example, in the ordinary course of business, we regularly enter into intercompany loan and receivables, purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies, including non-controlling interests that are not part of our Group. Additionally, prior to the completion of the Acquisition, we are subject to a tax sharing agreement with Ferguson, and Ferguson is currently providing certain central support services to us.

We believe that all transactions of the Group with affiliated companies and persons are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers, manufacturers and service providers.

Transaction and Consulting Services Agreements

Following the Acquisition Completion Date, we may enter into transaction and consulting services agreements with Lone Star Fund X or one or more of its affiliates pursuant to which we would make certain payments to Lone Star Fund X or one or more of its affiliates for management, consulting or advisory services and related expenses.

Management Participation Program

Following the Acquisition Completion Date, Lone Star Fund X plans to implement a management participation program for certain directors, officers and managers of the Group, including branch managers. See "*Management—Compensation of Directors and Executive Officers—Management Participation Program*."

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of certain provisions of our indebtedness and certain financial arrangements to which we and certain of our subsidiaries are or will be a party. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility Agreement

Overview and Structure

In connection with the Transaction, the Issuer will enter into a super senior revolving credit facility agreement with, among others, Deutsche Bank AG, London Branch as agent, Credit Suisse International, Danske Bank A/S, DNB Bank ASA and Nykredit Bank A/S as mandated lead arrangers (the "Super Senior Revolving Credit Facility Agreement"). The Super Senior Revolving Credit Facility Agreement provides for a super senior revolving credit facility in a principal amount of €100 million (the "Super Senior Revolving Credit Facility" for the purposes of this description).

The Super Senior Revolving Credit Facility may be utilized by the Issuer, Bidco and certain of its restricted subsidiaries which accede to the Super Senior Revolving Credit Facility Agreement as additional borrowers (the "SSRCF Borrowers") including those incorporated in Denmark, Finland, Luxembourg, Norway or Sweden and may be applied in or towards (directly or indirectly) (A) financing or refinancing the general corporate purposes and/or working capital requirements of the Group (including, without limitation, the financing or refinancing of capital expenditure, any permitted acquisitions, acquisition costs, investments and joint ventures, operational restructurings and reorganization requirements of the Group, financing or refinancing financial indebtedness of the Group or any acquisition target (plus, in each case, any related breakage costs, redemption premia and make-whole costs) any ticking fees required to be paid in connection with, and any interest on, the secured debt documents or any additional OID or other fees and any related fees, costs and expenses) and (B) financing any other payments identified in the tax structure memorandum arising in connection with the Acquisition and/or the refinancing of any existing indebtedness of the Target and certain of its subsidiaries, in each case, together with related fees, costs and expenses.

The Super Senior Revolving Credit Facility will be available in euro, sterling, U.S. dollars, Swedish krona, Danish krone, Norwegian krone and (with the consent of the relevant lenders) certain other currencies readily available in the relevant interbank market and can be made available by the drawing of cash advances, the issue of letters of credit and by way of ancillary facilities (on both a bilateral and fronted basis).

The Super Senior Revolving Credit Facility Agreement includes (in addition to other permissions under the limitation on indebtedness covenant) the ability (without double counting against the limitation on indebtedness covenant) to incur additional indebtedness (through the establishment of one or more additional facilities within the Super Senior Revolving Credit Facility Agreement), up to an aggregate amount of the greater of €115 million and 106% of LTM EBITDA (as defined in "*Description of the Notes*").

Availability

The Super Senior Revolving Credit Facility may be utilized from (and including) the date on which the Acquisition completed in accordance with the terms of the Acquisition Agreement (the "Acquisition Closing Date") to (and including) the date which is one month prior to the maturity date of the Super Senior Revolving Credit Facility.

Conditions Precedent

Utilizations of the Super Senior Revolving Credit Facility are subject to customary conditions precedent.

Interest and Fees

Loans under the Super Senior Revolving Credit Facility will initially bear interest at rates per annum equal to EURIBOR or, for loans denominated in Swedish krona, STIBOR or, for loans denominated in Danish krone, CIBOR or, for loans denominated in Norwegian krone, NIBOR or, for loans denominated other than in euro, Swedish krona, Danish krone or Norwegian krone, LIBOR, plus an applicable margin, which in each case will be subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (each as further described in the Super Senior Revolving Credit Facility Agreement) (the "Senior Secured Net Leverage Ratio").

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of loans made under the Super Senior Revolving Credit Facility. If LIBOR is less than zero, LIBOR shall be deemed to be zero in respect of loans made under the Super Senior Revolving Credit Facility. If STIBOR is less than zero, STIBOR shall be deemed to be zero in

respect of loans made under the Super Senior Revolving Credit Facility. If CIBOR is less than zero, CIBOR shall be deemed to be zero in respect of loans made under the Super Senior Revolving Credit Facility. If NIBOR is less than zero, NIBOR shall be deemed to be zero in respect of loans made under the Super Senior Revolving Credit Facility.

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the Super Senior Revolving Credit Facility from the Acquisition Closing Date to the end of the availability period applicable to the Super Senior Revolving Credit Facility, at a rate of 35% of the applicable margin for the Super Senior Revolving Credit Facility. Commitment fees will be payable quarterly in arrears, on the last date of the availability period applicable to the Super Senior Revolving Credit Facility and on the date the Super Senior Revolving Credit Facility is cancelled in full.

Default interest will be calculated as an additional 1% on the defaulted amount.

Repayments

The loans made under the Super Senior Revolving Credit Facility will be repaid on the last day of the interest period relating thereto, subject to an ability to roll over cash drawings. All outstanding amounts under the Super Senior Revolving Credit Facility will be repaid on the date falling sixty six (66) months from the Acquisition Closing Date. Amounts repaid by the borrowers on loans made under the Super Senior Revolving Credit Facility may be reborrowed, subject to certain conditions.

The Super Senior Revolving Credit Facility Agreement allows for voluntary prepayments (subject to *de minimis* amounts). The Super Senior Revolving Credit Facility Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon a "Change of Control."

A "Change of Control" for the purposes of the Super Senior Revolving Credit Facility shall be defined as per the Notes, save that no portability feature shall apply for the purposes of the Super Senior Revolving Credit Facility.

Guarantees and Security

The Super Senior Revolving Credit Facility will be guaranteed by each Guarantor on a joint and several basis.

The Super Senior Revolving Credit Facility will be secured by the same security interests as for the Notes as set forth under "*Description of the Notes—Security*."

Subject to certain adjustments and the agreed security principles that apply to the Super Senior Revolving Credit Facility Agreement, the Issuer is required to ensure that members of the Group that generate at least 80% of (A) Consolidated EBITDA (as defined in the section entitled "Description of the Notes") and (B) gross assets of the Group are guarantors of the Super Senior Revolving Credit Facility Agreement (i) on the date which is 120 days following the Acquisition Closing Date; and (ii) thereafter on the date when the annual financial statements of the Issuer are required to be delivered to the agent in connection with the Super Senior Revolving Credit Facility Agreement.

The provision and the terms of the security and guarantees set forth above will in all cases be subject to certain limitations and are at all times and in all cases subject to the requirements of applicable law and the other matters set forth in the Super Senior Revolving Credit Facility Agreement (and, to the extent such requirement is not satisfied on such date, the Issuer shall ensure that it is so satisfied within 120 days of such date).

Representations and Warranties

The Super Senior Revolving Credit Facility Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status; (ii) binding obligations; (iii) non-conflict with other obligations; (iv) power and authority; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) *pari passu* ranking; (viii) filing and stamp taxes; (ix) base case model and reports; (x) laws applicable to operations; (xi) environmental laws; (xii) no liens/guarantees/indebtedness; (xiii) group structure; (xiv) holding company status; (xv) pension schemes; (xvi) insolvency; (xvii) no litigation; (xviii) taxation; (xix) no default; (xx) financial statements; (xxi) legal ownership; (xxii) intellectual property; (xxiii) center of main interests; (xxiv) acquisition documents; (xxv) compliance with anti-corruption laws and sanctions and (xxvi) validity and effectiveness of transaction security.

Certain representations and warranties will be made on the Acquisition Closing Date (as defined in the Super Senior Revolving Credit Facility Agreement) and certain representations and warranties will be repeated on the date of each utilization, on the first day of each interest period (other than in the case of roll over cash drawings) and at certain other times.

Covenants

The Super Senior Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) that are set forth in the Indenture.

The Super Senior Revolving Credit Facility Agreement also contains a "note purchase condition" covenant. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Issuer may not, and shall procure that no restricted subsidiary will, prepay, purchase, defease or redeem (or otherwise retire for value) any of the Notes prior to their scheduled repayment date. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal face value amount of the Notes as at the Acquisition Closing Date.

The Super Senior Revolving Credit Facility Agreement also requires the Issuer and certain of its restricted subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including covenants relating to: (i) authorizations and consents; (ii) compliance with laws; (iii) center of main interests; (iv) provision of guarantees and security; (v) further assurance; (vi) compliance with anti-corruption laws and sanctions; and (vii) provision of financial information (as per the Notes) and compliance certificates.

In addition, the Super Senior Revolving Credit Facility Agreement includes a financial covenant requiring the drawn super senior leverage ratio not to exceed a flat ratio set with 40 per cent headroom versus the base case model for the Super Senior Revolving Credit Facility (which shall be calculated by reducing consolidated EBITDA as set out in that base case model (the "Drawn Super Senior Leverage Ratio")). The Drawn Super Senior Leverage Ratio is calculated as the ratio of the aggregate principal amount of all outstanding loans under the Super Senior Revolving Credit Facility less the aggregate amount of cash, cash equivalent investments and temporary cash investments held by members of the Group ("Drawn Super Senior Facilities Debt") to consolidated pro forma EBITDA for the twelve month period preceding the relevant quarterly testing date and is tested quarterly on a rolling basis, subject to the Super Senior Revolving Credit Facility being (excluding any utilizations by way of letters of credit (or bank guarantees), ancillary facilities any amounts utilized to fund any original issue discount and any other flex related payments, fees, costs and expenses) greater than 35% drawn on the relevant test date (the "Test Condition").

The Drawn Super Senior Leverage Ratio is based on the definitions and adjustments in the Super Senior Revolving Credit Facility Agreement, which may differ from similar definitions in the Indenture and the equivalent definitions described in this offering memorandum.

The Super Senior Revolving Credit Facility Agreement contains an equity cure provision enabling the shareholders of the Issuer to make shareholder injections by way of debt and/or equity to the Issuer to (i) increase the consolidated pro forma EBITDA under the Super Senior Revolving Credit Facility Agreement or (ii) decrease Drawn Super Senior Facilities Debt. The equity cure right may not be exercised on more than four occasions during the term of the Super Senior Revolving Credit Facility and may not be utilized in consecutive quarters. Such shareholder injections may also be used to prepay loans under the Super Senior Revolving Credit Facility so that the Test Condition is no longer satisfied.

It is intended that certain agreed covenants and other provisions of the Super Senior Revolving Credit Facility Agreement will fall-away upon the Notes achieving Investment Grade Status (as defined in "*Description of the Notes*").

Events of Default

The Super Senior Revolving Credit Facility Agreement provides for substantially the same events of default as under the Notes. In addition, the Super Senior Revolving Credit Facility Agreement provides for additional events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant described above (subject to the equity cure rights described above); (ii) inaccuracy of a representation or statement when made; (iii) repudiation and rescission of the financing documents, (iv) invalidity and unlawfulness of the financing documents; and (v) material failure to comply with the Intercreditor Agreement.

Governing Law

The Super Senior Revolving Credit Facility Agreement and any non-contractual obligations arising out of or in connection with it, are governed by, construed in accordance with and will be enforced in accordance with English law although the information undertakings, restrictive covenants, events of default and related definitions scheduled to the Super Senior Revolving Credit Facility Agreement will be interpreted in accordance with New York law (without prejudice to the fact that the Super Senior Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Issuer, certain Guarantors and the Trustee will enter into an Intercreditor Agreement between, among others, the agent, arrangers and lenders under our Revolving Credit Facility Agreement and the Security Agent.

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors to our group including the relative ranking of certain debt and other obligations of the Issuer, the Guarantors and any other person that becomes party to the Intercreditor Agreement as a Debtor or Third Party Security Provider, when payments can be made in respect of debt or other obligations of the Debtors or Third Party Security Providers, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt and other obligations will be subordinated upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and we urge you to read that document because it, and not the discussion that follows, defines certain rights of the holders of the Notes and of the Trustee. Capitalized terms used but not defined herein have the meanings given to them in the Intercreditor Agreement.

For the purposes of this description:

"ICA Group" shall mean the Issuer and any of its Restricted Subsidiaries.

References to the "Senior Secured Notes" shall include the Notes and any other notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing has been made available to or by a member of the ICA Group which are designated by the Issuer as Senior Secured Notes under the Intercreditor Agreement and references to the "Topco Notes" shall include any notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing has been made available to or by a Topco Borrower which are designated by the Issuer as Topco Notes.

The Intercreditor Agreement uses the term "the Company" to refer to the Issuer and "Senior Secured Notes Liabilities" to refer to the Notes and certain other indebtedness of the Issuer.

Ranking and Priority

Priority of Debts

The Intercreditor Agreement provides that the liabilities owed by the Issuer and each other debtor (under the Intercreditor Agreement (together, the "Debtors") (other than any member of the ICA Group which is designated as a Topco Borrower under the Intercreditor Agreement (a "Topco Borrower"))) shall rank in right of priority and payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(i) first, liabilities owed to (i) the lenders, issuing banks and ancillary lenders in relation to any senior secured facilities agreements (a "Permitted Senior Secured Facilities Agreement") (the "Senior Lender Liabilities"), (ii) the lenders, issuing banks, and ancillary lenders in relation to the New Revolving Credit Facility Agreement or any future super senior facilities agreement (a "Permitted Super Senior Secured Facilities Agreement") and any hedge counterparty under a hedging agreement that is designated by the Issuer as super senior (together the "Super Senior Liabilities" and creditors thereof being the "Super Senior Creditors"), (iii) the Trustee and any trustee in relation to future senior secured notes (each a "Senior Secured Notes Trustee") (other than certain amounts paid to it in its capacity as trustee), the holders of the Notes or future senior secured notes (the "Senior Secured Notes") and the Security Agent in relation to the Senior Secured Notes (the "Senior Secured Notes Liabilities"), (iv) the lender under any future loan made by the issuer of any Senior Secured Notes (if so designated by the Issuer in its discretion and not including, for the avoidance of doubt, the Issuer) to a member of the Group for the purposes of on lending the proceeds of any Notes together with any additional or replacement loan made on substantially the same terms (the "Senior Secured Notes Proceeds Loan Liabilities"), (v) the trustees of any

occupational benefit scheme offered and operated by a member of the ICA Group incorporated in (or under the laws of), or whose occupational benefit scheme is otherwise subject to, or governed by, the laws of Sweden, for the benefit of its employees (a "Pension Trustee") ("Pension Scheme Liabilities"), the provider of any credit insurance, other insurance or assurance against loss in respect of the pension obligations of any member of the ICA Group incorporated in (or under the laws of), or which obligations are otherwise subject to, or governed by, the laws of Sweden (and including, for the avoidance of doubt, PRI Pensionsgaranti Mutual Insuarance Company (or any successor thereto)) (a "Pension Insurance Provider") ("Pension Insurance Liabilities"), the lenders in relation to any pension insurance line pursuant to which pension liabilities (including liabilities to a Pension Insurance Provider) of any member of the ICA Group incorporated in (or under the laws of) or which liabilities are otherwise subject to, or governed by, the laws of Sweden are guaranteed, cash collateralized and/or extended any credit support (the "PIL Finance Parties") (the "PIL Liabilities") in each case which have been designated by the Issuer as "Pension Priority Liabilities" (the "Pension Priority Liabilities"), (vi) the arrangers, agents, issuing banks and lenders under any cash management facility (a "Cash Management Facility" and the liabilities under a Cash Management Facility being the "Cash Management Facility Liabilities"), (vii) the hedge counterparties in relation to any hedging agreements that are not Super Senior Liabilities (together with the hedging designated by the Issuer as being Super Senior Liabilities, the "Hedging Liabilities"), (viii) the lenders in relation to any future second lien facility agreement (a "Second Lien Facility Agreement" and the liabilities to the lenders under a Second Lien Facility Agreement being the "Second Lien Lender Liabilities"), (ix) any second lien notes trustee (other than certain amounts paid to it in its capacity as trustee), the holders of any future second lien notes and the Security Agent in relation to any second lien notes (such second lien notes being "Second Lien Notes" and the liabilities in respect of such Second Lien Notes being the "Second Lien Notes Liabilities" and together with the Second Lien Lender Liabilities, the "Second Lien Liabilities"), (x) any agent or trustee under any finance documents relating to any of the aforementioned liabilities, any agent or trustee under the Topco Liabilities (as defined below) and to any agent or trustee in relation to certain other unsecured liabilities (together the "Agent Liabilities") and (xi) the Security Agent, *pari passu* and without any preference between them; and

(ii) second, all liabilities owed (i) to the trustee (other than certain amounts paid to it in its capacity as trustee), and the holders of any future notes issued by or in relation to which a New Debt Financing has been made available to or by a Topco Borrower and designated by the Issuer as Topco Notes and the Security Agent in relation to such Topco Notes (the "Topco Notes Liabilities"), (ii) under any future loan facility made available to any Topco Borrower (the "Topco Facility Liabilities" and together with the Topco Notes Liabilities, the "Topco Liabilities"), and (iii) the liabilities owed under any future loan (a "Topco Proceeds Loan") made by any Topco Borrower for the purpose of on lending the proceeds of any Topco Notes or Topco Loans (the "Topco Proceeds Loan Liabilities"), *pari passu* and without any preference between them.

The Intercreditor Agreement provides that the liabilities owed by any Topco Borrower to the Secured Parties (as defined below) shall rank *pari passu* in right and priority of payment and without any preference between them in respect of (i) the Senior Lender Liabilities, (ii) the Super Senior Liabilities, (iii) the Senior Secured Notes Liabilities, (iv) the Cash Management Facility Liabilities, (v) the Pension Priority Liabilities (vi) the Hedging Liabilities, (vii) the Second Lien Lender Liabilities, (viii) the Second Lien Notes Liabilities, (ix) the Topco Liabilities, (x) the Topco Proceeds Loan Liabilities, and (xi) the Agent Liabilities.

The Intercreditor Agreement provides that the intra-group liabilities owed by one member of the ICA Group to another member of the ICA Group (other than any Senior Secured Notes Proceeds Loan Liabilities or Topco Proceeds Loan Liabilities) (the "Intra-Group Liabilities") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the creditors under the Senior Lender Liabilities, Super Senior Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities, Agent Liabilities and Notes Liabilities (such creditors, together with the Security Agent, any receiver or delegate, any creditor of the Agent Liabilities and any arranger with respect to the Secured Liabilities, the "Secured Parties").

The Intercreditor Agreement also provides that the liabilities owed by any member of the ICA Group (other than any Topco Proceeds Loan Liabilities) to a holding company of the Issuer or to any other person who becomes a subordinated creditor (a "Subordinated Creditor") under the Intercreditor Agreement (the "Subordinated Liabilities") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the Secured Parties and to the Intra-Group Liabilities.

For the purposes of this description only:

"Debt Documents" means the Intercreditor Agreement and the documents creating or evidencing the Cash Management Facility Liabilities, the Hedging Liabilities, the Second Lien Liabilities, the Senior Secured Liabilities, any Senior Secured Notes Proceeds Loan Liabilities (a "Senior Secured Notes Proceeds Loan Agreement"), the Topco Liabilities, the Topco Proceeds Loan Liabilities, the unsecured liabilities of any unsecured creditors who are party to the Intercreditor Agreement, the Pension Priority Liabilities, the Subordinated Liabilities and the Intra-Group Liabilities (each as defined in this description) and any other document designated as such by the Security Agent and the Issuer.

"Finance Documents" means the Revolving Credit Facility Agreement, any Permitted Senior Secured Facilities Agreement, any Permitted Super Senior Secured Facilities Agreement, the indenture in respect of any Senior Secured Notes, any Second Lien Facility Agreement, the indenture in respect of any Second Lien Notes, the facility agreement or other document or instrument documenting any Topco Facility (as defined in the Intercreditor Agreement), the indenture in respect of any Topco Notes and any document designated by the Issuer as an unsecured finance document under and in accordance with the Intercreditor Agreement.

"Secured Creditors" means the Super Senior Creditors, the Senior Secured Creditors, the Second Lien Creditors, the Topco Creditors and the Pension Priority Liabilities (each as defined below).

"Secured Debt Documents" means the documents relating to the Super Senior Liabilities, the Senior Secured Liabilities, the Second Lien Liabilities, the Topco Liabilities and the Hedging Liabilities.

"Third Party Security Provider" means LSF10 Wolverine Holdings S.à.r.l. and any person that is not a member of the ICA Group that has provided Transaction Security (including Topco Shared Security) but is not a Debtor in respect of any direct borrowing or guarantee liabilities of the applicable secured obligations to which that Transaction Security relates and which is designated as such by the Issuer (in its discretion).

"Transaction Security" refers to security (from the ICA Group, any Third Party Security Provider and Topco Shared Security (but excluding, for the avoidance of doubt, Topco Independent Transaction Security), as defined below) which is created, or expressed to be created, in favor of the Security Agent as agent or trustee for the other Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Transaction Security which is not Topco Shared Security shall secure all liabilities and present and future obligations of the Debtors and Third Party Security Providers to the Secured Parties (other than the creditors under the Topco Liabilities (the "Topco Secured Parties")) under the Debt Documents (other than the finance documents relating to the Topco Liabilities (the "Topco Finance Documents")).

"Topco Shared Security" refers to security at any time which is created, or expressed to be created, over each of (i) the shares in the Issuer held by any direct shareholder of the Issuer, (ii) all receivables owed by the Issuer to a Topco Investor, Subordinated Creditor or other Holding Company or shareholder of the Issuer (including any Topco Proceeds Loan and the Topco Proceeds Loan Liabilities), (iii) the shares in the GP held by any direct shareholder of the GP, (iv) all receivables owed by the GP to a Topco Investor Subordinated Creditor or other Holding Company (as defined in the Intercreditor Agreement) or shareholder of the GP, (v) the shares in any Topco Borrower which is a member of the ICA Group, (vi) all receivables owed by a member of the ICA Group under any Topco Proceeds Loan (or, in the case of a Topco Borrower which is a member of the ICA Group, any Senior Secured Notes Proceeds Loan), (vii) any escrow account relating to the proceeds of any Topco Liabilities and (viii), any other assets not falling within limbs (i) to (viii) of this paragraph of a Topco Borrower, and (for the extent that the Issuer has confirmed to the Security Agent that the granting of such Security in favor of the Topco Shared Security Secured Obligations is expressly permitted by any applicable Prior Ranking Financing Agreements) any other member of the ICA Group in each case to the extent provided for by the Topco Finance Documents at any time and designated as Topco Shared Security by the Issuer (in its discretion) in favor of the Security Agent as agent or trustee for the other Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Topco Shared Security shall secure all liabilities and present and future obligations of each Topco Borrower that is not a member of the ICA Group and each of its Restricted Subsidiaries (as defined in the documents governing the relevant Topco Notes or Topco Facility (as the case may be)) (the "Topco Group"), each Debtor and each Third Party Security Provider to the Secured Parties under the Secured Debt Documents.

"Topco Independent Transaction Security" refers to security (other than Transaction Security) which is created, or expressed to be created, by any Topco Borrower or its affiliates (in each case, other than a member of the ICA Group) and designated as such by the Issuer (in its discretion) (together, the "Topco Independent Obligors") in favor of the Security Agent as agent or trustee for the other Topco Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Topco Secured Parties or in favor of the Security Agent under a parallel debt or similar

structure). Topco Independent Transaction Security shall secure all liabilities and present and future obligations of each Topco Independent Obligor to the Topco Secured Parties under the Topco Finance Documents.

The Notes and the Notes Guarantee will be Senior Secured Notes Liabilities for the purposes of the Intercreditor Agreement. On the Issue Date, no Senior Secured Liabilities, Second Lien Lender Liabilities, Second Lien Notes Liabilities or Topco Liabilities will be outstanding. Such liabilities and liabilities in respect of other new debt financings may only be incurred and/or designated if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under "*Description of the Notes—Certain Covenants*."

Guarantees and Security: Topco Creditors

The creditors in respect of the Topco Liabilities (the "Topco Creditors") have the right to take, accept or receive the benefit of:

(i) any Topco Shared Security from any member of the ICA Group or from a Third Party Security Provider in respect of the Topco Liabilities if and to the extent legally possible and subject to any agreed security principles, at the same time it is also offered either:

  (A) to the Security Agent as agent or trustee for the other Secured Parties (or applicable class thereof) in respect of their Liabilities; or

  (B) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent or trustee for the Secured Parties (or applicable class thereof):

    (I) to the other Secured Parties (or applicable class thereof) in respect of their Liabilities; or

    (II) to the Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Secured Parties (or applicable class thereof),

  and ranks in the same order of priority as described under "Priority of Debts" or "Priority of Security" above, provided that all amounts received or recovered by any Topco Creditor with respect to such Topco Shared Security are paid to the Security Agent for application as set out under "*—Application of Proceeds*" below immediately;

(ii) any guarantee, indemnity or other assurance from any member of the ICA Group in respect of the Topco Liabilities in addition to any guarantee, indemnity or assurance in the original form of any Topco Finance Documents or the Intercreditor Agreement, or given to all the Secured Parties as security for the liabilities of the Topco Group, each Debtor and any Third Party Security Provider to the Secured Parties under the Debt Documents if, subject to any agreed security principles:

  (A) (except for any guarantee, indemnity or other assurance permitted by the Finance Documents), the Secured Parties other than the Topco Creditors (the "Priority Secured Parties") already benefit from such a guarantee, indemnity or other assurance or at the same time it is also offered to the Priority Secured Parties and ranks in the same order of priority as described under "*—Priority of Debts"* above, as applicable; and

  (B) all amounts received by any Topco Creditor with respect to such guarantee, indemnity or assurance are paid to the Security Agent for application as set out under "*—Application of Proceeds"* below; and

(iii) any security, guarantee indemnity or other assurance from any member of the Topco Group:

  (A) in connection with any escrow or similar arrangements relating to amounts held by a person which is not a member of the Topco Group prior to release of those amounts to a member of the Topco Group;

  (B) in connection with any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Secured Liabilities not prohibited by the Intercreditor Agreement; or

  (C) as otherwise permitted by the Intercreditor Agreement.

  No security (other than pursuant to the secured documents relating to Topco Independent Transaction Security or Topco Shared Security or as described above) shall be granted by a member of the ICA Group in respect of any Topco Liabilities.

New Debt Financing

The Intercreditor Agreement provides, subject to certain conditions, for the implementation of existing, additional, supplemental or new financing arrangements that will constitute, for the purposes of the Intercreditor Agreement, Senior Lender Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Liabilities, Topco Liabilities, Super Senior Liabilities, Hedging Liabilities or Pension Priority Liabilities (each a "New Debt Financing"). The conditions include certification by the Issuer that such New Debt Financing is not prohibited under the terms of the Finance Documents.

Such financing arrangements may be implemented by way of refinancing, replacement, exchange, set-off, discharge or increase of any such new, existing, additional, supplemental or new financing arrangement under the relevant finance documents. In connection with and in order to facilitate any New Debt Financing, each agent in respect of any Priority Secured Liabilities and the Security Agent (and each other person party to a Transaction Security document or a Topco Independent Transaction Security document) is authorized and instructed to enter promptly into any new security document, amend or waive any term of an existing security document and/or release any asset from the Transaction Security or Topco Independent Transaction Security (as the case may be) subject to certain conditions, including as regards the terms of such security (which shall be, unless otherwise agreed by the Issuer or otherwise required by the Issuer to the extent that the existing Transaction Security or Topco Independent Transaction Security is not being amended or released and the new Transaction Security or new Topco Independent Transaction Security only secures the New Debt Financing, substantially the same as the terms applicable to the existing Transaction Security or Topco Independent Transaction Security over equivalent assets).

Where any indebtedness ("Permitted Acquired Indebtedness") which is not prohibited under the Finance Documents is incurred by or in connection with the acquisition of (i) a person or any of its subsidiaries who, after the Closing Date, becomes a Restricted Subsidiary or merges, consolidates or is otherwise combined with a Restricted Subsidiary, or (ii) in relation to an asset of any such person or which is otherwise acquired after the Closing Date (together an "Acquired Person or Asset"), any security, guarantee, indemnity or other assurance against loss in respect of such New Debt Financing which is subsisting at the date when the conditions to the incurrence of such New Debt Financing set out in the Intercreditor Agreement have been satisfied (or is to be granted thereafter, including subject to any condition or periodic testing) shall be permitted to subsist and there is no requirement to offer that security, guarantee, indemnity or other assurance in respect of any other liabilities under any Debt Document. No security, guarantee, indemnity or other assurance against loss is required to be given by any member of the Topco Group in respect of any liabilities (including under any Debt Document) (i) over any Acquired Person or Asset if this would breach a contractual undertaking applicable to the Topco Group or is excluded or exempt from being given under the Agreed Security Principles (as defined in the Revolving Credit Facility Agreement), (ii) over any asset required (including subject to any condition) to provide credit support in relation to any Permitted Acquired Indebtedness (other than as a result of any obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness), or (iii) where the grant of such security, guarantee, indemnity or other assurance against loss is prevented by the documentation in relation to such Permitted Acquired Indebtedness or would give rise to an obligation (including any payment obligation but not including any obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness) under or in relation thereto.

Permitted Payments

Permitted Payments in Respect of the Senior and Super Senior Debt

The Debtors and Third Party Security Providers may make payment in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, Super Senior Liabilities and Cash Management Facility Liabilities (together with the Hedging Liabilities, the "Senior Secured Creditor Liabilities," the creditors in respect thereof being the "Senior Secured Creditors") at any time, *provided* that following certain acceleration events under the Revolving Credit Facility Agreement or any Permitted Senior Secured Facilities Agreement or Senior Secured Notes Indenture or Permitted Super Senior Secured Facilities Agreement or following certain insolvency events in relation to a member of the ICA Group, payments may only be made by Debtors or Third Party Security Providers and received by creditors in accordance with the provisions described below under "*—Application of Proceeds"* provided that there shall be no obligation to turnover any such payments received, other than those related to an enforcement of Transaction Security or a Distressed Disposal (as defined below) of assets subject to the Transaction Security.

Any failure to make a payment in accordance with the Senior Secured Finance Documents following an acceleration event as required by the ICA shall not prevent the occurrence of an event of default under such applicable Senior Secured Finance Documents.

Permitted Payments in Respect of the Second Lien Debt

Prior to the first date on which all of the Senior Liabilities, the Super Senior Liabilities and the Senior Secured Notes Liabilities (together, the "Senior Secured Liabilities" and together with the Second Lien Liabilities and Topco Liabilities being the "Secured Liabilities") have been discharged (the "Senior Secured Discharge Date"), the Debtors may only make specified scheduled payments in respect of the Second Lien Liabilities, in accordance with the finance documents governing such Second Lien Liabilities, subject to compliance with certain conditions in the Intercreditor Agreement.

The principal conditions are that the relevant payment (if it is a payment of principal or capitalized interest) is not prohibited by any prior ranking financing agreement, including any Permitted Super Senior Secured Facilities Agreement, Permitted Senior Secured Facilities Agreement and any Senior Secured Notes Indenture (or if it is so prohibited, that all necessary consents have been obtained to permit it), no payment stop notice has been issued to the agent or trustee for the relevant Second Lien Liabilities and no payment default (subject to a *de minimis* threshold in the case of amounts other than principal, interest or certain fees) is continuing under any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document.

Certain specified payments in respect of Second Lien Liabilities are also permitted at all times, notwithstanding that a payment stop notice is outstanding or such a payment default is continuing. These payments and basket amounts are substantially similar to those referenced for Topco Liabilities in (ii) of the next paragraph.

Permitted Payments in Respect of Topco Liabilities

Prior to the date which is the later of the Senior Secured Discharge Date and the first date (the "Second Lien Discharge Date") on which all Second Lien Liabilities have been discharged (the "Priority Discharge Date"), the Issuer, Topco Borrowers, Third Party Security Providers and other members of the ICA Group may only make specified scheduled payments (including any other direct or indirect step, matter, action or dealing in relation to any Topco Liabilities otherwise prohibited under the Intercreditor Agreement) under the Topco Liabilities or under any Topco Proceeds Loan (together the "Topco Group Liabilities") to the Topco Creditors or any holding company of the Issuer or other lender in respect of a Topco Proceeds Loan (in respect of the Topco Proceeds Loan Liabilities only) (such payments, collectively, "Permitted Topco Payments"):

(i) if:

(A) no Topco Payment Stop Notice (as defined below) is outstanding;

(B) no payment default (subject to a *de minimis* threshold in the case of amounts other than principal, interest or certain fees) has occurred and is continuing under any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document (a "Senior Secured Payment Default"), or under the Second Lien Facilities or Second Lien Notes (a "Second Lien Payment Default"); and

(C) the payment is of (1) any amount of principal or capitalized interest in respect of the Topco Liabilities which is not prohibited by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or any required consents to permit such payment have been obtained, (2) any other amount which is not an amount of principal or capitalized interest (such other amounts including all scheduled interest payments (including, if applicable, special interest (or liquidated damages))) and default interest on the Topco Liabilities accrued and payable in cash in accordance with the terms of the relevant Topco Finance Document (as at the date of the issue of the same or as amended in accordance with the terms of the Intercreditor Agreement and the other Debt Documents), additional amounts payable as a result of the tax gross-up provisions relating to Topco Liabilities and amounts in respect of currency indemnities in any Topco Finance Document, (3) made in pursuance of a debt buy-back program approved by the Majority Senior Secured Creditors, Majority Super Senior Creditors and Majority Second Lien Creditors (each as defined below), or (4) amounts due under any syndication strategy letter relating to the Topco Finance Documents;

(ii) if, notwithstanding that a Topco Payment Stop Notice (as defined below) is outstanding and/or (other than in respect of paragraph (M) below) a Senior Secured Payment Default and/or a Second Lien Payment Default has occurred and is continuing and (if the Topco Borrower is a guarantor or borrower under any prior ranking debt facilities at such time, other than in respect of paragraph (K) below) irrespective of

whether any creditors under prior ranking debt facilities have accelerated their debt, the payment is not prohibited to be made at such time by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or the payment is (without double counting any equivalent applicable basket in any Debt Document, but whether or not permitted by the Debt Documents): (A) of ongoing fees under any original fee letter relating to the Topco Finance Documents, (B) of commercially reasonable advisory and professional fees for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) and a Topco Agent's fees, costs and expenses not exceeding €1,500,000, but excluding the costs of any litigation against a Senior Secured Creditor or Second Lien Creditor (or their affiliates), (C) of any amounts owed to a Topco Agent (as defined below), (D) of costs necessary to protect, preserve or enforce security, (E) of any costs, commissions, taxes, premiums, amendment fees (including any original issue discount and other consent and/or waiver fees) and any expenses incurred in respect of (or reasonably incidental to) the Topco Finance Documents (including in relation to any reporting or listing requirements under the Topco Finance Documents), (F) of any other amount not exceeding €2,500,000 in any twelve month period, (G) of any amount of the Topco Liabilities which would have been payable but for the issue of a Topco Payment Stop Notice (which has since expired and no new Topco Payment Stop Notice is outstanding) which has been capitalized and added to the principal amount of the Topco Liabilities or where that amount is outstanding as a result of the accrual of cash interest payable in respect of the Topco Liabilities during such period or any such amount described at (i)(C) above, provided that no such payment may be made if certain events of default have occurred under the Senior Secured Liabilities or Second Lien Liabilities or would occur as a result of making such payment, (H) for as long as an event of default under the Senior Secured Liabilities, Second Lien Liabilities or Topco Group Liabilities which is continuing, all or part of the Topco Liabilities being released or otherwise discharged solely in consideration for the issues of shares in any holding company of the Issuer (a "Debt for Equity Swap") provided that no cash or cash equivalent payment is made in respect of the Topco Liabilities, that it does not result in a Change of Control as defined in any prior ranking finance agreement or Topco Finance Document and that any Liabilities owed by a member of the ICA Group to another member of the ICA Group, to the Subordinated Creditors or to any other holding company of the Issuer that arise as a result of any such Debt for Equity Swap are subordinated to the Senior Secured Liabilities and Second Lien Liabilities pursuant to the Intercreditor Agreement and the Senior Secured Creditors and Second Lien Creditors are granted Transaction Security in respect of any of those Intra-Group Liabilities or Subordinated Liabilities owed by any member of the ICA Group, (I) of non-cash interest made by way of capitalizing interest or issuing a non cash-pay instrument which is subordinated on the same terms as the Topco Liabilities, (J) if the payment is funded directly or indirectly with the proceeds of Topco Liabilities incurred under or pursuant to any Topco Finance Documents, (K) if the payment is made by the Topco Borrower in respect of its obligations under the Topco Finance Documents; and such payment is not directly or indirectly sourced from a member of the ICA Group or such payment is funded from proceeds received by the Topco Borrower from the ICA Group without breaching the terms of the Debt Documents unless the Topco Borrower is a guarantor or borrower of any prior ranking debt facilities at such time and any such prior ranking debt facility has been accelerated or an Insolvency Event has occurred; (L) if the payment is of a principal amount of the Topco Liabilities and made in accordance with a provision in a Topco Finance Document relating to prepayment upon illegality or in relation to the prepayment of a single lender in the event of a tax gross-up, increased costs or other indemnity becoming payable and (M) if no Senior Secured Payment Default or Second Lien Payment Default has occurred and is continuing the payment is a payment of principal, interest or any other amounts made on or after the final maturity date of the relevant Topco Liabilities (provided that such maturity date is no earlier than that contained in the original form of the relevant Topco Finance Document as of the date of first issuance or borrowing (as the case may be) of the applicable Topco Liabilities); or

(iii) if the requisite Senior Secured Creditors, Super Senior Creditors and Second Lien Creditors give prior consent to that payment being made.

On or after the Priority Discharge Date, the Debtors, the Topco Borrowers and the Third Party Security Providers may make payments in respect of the Topco Group Liabilities in accordance with the Topco Finance Documents and the Topco Proceeds Loan Agreement (as applicable).

Topco Liabilities Payment Block Provisions

A Topco Payment Stop Notice (as defined below) is outstanding from the date on which, following the occurrence of an event of default under any Senior Secured Liabilities (a "Senior Secured Event of Default") or an event of default under the Second Lien Liabilities (a "Second Lien Event of Default"), the Security Agent (acting on the

instructions of the requisite Super Senior Creditors, Senior Secured Creditors or Second Lien Creditors gave the instructions for the relevant stop notice to be delivered) (a "Topco Payment Stop Notice") to the agent under any Topco Facility (the "Topco Agent") and the trustee under any Topco Notes (the "Topco Notes Trustee") advising that the Senior Secured Event of Default or Second Lien Event of Default is continuing and suspending payments by the ICA Group of the Topco Liabilities, until the first to occur of:

(i) the date falling 179 days after delivery of that Topco Payment Stop Notice;

(ii) the date on which a default occurs for failure to pay principal at the original scheduled maturity of the relevant Topco Liabilities;

(iii) if a Topco Standstill Period (as defined below) commences after delivery of that Topco Payment Stop Notice, the date on which such standstill period expires;

(iv) the date on which the relevant Senior Secured Event of Default or Second Lien Event of Default has been remedied or waived;

(v) the date on which the Security Agent (acting on the instructions of whichever of the Majority Super Senior Creditors, Majority Senior Secured Creditors or Majority Second Lien Creditors gave the instructions for the relevant stop notice to be delivered) delivers a notice to the Topco Borrower, the Topco Agent and the Topco Notes Trustee cancelling the payment stop notice;

(vi) the Priority Discharge Date; and

(vii) the date on which the Topco Creditors take any enforcement action that is permitted under the Intercreditor Agreement (see "*—Permitted Topco Enforcement*" below).

No Topco Payment Stop Notice may be delivered by the Security Agent in reliance on a Senior Secured Event of Default or a Second Lien Event of Default more than 45 days after the occurrence of the relevant event of default. No more than one Topco Payment Stop Notice may be served (i) with respect to the same event or set of circumstances, or (ii) in any period of 360 days.

Any failure to make a payment due in respect of the Topco Group Liabilities as a result of the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default shall not prevent (i) the occurrence of an event of default as a consequence of that failure to make a payment in relation to the relevant Topco Group Liabilities, or (ii) the issue of an enforcement notice in respect of an event of default under the finance documents documenting any Topco Group Liabilities (a "Topco Enforcement Notice") on behalf of the Topco Creditors.

Payment Obligations and Capitalization of Interest Continue

Nothing in the Second Lien or Topco (each as defined in the Intercreditor Agreement) payment block provisions will release any Debtor from the liability to make any payment (including of default interest, which shall continue to accrue) under the applicable Debt Documents even if its obligation to make such payment is restricted at any time. The accrual and capitalization of interest (if any) in accordance with the applicable Debt Documents shall continue notwithstanding the issue of a payment stop notice.

Cure of Payment Stop

If:

(i) at any time following the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default, that Topco Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default or Second Lien Payment Default ceases to be continuing; and

(ii) the relevant Debtor or Topco Borrower then promptly pays to the Topco Creditors or any party that has acceded to the Intercreditor Agreement as a creditor under a Topco Proceeds Loan (the "Topco Investors") (in respect of the Topco Proceeds Loan Liabilities only) an amount equal to any payments which had accrued under the Topco Finance Documents or the Topco Proceeds Loan Agreement (as applicable) and which would have been Permitted Topco Payments but for that Topco Payment Stop Notice or Senior Secured Payment Default or Second Lien Payment Default (as the case may be),

then any event of default which may have occurred under a Topco Finance Document or Topco Proceeds Loan Agreement and any Topco Enforcement Notice which may have been issued as a result of that suspension of payments shall be deemed automatically waived without any further action being required.

Turnover

Subject to certain exceptions (including, but not limited to, a provision that provides that any Intra-Group Lender (as defined in the Intercreditor Agreement) in respect of Intra-Group Liabilities who is under a competing contractual requirement to turnover those proceeds to any trade creditor of the Topco Group (and that competing obligations is not prohibited by a Finance Document) is not required to turn over the applicable proceeds), the Intercreditor Agreement will provide that if, at any time prior to the latest to occur of the Super Senior Discharge Date, the Senior Secured Discharge Date, the Second Lien Discharge Date and the first date on which all of the Topco Liabilities have been fully discharged (the "Topco Discharge Date") (the "Final Discharge Date") any creditor (other than a Senior Secured Creditor) receives or recovers from any Debtor, member of the ICA Group or Third Party Security Provider:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the Debt Documents other than any payment or distribution which is either (x) not prohibited under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under "*—Application of Proceeds*";

(ii) any amount by way of set-off which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities owed to the creditors under the Debt Documents (I) after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event, or (II) as a result of any other litigation or proceedings against a Debtor, member of the ICA Group or any Third Party Security Provider (other than after the occurrence of an Insolvency Event); or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event;

(iv) the proceeds of any enforcement of any of the Transaction Security except in accordance with the provisions set out below under "*Application of Proceeds"*; or

(v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any Debtor, any member of the ICA Group or Third Party Security Provider which is not in accordance with the provisions set out below under "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that Debtor, member of the ICA Group or Third Party Security Provider, that creditor will:

(A) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for (or otherwise on behalf and for the account of) the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement, and (y) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(B) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement. A turnover mechanism on substantially the same terms applies in the event that, at any time prior to the Final Discharge Date, any Senior Secured Creditor receives or recovers from any Debtor, any member of the ICA Group or Third Party Security Provider (x) any proceeds from the enforcement of security or from a Distressed Disposal (as defined below) or following an acceleration event or the enforcement of security, any proceeds arising from any of the charged property or (y) any other amounts which should otherwise be received or recovered by the Security Agent except in accordance with the provisions set out below under "*—Application of Proceeds*."

Effect of Insolvency Event

"Insolvency Event" is defined as, in relation to any Obligor, Material Subsidiary (each as defined in the New Revolving Credit Facility Agreement) or Third Party Security Provider, (a) the passing of any resolution or making of an order for insolvency, bankruptcy, winding up, dissolution, administration or reorganization, (b) a composition, compromise, assignment or arrangement with any class of creditors generally (other than any Secured Party), (c) a moratorium is declared in relation to any of its indebtedness, (d) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets, or (e) any analogous procedure or step is taken in any jurisdiction, other than (in each case), frivolous or vexatious proceedings, proceedings or appointments which the Security Agent is satisfied will be withdrawn or unsuccessful or as permitted under any Senior Secured Credit Facility Agreement or in any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement or a Second Lien Facility Agreement, or otherwise not constituting a default.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event, any party entitled to receive a distribution out of the assets of an Obligor, Material Subsidiary or Third Party Security Provider (in the case of a Senior Secured Creditor, only to the extent such amounts constitute proceeds of enforcement) shall direct the person responsible for the distribution to pay that distribution to the Security Agent until the liabilities owing to the Secured Parties have been paid in full. The Security Agent shall apply all such distributions paid to it in accordance with the provisions set out under "*—Application of Proceeds*" below.

To the extent that any member of the ICA Group or Third Party Security Provider's liabilities to creditors are, with certain exceptions, discharged by way of set-off (mandatory or otherwise and in the case of a Senior Secured Creditor, only to the extent such amounts constitute proceeds of enforcement) after the occurrence of an Insolvency Event, any creditor benefiting from such set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out under "*—Application of Proceeds*" below.

If the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

Subject to certain netting and set-off rights under ancillary or cash management facilities, each creditor irrevocably authorizes the Security Agent to take Enforcement Action (as defined below), make demands, collect and receive distributions, file claims and take other actions necessary to make recovery after the occurrence of an Insolvency Event in relation to an Obligor, member of the ICA Group or Third Party Security Provider. The creditors agree to do all things the Security Agent reasonably requests in order to give effect to these provisions.

Security Enforcement Regime

Enforcement of Security

The Intercreditor Agreement provides that the Security Agent may not take any action to enforce the Transaction Security or the Topco Independent Transaction Security without the prior written consent of an Instructing Group, Majority Second Lien Creditors or Majority Topco Creditors (as applicable) otherwise as specified in the provisions described below.

An "Instructing Group" means:

(i) prior to the later of the Senior Secured Discharge Date and the first date on which the Super Senior Liabilities have been fully and finally discharged (the "Super Senior Discharge Date"), Senior Secured Creditors (other than the Super Senior Creditors) representing more than 50% of the Senior Secured Liabilities (other than the Super Senior Liabilities) (the "Majority Senior Secured Creditors"), and Super Senior Creditors representing more than 50% of the Super Senior Secured Liabilities (the "Majority Super Senior Creditors") save that, for instructions relating to enforcement, it shall mean the group of Secured Creditors entitled to give instructions in accordance with the enforcement regime described under "*—Enforcement of Transaction Security*" below;

(ii) on or after the later of the Senior Secured Discharge Date and the Super Senior Discharge Date but before the Priority Discharge Date, Second Lien Creditors representing more than 50% of the Second Lien Liabilities (the "Majority Second Lien Creditors"); and

(iii) on or after the Priority Discharge Date but before the Topco Discharge Date, Topco Creditors representing more than 50% of the Topco Liabilities (the "Majority Topco Creditors").

Enforcement of Transaction Security

The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise in accordance with the provisions described in this paragraph. If the Transaction Security has become enforceable, if either the Majority Super Senior Creditors or the Majority Senior Secured Creditors wish to issue enforcement instructions they shall deliver a copy of those instructions (an "Initial Enforcement Notice") to the Security Agent and to the other agents, trustees and hedge counterparties.

The Security Agent will act in accordance with any instructions (provided they are consistent with the Enforcement Principles (as defined below)) received from (i) the Majority Senior Secured Creditors, (ii) if the Majority Senior Secured Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue within three months of the Initial Enforcement Notice or the Super Senior Discharge Date has not occurred within six months of the Initial Enforcement Notice, the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (iii) if an Insolvency Event (other than an Insolvency Event directly caused by enforcement action taken at the request of a Super Senior Creditor) is continuing, the Super Senior Creditors, until the Super Senior Discharge Date has occurred, (iv) if the Majority Senior Secured Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue and the Majority Super Senior Creditors determine in good faith that a delay could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce the Transaction Security or on the realization of proceeds and the Majority Super Senior Creditors deliver instructions before the Security Agent has received any instructions from the Majority Senior Secured Creditors, the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (v) if, prior to the later of the Senior Secured Discharge Date and the Super Senior Discharge Date, the Majority Senior Secured Creditors or the Majority Super Senior Creditors (as applicable) have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal, any agent or trustee in relation to the Second Lien Liabilities (the "Second Lien Agent") (acting on the instructions of the Majority Second Lien Creditors) where the rights of the Second Lien Creditors to enforce have arisen under the Intercreditor Agreement, or (vi) if, prior to the Priority Discharge Date, the Majority Senior Secured Creditors or the Majority Super Senior Creditors or the Majority Second Lien Creditors (as applicable) have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors).

Notwithstanding the preceding paragraph, if at any time the agents or representatives of the Second Lien Creditors or Topco Creditors then entitled to give the Security Agent instructions either give such instruction or indicate any intention to give such instruction, then the Majority Senior Secured Creditors or Majority Super Senior Creditors to the extent that such group is entitled to give enforcement instructions as described in the paragraph above may give instructions to the Security Agent to enforce the Transaction Security as they see fit and the Security Agent shall act on such instructions.

Notwithstanding anything to the contrary in the ICA or any other Debt Document, the creditors in respect of the Pension Priority Liabilities (and their representatives) shall have no right (in that capacity) to give any instructions relating to the enforcement of any Transaction Security or refraining from enforcing any Transaction Security, including in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that Transaction Security, provided that prior to taking any enforcement action as described herein, the Security Agent shall, to the extent practicable, consult with the relevant creditors in respect of the Pension Priority Liabilities.

"Enforcement Principles" means certain requirements as to the manner of enforcement, including that (i) to the extent consistent with a prompt and expeditious realization of value, the method of enforcement chosen should maximize the value realized from such enforcement, (ii) certain proceeds must be received in cash, and (iii) enforcement in relation to assets over €5,000,000 or shares if not carried out by way of a public auction or other competitive sales process, shall (if the Security Agent is requested to do so by the Majority Super Senior Creditors or Majority Senior Secured Creditors) benefit from a fairness opinion from an investment bank, firm of accountants or third party financial adviser.

Enforcement—Topco Independent Transaction Security

Subject to the Topco Independent Transaction Security having become enforceable in accordance with its terms, an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors) may give or refrain giving, instructions to the Security Agent to enforce or refrain from enforcing the Topco Independent Transaction Security as they see fit.

Manner of Enforcement

If the Transaction Security or Topco Independent Transaction Security is being enforced in accordance with any of the above paragraphs, the Security Agent shall enforce the relevant Transaction Security or Topco Independent Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor or Third Party Security Provider to be appointed by the Security Agent) as any persons entitled at any time under the above provisions shall instruct it or, in the absence of any such instructions, as the Security Agent sees fit (which may include taking no action).

No Secured Party shall have any independent power to enforce, or to have recourse to enforce, any Transaction Security or Topco Independent Transaction Security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Security Held by Other Creditors

If any Transaction Security or Topco Independent Transaction Security is held by a creditor other than the Security Agent, then creditors may only enforce that Transaction Security or Topco Independent Transaction Security in accordance with instructions given by instructing creditors in accordance with the paragraphs above.

Enforcement Regime

Restrictions on Enforcement by Second Lien Creditors

Certain of the features set out below with respect to Topco Creditors may apply to the Second Lien Creditors, with appropriate modifications for the relative position in the capital structure.

Restrictions on Enforcement by Topco Creditors

Until the Priority Discharge Date, except with the prior consent of or as required by an Instructing Group, (i) no Topco Creditor or Topco Investor shall direct the Security Agent to enforce, or otherwise require the enforcement of any Transaction Security (including the crystallization of any floating charge forming part of the Transaction Security); (ii) no Topco Creditor nor Topco Investor shall take or require the taking of any Enforcement Action (as defined below) against any member of the ICA Group or Third Party Security Provider (other than in each case (and to the extent not restricted by (i) above and (iii) below) against a Topco Borrower) in relation to the Topco Group Liabilities; and (iii) no Topco Creditor nor Topco Investor nor Topco Borrower shall take or require the taking of any Enforcement Action (as defined below) in relation to Topco Proceeds Loan Liabilities, except in the case of each of (i) through (iii) as set out under "—*Permitted Topco Enforcement*" below.

Other than as restricted by (i) and (iii) in the paragraph above, any Topco Creditor may at any time take any Enforcement Action (as defined below) against any Topco Investor, Topco Borrower or any Topco Guarantor that is not a member of the ICA Group or a Third Party Security Provider, in each case in accordance with the terms of the Topco Finance Documents (as defined in the Intercreditor Agreement).

"Enforcement Action" is defined as:

(i) (A) in relation to any liabilities (other than unsecured liabilities) the acceleration, putting on demand, making of a demand, requiring a member of the Topco Group or Third Party Security Provider to acquire such liabilities (subject to certain exceptions), exercising of rights of set-off (other than certain netting under hedging agreements or as otherwise permitted under the Debt Documents) or (B) suing or commencing proceedings in relation to such liabilities;

(ii) premature termination or close-out of a hedging agreement, save to the extent permitted by the Intercreditor Agreement;

(iii) the taking of steps to enforce or require the enforcement of the Transaction Security or, as the case may be, Topco Independent Transaction Security (including the crystallization of any floating charge) as a result of an acceleration event;

(iv) entering into any composition, compromise, assignment or similar arrangement with any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given security or guarantees in respect of liabilities owed to a creditor under the Intercreditor Agreement (other than any

action permitted under the Intercreditor Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant finance documents); or

(v) petitioning, applying, voting for or taking steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given security or guarantees in respect of liabilities owed to a creditor under the Intercreditor Agreement or any of such Third Party Security Provider or member of the Topco Group's assets or any suspension of payments or moratorium of any indebtedness of any such Third Party Security Provider or member of the Topco Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action, (A) suing, commencing proceedings or taking any action referred to in paragraph (i)(B) and (v) where necessary to preserve a claim, (B) discussions between or proposals made by the Priority Secured Parties with respect to enforcement of the Transaction Security in accordance with the Intercreditor Agreement, (C) bringing proceedings in connection with a securities violation, securities or listing regulations or common law fraud or to restrain any breach of the Debt Documents or for specific performance with no claims for damages, (D) proceedings brought by a Secured Party to obtain injunctive relief, specific performance with no claim for damages or to request judicial interpretation in relation to a Debt Document to which it is party with no claim for damages, (E) demands made by Intra-Group Creditors (as defined in the Intercreditor Agreement) or Subordinated Creditors to the extent they relate to payments permitted under the Intercreditor Agreement or the release of the liabilities owed to such creditors in return for the issue of shares in the relevant member of the ICA Group provided that the ownership interest of the member of the ICA Group is not diluted and any relevant shares remain subject to the same Transaction Security as existed prior to the issue, (F) any action or step taken by a creditor in respect of Pension Priority Liabilities or any other person pursuant to or in connection with the Pension Priority Liabilities or the documents governing the Pension Priority Liabilities (other than, for the avoidance of doubt, any action or step by the Security Agent in respect of the Pension Priority Liabilities which would constitute Enforcement Action under sub-paragraph (iii) above) and (G) proceedings brought by an ancillary lender, a lender of Cash Management Facility Liabilities (a "Cash Management Facility Lender"), hedge counterparty, issuing bank, or agent or trustee in respect of the Second Lien Liabilities or Topco Liabilities to obtain injunctive relief, specific performance with no claim for damages or to request judicial interpretation in relation to a Debt Document to which it is party with no claim for damages or in connection with any securities violation, securities or listing regulations or common law fraud.

Permitted Topco Enforcement

The restrictions set out above under "*—Restrictions on Enforcement by Topco Creditors*" will not apply in respect of the Topco Group Liabilities, Topco Proceeds Loan Liabilities, or any Transaction Security securing the Topco Group Liabilities, if:

(i) an event of default under a Topco Finance Document or a Topco Proceeds Loan Agreement (the "Relevant Topco Default") is continuing;

(ii) all agents or trustees in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, and Second Lien Liabilities have received a notice of the Relevant Topco Default specifying the event or circumstance in relation to the Relevant Topco Default from the Topco Agent, the Topco Notes Trustee or the Topco Borrower in relation to the relevant Topco Group Liabilities;

(iii) a Topco Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Topco Default is continuing at the end of that Topco Standstill Period.

Promptly upon becoming aware of an event of default under a Topco Finance Document, a Topco Notes Trustee, Topco Agent or Topco Investor (as the case may be) may give a Topco Enforcement Notice notifying any agent under a Permitted Senior Secured Facilities Agreement (the "Senior Agent"), senior secured notes trustee, the Second Lien Agent and any second lien notes trustee of the existence of such event of default.

"Topco Standstill Period" means the period beginning on the date (the "Topco Standstill Start Date") a Topco Enforcement Notice is served in respect of such a Relevant Topco Default and ending on the earliest to occur of:

(i) the date falling 179 days after the Topco Standstill Start Date (the "Topco Standstill Period");

(ii) the date the Priority Secured Parties take any Enforcement Action in relation to a particular Debtor or Third Party Security Provider, *provided* that:

(A) if a Topco Standstill Period ends pursuant to this paragraph (ii), the Topco Creditors or a Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may only take the same Enforcement Action in relation to a Topco Guarantor as the Enforcement Action taken by the Priority Secured Parties against such Topco Guarantor and not against any other member of the ICA Group or Third Party Security Provider; and

(B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realize it;

(iii) the date of an Insolvency Event (as defined above) in relation to a particular Topco Guarantor against whom Enforcement Action is to be taken; and

(iv) the expiry of any other Topco Standstill Period outstanding at the date such first mentioned Topco Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

The Topco Creditors or Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may take Enforcement Action under the provisions described in this section (*Permitted Topco Enforcement*) in relation to a Relevant Topco Default even if, at the end of any relevant Topco Standstill Period or at any later time, a further Topco Standstill Period has begun as a result of any other event of default in respect of the Topco Liabilities.

Option to Purchase: Topco Creditors

Following acceleration or the enforcement of Transaction Security upon acceleration under any Senior Secured Creditor Liabilities, Second Lien Liabilities or Topco Liabilities, Topco Creditors may elect to purchase the Senior Lender Liabilities, Super Senior Lender Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities for the amount that would have been required to prepay or redeem such liabilities on such date plus certain costs and expenses. Topco Creditors must also elect for the counterparties to hedging obligations to transfer their hedging obligations to holders in exchange (subject to specified conditions) for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Non-Distressed Disposals

The Security Agent (on behalf of itself and the other Secured Parties) and each other person party to a Transaction Security document or a Topco Independent Transaction Security document agrees that it shall (and is irrevocably authorized, instructed and obliged to do so without further consent, agreement or instruction from any creditor, other Secured Party or Debtor) promptly following receipt of a written request from the Issuer:

(i) release (or procure the release) from the Transaction Security or Topco Independent Transaction Security:

(A) any security (and/or other claim relating to a Debt Document) over any asset which the Issuer has confirmed is the subject of:

(1) a disposal not prohibited under the Finance Documents or where any applicable release and/or consent has been obtained under the applicable Finance Document including a disposal to a member of the ICA Group but without prejudice to any obligation of any member of the ICA Group in a Finance Document to provide replacement security;

(2) any other transaction not prohibited by the Finance Documents pursuant to which that asset will cease to be held or owned by a member of the ICA Group,

in each case where such disposal is not a Distressed Disposal (as defined below) (in each case, a "Non-Distressed Disposal");

(B) any security (and/or other claim relating to a Debt Document) over any document or other agreement requested in order for any member of the ICA Group to the extent that the Issuer has confirmed that such action is not prohibited by any Finance Document to effect any amendment or waiver or otherwise exercise any rights, comply with any obligation or take any action in relation to such document or agreement;

(C) any security (and/or other claim relating to a Debt Document) over any asset of any member of the ICA Group which has ceased or will cease to be a Debtor or guarantor to the extent that the Issuer has confirmed that such ceasing to be a Debtor or guarantor in accordance with the terms of each Finance Document or the Agreed Security Principles (as defined in the New Revolving Credit Facility Agreement); and

(D) any security (and/or other claim relating to a Debt Document) over any other asset to the extent that the Issuer has confirmed that such security is not required to be given or such release in accordance with the terms of any Finance Document or the Agreed Security Principles (as defined in the New Revolving Credit Facility Agreement); and

(ii) in the case of a disposal of share or ownership interest in a Debtor, the GP other member of the ICA Group or any holding company of any Debtor or the GP or any other transaction pursuant to which a Debtor, the GP other member of the ICA Group or any holding company of any Debtor or the GP will cease to be a member of the Topco Group or a Debtor, release or procure the release of that Debtor the GP or other member of the ICA Group and its subsidiaries from all present and future liabilities under the Secured Debt Documents and the respective assets of such Debtor and its subsidiaries from the Transaction Security or Topco Independent Transaction Security and the Secured Debt Documents (including any claim relating to a Debt Document).

When making any request for a release pursuant to paragraphs (i)(A) or (i)(B) above, the Issuer shall confirm in writing to the Security Agent, that the relevant disposal or other action is not prohibited as at the date of completion of such release or, at the option of the Issuer, on the date that the definitive agreement for such disposal or similar transaction is entered into.

When making any request for a release pursuant to paragraph (i)(C) or (i)(D) above, the Issuer shall confirm in writing to the Security Agent, that such security is not required to be given or the relevant release or cessation is otherwise in accordance with the terms of the Finance Documents or the Agreed Security Principles (as defined in the New Revolving Credit Facility Agreement).

In the case of a disposal of shares or other ownership interests in a Debtor, member of the ICA Group or holding company of any Debtor or any other transaction pursuant to which a Debtor, member of the ICA Group or holding company of any Debtor will cease to be a member of Topco Group or a Debtor, to the extent the Issuer has confirmed to the Security Agent that it is not prohibited by the Finance Documents, if such member of the Topco Group or a Debtor is a borrower, issuer or primary debtor under any Debt Document, such person shall have the right to voluntarily prepay all Liabilities outstanding under any Debt Document.

Distressed Disposals

"Distressed Disposal" means a disposal of an asset or shares of, or other financial securities issued by a member of the ICA Group or, in the case of a Third Party Security Provider, any Transaction Security which is being effected (a) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable as a result of an acceleration event, (b) by enforcement of the Transaction Security as a result of an acceleration event, or (c) after the occurrence of an acceleration event or the enforcement of security as a result of an acceleration event, by a Debtor or Third Party Security Provider to a person or persons which is not a member of the Topco Group.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor, Third Party Security Provider and the Issuer and without any consent, sanction, authority or further confirmation from any creditor under the Intercreditor Agreement, Third Party Security Provider or Debtor):

(i) to release the Transaction Security or any other claim over that asset, enter into any release of that Transaction Security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of a Debtor or the GP to release (A) that Debtor, the GP (to the extent relevant) and any subsidiary of that Debtor from all or any part of its borrowing, guarantee or other liabilities (but excluding any Pension Priority Liabilities); (B) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets, and (C) any other claim of an intra-group lender, a Topco Investor, Subordinated Creditor or another Debtor over the GP and/or that Debtor's assets or over the assets of any subsidiary of the GP and/or that Debtor, on behalf of the relevant creditors and Debtors;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor to release (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing, guarantee or other liabilities (but excluding any Pension Priority Liabilities); (B) any Transaction Security granted by that holding company or any subsidiary of that holding company over any of its assets, and (C) any other claim of an intra-group lender, a Topco Investor, Subordinated Creditor or a Debtor over that holding company's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant creditors and Debtors;

(iv) if the asset which is disposed of consists of shares in the capital of the GP, a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities (other than Pension Priority Liabilities) owed by the GP, such Debtor or holding company or any of their subsidiaries to creditors or other Debtors:

(A) if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities (the "Transferee") will be treated as a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those liabilities, provided that, notwithstanding any other provision of any Debt Document, the Transferee shall not be treated as a Secured Creditor or Secured Party for the purposes of the Intercreditor Agreement; and

(B) if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Secured Parties and all or part of any other liabilities,

on behalf of, in each case, the relevant creditors, Third Party Security Providers and Debtors; and

(v) if the asset which is disposed of consists of shares in the capital of the GP, a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of a subsidiary of that Disposed Entity in respect of the intra-group liabilities or liabilities owed to any Debtor, to execute and deliver or enter into any agreement to:

(A) transfer all or part of the obligations in respect of those intra-group liabilities or liabilities to any Debtor on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) (provided the Receiving Entity is a holding company of the Disposed Entity which is also a Guarantor of the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities, liabilities owed to Debtors on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or liabilities owed to Debtors are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities as described above) shall be paid to the Security Agent for application in accordance with the provisions set out under "*—Application of Proceeds*" below as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities has occurred, as if that disposal of liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (although the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

If a Distressed Disposal is being effected at a time when the Majority Second Lien Creditors are entitled to give and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release the GP, any Debtor, Subsidiary or holding company from any borrowing liabilities or guarantee liabilities owed to any Senior Secured Creditor unless those borrowing liabilities or guarantee liabilities and any other Senior Secured Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) following that release.

If a Distressed Disposal is being effected at a time when the Majority Topco Creditors are entitled to give, and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release the GP, any Debtor, subsidiary or holding company from any borrowing liabilities or guarantee liabilities owed to any Senior Secured Creditor or any Second Lien Creditor unless those borrowing liabilities or guarantee liabilities and any other Senior Secured Liabilities or Second Lien Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) following that release.

Where borrowing liabilities in respect of any Senior Secured Liabilities, Second Lien Liabilities, Senior Secured Notes Proceeds Loan Liabilities, Topco Liabilities or unsecured liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to a holding company of the Issuer, in which case the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Issuer and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If before the Second Lien Discharge Date or the Topco Discharge Date, a Distressed Disposal is being effected such that the Second Lien Liabilities or the Topco Liabilities and Transaction Security over shares in a borrower or issuer of, or over assets of a borrower or issuer of, Second Lien Liabilities or Topco Liabilities will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

(i) the Second Lien Agent, Second Lien Notes Trustee, Topco Agent and Topco Notes Trustee (as applicable) have approved the release; or

(ii) where shares or assets of a borrower, issuer or guarantor (a "Second Lien Guarantor") in respect of Second Lien Liabilities or Topco Guarantor are sold:

(A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, a valuation opinion has been obtained in accordance with the provisions set out below; and

(B) all claims of the Secured Parties (other than in relation to (x) performance bonds, guarantees or similar instruments issued by a Secured Creditor on behalf of a member of the ICA Group or (y) Pension Scheme Liabilities) against a member of the ICA Group (if any) and the GP (if any), all of whose shares (other than any minority interest not owned by members of the ICA Group) are pledged in favor of the Priority Secured Parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security, Topco Independent Transaction Security or other security in favor of the Secured Parties in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(I) where the Senior Secured Creditors constitute the Instructing Group, the Senior Agent and any senior secured notes trustee (i) determine, acting reasonably and in good faith, that the Senior Secured Creditors will recover more than if such claim was released or discharged but nevertheless less than the outstanding Senior Secured Liabilities, and (ii) serve a notice on the Security Agent notifying the Security Agent of the same;

(II) where the Second Lien Creditors constitute the Instructing Group, the Second Lien Agent and any second lien notes trustee (i) determine acting reasonably and in good faith that the Priority Secured Parties (collectively) will recover more than if such claim was released or discharged but nevertheless less than the outstanding amount of the liabilities owed to the Priority Secured Parties (the "Priority Secured Liabilities"), and (ii) serve a notice on the Security Agent notifying the Security Agent of the same; and

(III) where the Topco Creditors constitute the Instructing Group, the Topco Agent and the Topco Notes Trustee (i) determine acting reasonably and in good faith that the Priority Secured Parties and the Topco Creditors (collectively) will recover more than if such claim was released or discharged but is nevertheless less than the outstanding Priority Secured Liabilities and the Topco Liabilities (collectively), and (ii) serve a notice on the Security Agent notifying the Security Agent of the same,

in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser) and the consideration for such sale or transfer may be in the form of non-cash consideration by way of the Senior Secured Creditors, Second Lien Creditors or Topco Creditors (whichever constitutes the Instructing Group) bidding by an appropriate mechanic the Senior Secured Liabilities, Second Lien Liabilities or Topco Liabilities (as applicable) such that the relevant liabilities would on completion be discharged to the extent of an amount equal to the amount of the offer made by the relevant creditors; and

(C) such sale or disposal (including any sale or disposal of any claim) is made:

(I) pursuant to a public auction or other competitive sale process run in accordance with the advice of a reputable, independent investment bank, firm of accountants or third party professional firm with a view to obtaining the best price reasonably obtainable taking into account all relevant circumstances and in which creditors under the Second Lien Liabilities and Topco Liabilities are entitled to participate as prospective buyers and/or financiers; or

(II) where a reputable, independent investment bank, firm of accountants or third party professional firm which is regularly engaged in providing such valuations has delivered an opinion (including an enterprise valuation) in respect of such sale or disposal that the amount is fair from a financial point of view, taking into account all relevant circumstances including the method of enforcement, provided that the liability of such investment bank, firm of accountants or third party professional firm in giving such opinion may be limited to the amount of its fees in respect of such engagement.

Application of Proceeds

Order of Application—Transaction Security

Subject to certain provisions set out in the Intercreditor Agreement and to the proviso described below, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document (other than amounts in respect of Topco Independent Transaction Security or any other security which is not Transaction Security or any guarantees provided by any holding company of LSF10 Wolverine Holdings S.à.r.l. or any subsidiary of any holding company of the Issuer (other than a member of the ICA Group) in respect of any Topco Liabilities or Topco Proceeds Loan Liabilities) or in connection with the realization or enforcement of all or any part of the Transaction Security shall be applied at any time as the Security Agent sees fit, in the following order of priority:

(i) in discharging any Agent Liabilities relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities and any sums owed to the Security Agent and any receiver or delegate on a *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Secured Creditor in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(iii) for application towards the discharge of:

(A) the Pension Scheme Liabilities which are Pension Priority Liabilities;

(B) the Pension Insurance Liabilities which are Pension Priority Liabilities;

(C) the PIL Liabilities which are Pension Priority Liabilities,

(D) the Super Senior Lender Liabilities and liabilities to arrangers thereof; and

(E) the Hedging Liabilities that have been designated by the Issuer as ranking alongside the Super Senior Lender Liabilities (the "Super Senior Hedging Liabilities") (on a *pro rata* basis between the Super Senior Hedging Liabilities of each hedge counterparty),

on a *pro rata* basis and ranking *pari passu* between paragraphs (A), (B), (C), (D) and (E) above;

(iv) for application towards the discharge of:

(A) the Senior Lender Liabilities and liabilities to arrangers thereof;

(B) the Senior Secured Notes Liabilities;

(C) the Cash Management Facility Liabilities; and

(D) the Hedging Liabilities which are not Super Senior Hedging Liabilities,

on a *pro rata* basis and ranking *pari passu* between paragraphs (A), (B), (C) and (D) above;

(v) for application towards the discharge of (x) the Second Lien Lender Liabilities and liabilities to arrangers thereof, and (y) the Second Lien Notes Liabilities, on a *pro rata* basis and ranking *pari passu* between themselves;

(vi) solely to the extent such proceeds are from the realization or enforcement of the Topco Shared Security and any guarantees provided by a Topco Guarantor that is a member of the ICA Group or Third Party Security Provider in respect of the Topco Liabilities, for application towards the discharge of (A) the Topco Facility Liabilities and liabilities to arrangers thereof, and (B) the Topco Notes Liabilities, on a *pro rata* basis and ranking *pari passu* between themselves;

(vii) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability under any Debt Document relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(viii) the balance, if any, in payment to the relevant Debtor,

(ix) provided that, all amounts from time to time received or recovered by the Security Agent from or in respect of a Topco Borrower pursuant to the terms of any Debt Document (other than in connection with the realization or enforcement of the Transaction Security or Topco Independent Transaction Security) shall be held by the Security Agent on trust to apply at any time as the Security Agent sees fit, in the following order of priority:

(A) in accordance with paragraph (i) above;

(B) in accordance with paragraph (ii) above;

(C) in accordance with paragraphs (iii), (iv), (v) and (vi) above (in each case only to the extent there are liabilities due from the relevant Topco Borrower to such creditors);

(D) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability under any Secured Debt Document, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(E) the balance, if any, in payment to the relevant Debtor.

Order of Application—Topco Independent Transaction Security

Subject to certain provisions set out in the Intercreditor Agreement, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Topco Document in connection with the realization or enforcement of Topco Independent Transaction Security or any guarantees provided by a Topco Guarantor (other than a member of the ICA Group) (the "Topco Recoveries") shall be applied at any time as the Security Agent sees fit, in the following order of priority:

(i) in discharging any Agent Liabilities in respect of the Topco Liabilities (to the extent related to such Topco Recoveries), the Security Agent and any receiver or delegate, on a *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Topco Creditor in connection with any realization or enforcement of the Topco Independent Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(iii) for application towards the discharge of:

(A) the Topco Facility Liabilities; and

(B) the Topco Notes Liabilities,

on a *pro rata* basis and ranking *pari passu* between paragraphs (A) and (B) above;

(iv) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability in respect of the Secured Liabilities, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(v) the balance, if any, in payment to the relevant Debtor.

Equalization

The Intercreditor Agreement will provide that if, for any reason, any liabilities relating to Super Senior Liabilities, Senior Secured Liabilities, Second Lien Liabilities or Topco Liabilities remain unpaid after the first date on which certain types of Enforcement Action are taken (the "Enforcement Date") and the resulting losses are not borne by the creditors in any given specified class in the proportions which their respective exposures at the Enforcement Date bore to the aggregate exposures of all the creditors in that specified class at the Enforcement Date, the relevant class of creditors will make such payments amongst themselves as the Security Agent shall require to put the relevant creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Required Consents

The Intercreditor Agreement will provide that, subject to certain exceptions, its terms may be amended or waived only with the consent of the Issuer, the agents and trustees for the Secured Parties, and the Security Agent, provided that, to the extent that an amendment, waiver or consent only affects one class of creditors, and such amendment, waiver or consent could not reasonably be expected materially or adversely to affect the interests of the other classes of creditors, only written agreement from the agent or trustee acting on behalf of the affected class shall be required.

An amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other matters, the provisions set out under "— *Application of Proceeds"* above and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of each of the agents or trustees (acting in accordance with the relevant finance documents) under the Senior Liabilities, the Super Senior Liabilities, the Second Lien Liabilities and the Topco Liabilities, (i) each Cash Management Facility Lender (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Cash Management Facility Lender under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), (ii) each Hedge Counterparty (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Hedge Counterparty under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), (iii) each creditor in respect of Pension Priority Liabilities (but only to the extent that such amendment or waiver would materially adversely affect the rights and obligations of that creditor under the Intercreditor Agreement in its capacity as such and would not materially adversely affect the rights of any other creditor or class of creditors) and (iv) the Issuer.

Each agent or trustee shall, to the extent instructed to consent by the requisite percentage of creditors it represents or as otherwise authorized by the Debt Documents to which it is party, act on such instructions or authorizations in accordance therewith (save to the extent any amendments so consented or authorized to relate to any provision affecting the personal rights and obligations of that agent or trustee in its capacity as such).

Amendments and Waivers: Transaction Security Documents

Subject to certain exceptions under the Intercreditor Agreement (as described below), the Security Agent may, if the Issuer consents, amend the terms of, release or waive any of the requirements of or grant consents under, any document creating Transaction Security or Topco Independent Transaction Security which shall be binding on each party and the prior consent of the Secured Parties is required to authorize any amendment, release or waiver of, or consent under, any document creating Transaction Security which would adversely affect the nature or scope of the assets subject to Transaction Security or the manner in which the proceeds of enforcement of the Transaction Security or Topco Independent Transaction Security are distributed.

Exceptions

Subject to the paragraph below, an amendment, waiver or consent which relates to the rights or obligations which are personal to an agent, an arranger or the Security Agent in its capacity as such (including, without limitation, any ability of that Security Agent to act in its discretion under the Intercreditor Agreement) may not be effected without the consent of that agent, arranger or, as the case may be, Security Agent.

The preceding paragraph and the first paragraph above under "*—Amendments and Waivers: Transaction Security Documents*" are subject to certain exceptions under the Intercreditor Agreement, relating in particular to (i) any release of Transaction Security, claim or liabilities, or (ii) to any amendment waiver or consent, which, in each case, the Security Agent gives in accordance with the provisions of the Intercreditor Agreement relating to the incurrence of additional or refinancing debt or the provisions set out under "*—New Debt Financings,"* "*—Non-Distressed Disposals"* and "*—Distressed Disposals"* above. Any release, amendment, waiver or consent effected in accordance with the relevant provisions of the Debt Documents relating to such matters can be effected solely by the Issuer and the Security Agent.

Snooze/Lose

If in relation to a request for a consent, to participate in a vote of a class of creditors, to approve any action or to provide any confirmation or notification, in each case, under the Intercreditor Agreement or another applicable agreement (but excluding any indenture), any creditor fails to respond to the request within ten business days (or any other period of time notified by the Issuer, with the agreement of each of the agents or trustee in the case of a shorter period of time) or fails to provide details of its credit participation, such creditor will be disregarded or be deemed to have zero participation in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable.

Provisions Following an IPO

Following an initial public offering of a member of the ICA Group (or a holding company thereof) (an "IPO"), the Issuer is entitled to give notice that the terms of the Debt Documents will automatically operate so that, amongst other things, (i) the ICA Group (and all related provisions) will now refer to the member of the ICA Group or holding company of the Issuer who will issue shares or whose shares are to be sold pursuant to such IPO (the "IPO Pushdown Entity," and if any Topco Notes are not refinanced in full on or before the date of such IPO, the IPO Pushdown Entity shall be any holding company of the Issuer which is the issuer or borrower of any Topco Liabilities) and its Restricted Subsidiaries, (ii) all financial ratio calculations shall be made excluding any holding company of the IPO Pushdown Entity, (iii) certain provisions of the Debt Documents (including representations, undertakings and events of default) will cease to apply to any holding company of the IPO Pushdown Entity.

Each holding company of the IPO Pushdown Entity shall be released from all obligations under the Debt Documents (including any Transaction Security) and each Subordinated Creditor, Third Party Security Provider, Investor (as defined in the New Revolving Credit Facility Agreement) or Topco Independent Obligor will be released from its obligations and restrictions under the Intercreditor Agreement in the appropriate capacity.

Subject to the consent of the majority lenders under and as defined in the Senior Lender Liabilities, noteholders representing more than 50% of any Senior Secured Notes Liabilities, the majority lenders under and as defined in any Second Lien Facility Agreement, noteholders representing more than 50% of any Second Lien Notes Liabilities, the majority lenders under and as defined in any Topco Facility and noteholders representing more than 50% of any Topco Notes Liabilities (following the relevant IPO), each holding company of the IPO Pushdown Entity shall also be released from all obligations as Debtor and guarantor under the Debt Documents and from the Transaction Security (other than, in each case, borrowing liabilities). Each party to the Intercreditor Agreement shall be required to enter into any amendment, release or replacement of any Debt Document required to facilitate such matters.

Agreement to Override

Unless expressly stated otherwise therein, the Intercreditor Agreement overrides anything in any other Debt Documents to the contrary.

PIK Toggle Notes

In connection with the Transactions, on or prior to the Acquisition Completion Date, PIK Holdco, an indirect holding company of the Issuer, will issue up to €100 million of senior secured PIK toggle notes due 2024 in a private placement. The PIK Toggle Notes will mature six months following the maturity date of the Notes, unless earlier redeemed or repurchased and cancelled in accordance with the indenture governing the PIK Toggle Notes.

Interest on the PIK Toggle Notes will be payable semi-annually in arrears in cash or in kind at the sole option of PIK Holdco, provided that the last interest payment will be made entirely in cash.

The PIK Toggle Notes will not be guaranteed and will be secured by first-ranking security interests over the shares of PIK Holdco and any shareholder debt owing by PIK Holdco. The PIK Toggle Notes will not benefit from any credit support from the Issuer, the Guarantors or any of their respective subsidiaries. The PIK Toggle Notes will be senior obligations of PIK Holdco and will be structurally subordinated to all existing and future obligations of the subsidiaries of PIK Holdco, including the Notes issued hereby, borrowings outstanding under the Revolving Credit Facility, trade payables and lease obligations.

The indenture governing the PIK Toggle Notes will contain certain restrictive covenants, which, subject to certain exceptions, will be substantially similar to the covenants governing the Notes, which are set forth under "*Description of the Notes—Certain Covenants*." In connection with the issuance of the PIK Toggle Notes, PIK Holdco will enter into a subordination agreement to govern, *inter alia*, the relationships and relative priorities among the holders of the PIK Toggle Notes and PIK Holdco's shareholders.

DESCRIPTION OF THE NOTES

The following is a description of the € million aggregate principal amount of % Senior Secured Notes due 2024 (the "*Fixed Rate Notes*") and the € million aggregate principal amount of Floating Rate Notes due 2024 (the "*Floating Rate Notes*" and together with the Fixed Rate Notes, the "*Notes*"). The Notes will be issued by LSF10 Wolverine Investments S.C.A. (the "*Issuer*"). You will find definitions of certain capitalized terms used in this "*Description of the Notes*" under the heading "*Certain Definitions*." For purposes of this "*Description of the Notes*," references to the "*Issuer*," "*we*," "*us*" and "*our*" refer only to LSF10 Wolverine Investments S.C.A. and not to any of its Subsidiaries.

The Issuer will issue the Notes under an indenture to be dated as of , 2018 (the "*Indenture*"), between, *inter alios*, the Issuer, LSF10 Wolverine Bidco ApS (the "*Issue Date Guarantor*"), as a Guarantor, Deutsche Trustee Company Limited, as trustee (in such capacity, the "*Trustee*"), Deutsche Bank AG, London Branch, as calculation agent, paying agent and security agent (in such capacity, the "*Security Agent*"), and Deutsche Bank Luxembourg S.A., as registrar and transfer agent, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not be qualified under, incorporate by reference or include, or be subject to, any of the provisions of the U.S. Trust Indenture Act of 1939, as amended, including Section 316(b) of such Act. Consequently, the Holders will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under a qualified indenture, including among other things, those requiring the Trustee to resign in the event of certain conflicts of interest and to inform Holders of certain relationships between it and us.

The Issuer will use the proceeds from the offering of the Notes sold on the Issue Date, together with the proceeds from the Equity Contribution, to (i) fund the purchase price for the Acquisition, (ii) fund cash to the balance sheet of the Target for general corporate purposes and (iii) pay fees and expenses incurred in connection with the Transactions, including fees and expenses in connection with this offering of the Notes. Pending the consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers of the Notes will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit the gross proceeds of this offering of the Notes into an escrow account (the "*Escrow Account*") pursuant to the terms of an escrow deed (the "*Escrow Agreement*") dated as of the Issue Date, among the Issuer, the Trustee and Wells Fargo Bank N.A., London Branch, as escrow agent (the "*Escrow Agent*"). If the Acquisition is not consummated or the other conditions to release of the Escrowed Property (as defined herein), as more fully described below under the caption "*—Escrow of Proceeds; Special Mandatory Redemption*" have not been satisfied, on or prior to July 31, 2018 (the "*Escrow Longstop Date*"), or upon the occurrence of certain other events, the Notes will be redeemed at a price equal to 100% of the initial issue price of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, from, and including, the Issue Date to, but excluding, the Special Mandatory Redemption Date. See "*—Escrow of Proceeds; Special Mandatory Redemption.*"

Upon the initial issuance of the Notes on the Issue Date, the Notes will only be obligations of the Issuer and the Issue Date Guarantor, as Guarantor, and will not be guaranteed by the Target or any of its Restricted Subsidiaries. Assuming the Completion Date occurs on or prior to the Business Day immediately following the Escrow Longstop Date and the Escrowed Property is released from the Escrow Account, the Target and certain of its Restricted Subsidiaries will enter into one or more supplemental indentures to become a party to the Indenture and will guarantee (subject to the Agreed Security Principles) the Notes on a senior secured basis upon the earlier of (i) the date such entities guarantee the Revolving Credit Facility and (ii) 120 days from the Completion Date. Prior to the Completion Date, neither the Issuer nor the Issue Date Guarantor will control the Target or any of its Subsidiaries, and none of the Target or any of its Subsidiaries will be subject to the covenants described in this "*Description of the Notes*." As such, we cannot assure you that, prior to the Completion Date, the Target and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities as of the Issue Date and any such non compliance will not constitute a default or Event of Default under the Indenture prior to the Completion Date.

The Indenture will be unlimited in aggregate principal amount. We may, subject to applicable law and the terms of the Indenture, issue an unlimited principal amount of additional Fixed Rate Notes (the "*Additional Fixed Rate Notes*") and additional Floating Rate Notes (the "*Additional Floating Rate Notes*" and together with the Additional Fixed Rate Notes, the "*Additional Notes*"); *provided* that if the Additional Fixed Rate Notes are not fungible with the Fixed Rate Notes originally issued for U.S. federal income tax purposes or the Additional Floating Rate Notes are not fungible with the Floating Rate Notes originally issued for U.S. federal income tax purposes, respectively, such Additional Fixed Rate Notes or Additional Floating Rate Notes, as applicable, will be issued with a separate ISIN code or common code or other identifying number, as applicable, from the Fixed Rate Notes or Floating Rate Notes, as applicable, originally issued. We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens. See "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." Except as otherwise

provided for in the Indenture, each of the Fixed Rate Notes (together with any Additional Fixed Rate Notes) and Floating Rate Notes (together with any Additional Floating Rate Notes) will constitute a separate series of Notes, but shall be treated as a single class for all purposes under the Indenture, including in respect of any amendment, waiver or other modification of the Indenture, redemption and offers to purchase or any other action by the Holders hereunder. Unless the context otherwise requires, in this "*Description of the Notes*," references to the "*Notes*" include the Fixed Rate Notes and the Floating Rate Notes and any Additional Fixed Rate Notes and Floating Rate Notes that are actually issued under the Indenture.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below), and in the case of certain conflicts between the terms of the Indenture and the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail. The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, the procedures for undertaking enforcement action, the subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See "*Description of Certain Finance Arrangements—Intercreditor Agreement*" for a description of certain terms of the Intercreditor Agreement.

This "*Description of the Notes*" is intended to be an overview of the material provisions of the Notes and the Indenture and refers to the Intercreditor Agreement, the Escrow Agreement and the Security Documents. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Indenture, the Intercreditor Agreement, the Escrow Agreement and the Security Documents for complete descriptions of the obligations of the Issuer and your rights. Copies of such documents will be available from us upon request on and after the Issue Date.

The registered Holder will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the Securities Act and will be subject to certain transfer restrictions.

General

The Notes

The Notes will:

- be general senior obligations of the Issuer, secured as set forth under "—*Security*";
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including the obligations of the Issuer under the Revolving Credit Facility and certain Hedging Obligations;
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- on the Issue Date, be effectively subordinated to any existing or future indebtedness or obligation of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such obligation or indebtedness, and on and after the Completion Date, be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such obligation or indebtedness;
- on the Issue Date, be guaranteed by the Issue Date Guarantor and (subject to the Agreed Security Principles), on the earlier of (i) the date such entity guarantees the Revolving Credit Facility Agreement and (ii) 120 days from the Completion Date, by the Post-Completion Guarantors (as defined below), in each case, on a senior secured basis;
- following the Completion Date, be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors;
- mature on , 2024; and
- be represented by one or more registered Notes in global form, but in certain circumstances may be represented by Definitive Registered Notes. See "*Book-Entry, Delivery and Form.*"

Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests.

The Issuer is a newly formed holding company incorporated for the purposes of the Transactions, with no material operations of its own and only limited assets. Prior to the Completion Date, the only Subsidiary of the Issuer will be the Issue Date Guarantor. Following the Completion Date, the operations of the Issuer will be conducted through the Target and its Subsidiaries. Therefore, after the Completion Date, the Issuer will depend on the receipt of funds from its Subsidiaries (whether in the form of dividends, other distributions, return on capital or payments with respect to intercompany obligations) to meet its obligations, including its obligations under the Notes. The Notes will be structurally subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's Subsidiaries that are not Guarantors.

As of the Issue Date, the Issue Date Guarantor, and as of Completion Date, all of the Issuer's other Subsidiaries (including the Target and its Subsidiaries), will be "*Restricted Subsidiaries*" for the purposes of the Indenture. However, under the circumstances described below under "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*" and consistent with the definition set forth under "*—Certain Definitions—Unrestricted Subsidiary*," we will be permitted to designate certain of our Subsidiaries as "*Unrestricted Subsidiaries*." Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

The Guarantees

On the Issue Date, the Notes will only be guaranteed by the Issue Date Guarantor. On the earlier of (i) the date such entities guarantee the Revolving Credit Facility and (ii) 120 days from the Completion Date, the Notes will also be guaranteed by the Post-Completion Guarantors. In addition, if required by the covenant described under "*—Certain Covenants—Additional Guarantees*," certain other Restricted Subsidiaries may provide a Notes Guarantee in the future.

Once granted, the Notes Guarantee of each of the Guarantors will:

- be a general senior obligation of that Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not subordinated in right of payment to such Notes Guarantee (including obligations under the Revolving Credit Facility and certain Hedging Obligations);
- rank senior in right of payment to any existing and future Indebtedness of that Guarantor that is expressly subordinated in right of payment to such Notes Guarantee;
- be effectively senior to any existing or future indebtedness or obligation of that Guarantor that is not secured by the Collateral owned by that Guarantor, to the extent of the value of such Collateral;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property or assets that do not secure such Notes Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness, including obligations to trade creditors, of the Subsidiaries of such Guarantor that are not Guarantors.

The obligations of a Guarantor under its Notes Guarantee will be limited as necessary to prevent the relevant Notes Guarantee from constituting a fraudulent conveyance or unlawful financial assistance under applicable law, or otherwise to reflect limitations under applicable law. In addition, the Notes Guarantees will be further limited as required under the Agreed Security Principles as described below under "*—Notes Guarantees—General*." By virtue of these limitations, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Notes Guarantees and the Collateral securing the*

Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability." The validity and enforceability of the Notes Guarantees and the liability of each Guarantor will be subject to the limitations described in "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

As of October 31, 2017, after giving *pro forma* effect to the Transactions, the Issuer and its consolidated Subsidiaries would have had €515.0 million of Indebtedness secured by the Collateral (excluding €100.0 million available for drawing under the Revolving Credit Facility). Based on our current estimate of our cash flow and operations, we expect to draw on the Revolving Credit Facility on the Completion Date to meet our seasonal working capital requirements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Seasonality, Weather and Trade Periods*." In addition, the Issuer and its consolidated subsidiaries would have had no other financial indebtedness outstanding.

Principal, Maturity and Interest

On the Issue Date, the Issuer will issue €515.0 million in aggregate principal amount of Notes, consisting of € million in aggregate principal amount of Fixed Rate Notes and € million in aggregate principal amount of Floating Rate Notes. The Notes will mature on , 2024. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Interest on the Notes will be calculated on the aggregate principal amount of Notes outstanding.

Fixed Rate Notes

Interest on the Fixed Rate Notes will accrue at the rate of % per annum. Interest on the Fixed Rate Notes will be payable semi-annually in arrears on and , commencing on , 2018. The Issuer will make each interest payment to the Holders of record on the immediately preceding and . Interest on the Fixed Rate Notes will accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Floating Rate Notes

Interest on the Floating Rate Notes will accrue at a rate per annum (the "*Applicable Rate*"), reset quarterly, equal to the sum of (i) three month EURIBOR (with a 0% floor) plus (ii) %, as determined by the Calculation Agent. Interest on the Floating Rate Notes will be payable in cash quarterly in arrears on , , and of each year, commencing on , 2018. The Issuer will make each interest payment to the holders of record on the immediately preceding , , and . Interest on the Floating Rate Notes will accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Floating Rate Notes.

"*Calculation Agent*" means a financial institution appointed by the Issuer to calculate the interest rate payable on the Floating Rate Notes in respect of each interest period, which shall initially be Deutsche Bank AG, London Branch.

"*Determination Date*" with respect to an Interest Period, means the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"*EURIBOR*" with respect to an Interest Period, means the rate (expressed as a percentage per annum) for deposits in euro for a three month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Issuer will request the principal London office or Frankfurt office of each of four major banks in the euro zone inter-bank market, as selected by the Issuer, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro zone inter-bank market for deposits in a Representative Amount in euro for a three month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request each of three major banks in London or Frankfurt, as selected by the Issuer, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a

Representative Amount in euro to leading European banks for a three month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

"*euro zone*" means the region comprised of member states of the European Union that adopt the Euro.

"*Interest Period*" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and include , 2018.

"Re*presentative Amount*" means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"*Reuters Page 248*" means the display page so designated on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*TARGET Settlement Day*" means any day on which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) System is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "Interest Amount"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of each Floating Rate Note outstanding at the commencement of the Interest Period, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest euro cent (with one half euro cent being rounded upwards). All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point being rounded upwards (e.g., 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties. In no event will the rate of interest on the Floating Rate Notes be higher than the maximum rate permitted by applicable law; *provided*, *however*, that none of the Calculation Agent, the Trustee or the Paying Agent shall be responsible for verifying that the rate of interest on the Floating Rate Notes is permitted under any applicable law.

Methods of Receiving Payments on the Notes

The rights of Holders to receive the payments of interest on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

If the Issuer redeems any Global Notes on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up 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, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer. The right of Holders of beneficial interests in the Notes to receive the payment on such Notes will be subject to the applicable procedures of Euroclear and Clearstream, as applicable.

Principal, interest and premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (initially being the common depositary or its nominee for Euroclear and Clearstream).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("*Definitive Registered Notes*") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in London, United Kingdom. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by check mailed to the address of the Holder entitled thereto as shown on the register of Holders of Notes for the Definitive Registered Notes. See *"—Paying Agent and Registrar for the Notes*" below.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes in London, United Kingdom (including the initial Paying Agent). The initial Paying Agent will be Deutsche Bank AG, London Branch (the "*Paying Agent*").

The Issuer will also maintain a registrar (the "*Registrar*") and a transfer agent (the "*Transfer Agent*"). The initial Registrar will be Deutsche Bank Luxembourg S.A. and the initial Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Notes on behalf of the Issuer. A register of the Notes shall be left at the registered office of the Issuer. In case of inconsistency between the register of Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Issuer shall prevail.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of such Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Notes Guarantees

General

On the Issue Date, the obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will be guaranteed (subject to the Agreed Security Principles) by the Issue Date Guarantor. Additionally, subject to the terms of the Intercreditor Agreement and the Agreed Security Principles, on the earlier of (i) the date a Restricted Subsidiary of the Issue Date Guarantor guarantees the Revolving Credit Facility and (ii) 120 days from the Completion Date, the Notes will also be guaranteed, jointly and severally, on a senior secured basis (each, a "*Notes Guarantee*" and together, the "*Notes Guarantees*"), by the Target and certain of its Subsidiaries (each, a "*Post-Completion Guarantor*" and together with the Issue Date Guarantor, the "*Guarantors*"). The Guarantors also guarantee our obligations under the Revolving Credit Facility, subject to certain guarantee limitations as set out therein.

The Guarantors, the type of Guarantor and their respective jurisdictions of incorporation will be as follows:

Guarantor	Type of Guarantor	Jurisdiction
LSF10 Wolverine Bidco ApS	Issue Date Guarantor	Denmark
Stark Danmark A/S	Post-Completion Guarantor	Denmark
Stark Group A/S	Post-Completion Guarantor	Denmark
DT Finland Oy	Post-Completion Guarantor	Finland
Neumann Bygg AS	Post-Completion Guarantor	Norway
DT Holding (Sweden) AB	Post-Completion Guarantor	Sweden
Beijer Byggmaterial Aktiebolag	Post-Completion Guarantor	Sweden

In addition, as described below "*—Certain Covenants—Additional Notes Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles, certain Subsidiaries of the Issuer that guarantee the Revolving Credit Facility or any Public Debt in the future, in each case of the Issuer or a Guarantor, shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, "thin capitalization" rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee would be disproportionate to the benefit accruing to the Holders.

Each Notes Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the U.S. Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles, to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."

Following the Completion Date, a portion of the operations of the Issuer and its Restricted Subsidiaries (together, the "*Group*") will be conducted through Restricted Subsidiaries of the Issuer that will not be Guarantors. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and

minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders. The Notes and each Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than Guarantors) and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any).

Management estimates that the Guarantors (other than the Issue Date Guarantor) accounted for at least 80% of total revenue for the Ongoing Business and at least 80% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held at least 80% of our total assets as of July 31, 2017. Management estimates that the subsidiaries of the Target that will not be Guarantors accounted for less than 20% of total revenue for the Ongoing Business and less than 20% of Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017, and held less than 20% of our total assets as of July 31, 2017. Within 120 days following the Acquisition Closing Date, subject to certain adjustments and the Agreed Security Principles, the Issuer is required to ensure that the Guarantors (other than Bidco) accounted for at least 80% of (i) total revenue for the Ongoing Business for the year ended July 31, 2017, (ii) Adjusted EBITDA for the Ongoing Business for the year ended July 31, 2017 and (iii) total assets as of July 31, 2017. As of October 31, 2017, after giving effect to the Transactions, the Target's subsidiaries that will not be Guarantors would have had no third-party debt outstanding. Although the Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of the Issuer and its Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness.*"

Notes Guarantees Release

The Notes Guarantee of a Guarantor will terminate and be released:

- upon (a) a sale or other disposition (including by way of consolidation or merger) of any Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor) as a result of which such Guarantor would no longer be a Restricted Subsidiary, or (b) the sale or disposition of all or substantially all the assets of the Guarantor (including by way of merger, consolidation, amalgamation or combination) (other than to the Issuer or a Restricted Subsidiary), otherwise not prohibited by the Indenture;

- upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes in accordance with the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

- in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

- as described under "*—Amendments and Waivers*";

- as described in the second paragraph of the covenant described below under "*—Certain Covenants—Additional Notes Guarantees*";

- as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation*";

- in connection with a Permitted Reorganization;

- upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

- by written notice from the Issuer to the Trustee upon the Notes achieving Investment Grade Status.

The Trustee and the Security Agent (as applicable) shall each take all necessary actions reasonably requested by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee or the Security Agent without the consent of the Holders and will not require any other action or consent on the part of the Trustee. Neither the Trustee nor the Issuer will be required to make a notation on the Notes to reflect any such release, termination or discharge. The Issuer may in its sole discretion elect to have any Notes Guarantee remain in place, as opposed to being released.

Escrow of Proceeds; Special Mandatory Redemption

Pending the consummation of the Acquisition and the satisfaction of certain other conditions, concurrently with the closing of this offering of Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the Issuer will instruct the initial purchasers of the Notes to deposit with the Escrow Agent an amount in cash equal to the gross proceeds of this offering of the Notes sold on the Issue Date into the Escrow Account. The Escrow Account and the Issuer's rights under the Escrow Agreement will be pledged on a first-priority basis in favor of the Trustee for the benefit of the Holders pursuant to an escrow account charge dated the Issue Date between the Issuer and the Trustee (the "*Escrow Charge*"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account, (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall conclusively rely, without further investigation or liability, to the effect that:

- prior to, or substantially concurrently with the release of the Escrowed Property, the Equity Contribution will be made;

- the Acquisition will be consummated on the terms set forth in the Acquisition Agreement, promptly following release of the Escrowed Property, except for any changes or other modifications that will not, individually or when taken as whole, have a material adverse effect on the Holders (as determined in good faith by the Issuer);

- immediately after consummation of the Acquisition, (i) the Issuer will own, directly or indirectly, the entire share capital of the Target (excluding any *de minimis* amounts held by managers or directors of the Target or its Affiliates, if any) and (ii) LSF10 Wolverine Holdings S.à r.l. and LSF10 Wolverine GP S.à r.l. ("*Lux GP*") will own, directly or indirectly, the entire share capital of the Issuer (excluding any *de minimis* amounts held by managers or directors of the Target or its Affiliates, if any); and

- as of the Completion Date, there is no Event of Default under clause (5) of the first paragraph under the heading titled "*Events of Default*" below with respect to the Issuer.

The Release shall occur promptly upon the satisfaction of the conditions set forth above on the Completion Date on or prior to the Business Day immediately following the Escrow Longstop Date. Upon the Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Business Day immediately following the Escrow Longstop Date, (b) the Issuer notifies the Trustee and the Escrow Agent that in its reasonable judgment the Acquisition will not be consummated by the Business Day immediately following the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Issuer or (e) an Event of Default with respect to the Issuer arises under clause (5) of the first paragraph under the heading titled "*Events of Default*" below on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem all of the Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Notes, plus accrued but unpaid interest and Additional Amounts, if any, from, and including, the Issue Date to, but excluding, the Special Mandatory 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).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Holders, the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, Lone Star Fund X (as defined in the Offering Memorandum) will be required to make an equity contribution to the Issuer in an amount required to enable the Issuer to pay the Special Mandatory Redemption Price owing to the Holders, pursuant to the Special Mandatory Redemption. See "*Risk Factors—Risks Related to the Acquisition—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes*." For the avoidance of doubt, none of the Trustee, the Escrow Agent or the Paying Agent shall be liable to any Person as a result of any failure by the Issuer to pay to the Paying Agent any supplemental amounts required if the Special Mandatory Redemption Price is in excess of the Escrowed Property.

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders a Security Interest (as defined herein) over the Escrowed Property and the Issuer's rights under the Escrow Agreement. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Exchange and the rules of the Authority so require, the Issuer will notify the Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Security

General

The Notes and the Notes Guarantees in respect thereof, on the Issue Date, will be secured only by the Escrow Charge.

On or prior to the Completion Date, the Issuer will, and will cause LSF10 Wolverine Holdings S.à r.l., the direct Parent Entity of the Issuer (the "*Topco Security Provider*"), and its Restricted Subsidiaries to, use their commercially reasonable efforts to, subject to the Agreed Security Principles, grant Liens and Security Interests on an equal and ratable first priority basis, subject to certain perfection requirements and any Permitted Collateral Liens, over: (i) the capital stock of the Issuer and Lux GP held by the Topco Security Provider, (ii) any preferred equity certificates issued by the Issuer and Lux GP held by the Topco Security Provider, (iii) certain intercompany receivables owed to the Topco Security Provider by the Issuer and Lux GP, (iv) the capital stock of the Bidco held by the Issuer, (v) the material bank accounts of the Issuer held in Luxembourg, (vi) certain intercompany receivables owed to Lux Holdco by Bidco, (vii) Bidco's rights under the Acquisition Agreement and (viii) Bidco's material bank accounts held in Denmark (together, the "*Completion Date Collateral*").

Furthermore, pursuant to the Security Documents to be entered into within no later than 10 business days from the Completion Date and substantially simultaneously with our obligations under the Revolving Credit Facility, the Issuer will, subject to the Agreed Security Principles, grant Liens and Security Interests on an equal and ratable first priority basis, subject to certain perfection requirements and any Permitted Collateral Liens, over: (i) the capital stock of the Target held by Bidco and (ii) certain intercompany receivables owed to Bidco by the Target (together, the "*Initial Post-Completion Date Collateral*").

Additionally, on the earlier of (a) the date on which our obligations under the Revolving Credit Facility will be so secured and (b) 120 days from the Completion Date, and substantially simultaneously with our obligations under the Revolving Credit Facility, the Issuer will, subject to the Agreed Security Principles, grant Liens and Security Interests on an equal and ratable first priority basis, subject to certain perfection requirements and any Permitted Collateral Liens, over shares in and over the material bank accounts of each Guarantor (the "*Additional Post-Completion Date Collateral*" and together with the Escrow Charge, the Completion Date Collateral and the Initial Post-Completion Date Collateral, the "*Collateral*").

The Collateral (other than the Escrow Charge over the Escrow Account) will be granted, in each case, to the Security Agent on behalf of and for the benefit of the Holders pursuant to the Security Documents, creating an effective Security Interest over the relevant assets.

Pursuant to the Intercreditor Agreement, the first priority security interests over the Collateral securing the Notes are contractually deemed to rank equally with the security interests that secure (but only to the extent that such security

is expressed to secure those liabilities) (i) obligations under the Revolving Credit Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness permitted to be incurred under the Indenture. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests.

Subject to certain conditions, including compliance with the covenants described under "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Limitation on Liens*," the Issuer and its Restricted Subsidiaries will be permitted to grant security over the Collateral in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including Additional Notes, as permitted under the Indenture and the Intercreditor Agreement.

The Collateral will be pledged pursuant to the Security Documents to the Security Agent on behalf of the Holders and holders of the other secured obligations that are secured by the Collateral. Any other security interests that may in the future be granted to secure obligations under the Notes, any Notes Guarantees and the Indenture would also constitute "*Collateral*." All Collateral will be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

Notwithstanding the foregoing and the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets (other than the Collateral described in the first and second paragraphs of this section) 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:

- 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 capitalization*," "*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 may limit the ability of the Issuer and its Restricted Subsidiaries (collectively, the "*Group*") to provide a guarantee or security or may require that the guarantee or security be limited as to amount or otherwise and, if so, the guarantee or security will be limited accordingly; *provided* that, to the extent requested by the Security Agent before signing any applicable security or accession document, the relevant member of the Group shall use reasonable endeavors (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;

- the determination that the time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration taxes, notarial costs and all applicable legal fees) related to granting the relevant guarantee and/or security (including in respect of the security, the extent of its perfection and/or registration) will not be disproportionate to the benefit accruing to the relevant secured parties of obtaining such guarantee or security;

- the agreement that members of the Group will not be required to give guarantees or enter into security documents if they are not wholly-owned by another member of the Group or if it is not within the legal capacity of the relevant members of the Group 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 any member of the Group; *provided* that, to the extent requested by the Security Agent before signing any

applicable security document or accession document, the relevant member of the Group shall use reasonable endeavors (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;

- the requirement that, to the extent legally effective, all security shall be given in favor of the Security Agent and not the secured creditors individually (with the Security Agent to hold one set of security documents for all the secured creditors); *provided* that it shall be permissible to use "*parallel debt*" provisions where necessary (which shall be included in the Intercreditor Agreement and not the individual security documents); and furthermore, the agreement that no member of the Group shall be required to take any action in relation to any guarantees or security as a result of any assignment or transfer of the Notes by a Noteholder;

- the limitation of guarantees and security 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 Security Agent, and 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;

- the agreement that security will not be required over any assets subject to security in favor of a third party or any cash constituting regulatory capital or customer cash (and such assets or cash shall be excluded from any relevant security document);

- the agreement 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;

- 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 any member of the Group in respect of the asset or require the relevant chargor to take any action materially adverse to the interests of the Group or any member thereof, in each case will be excluded from a guarantee or security document; *provided* that reasonable endeavors (exercised for a specified period of time) to obtain consent to charging any asset (where otherwise prohibited) shall be used by the Group if the Security Agent specifies prior to the date of the security or accession document that the asset is material and will not involve placing relationships with third parties in jeopardy;

- the agreement that no security may be provided on terms which are inconsistent with the turnover or sharing provisions in the Intercreditor Agreement and guarantees and that security will not be required from or over the assets of, any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly-owned by another member of the Group;

- 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 relevant member of the Group to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture and the Intercreditor Agreement (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), and the agreement that any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to the Agreed Security Principles; and

- 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 Group or in China, Lithuania, the Faroe Islands and Greenland (the "*Excluded Jurisdictions*") or otherwise over the shares of a member of the Group located in an Excluded Jurisdiction.

The Agreed Security Principles with respect to the Notes will be interpreted and applied in good faith by the Issuer.

As described above, all of the Collateral also secures the liabilities under the Revolving Credit Facility and may also secure certain Hedging Obligations, any Additional Notes as well as certain other future Indebtedness, certain of

which is entitled to payment from the proceeds of an enforcement of the Collateral in priority to the Notes. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the Holders.

No appraisals of the Collateral have been made in connection with this Offering of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See "*Risk Factors—Risks Related to our Financing Arrangements and the Notes—It may be difficult to realize the value of the Collateral securing the Notes*."

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the "*Security Interests*" and each, a "*Security Interest*") as between (a) the lenders under the Revolving Credit Facility, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent, the Paying Agents, the Transfer Agent, the Registrar and the Holders under the Indenture and (d) the creditors of certain other Indebtedness (including Indebtedness that may be Incurred in the future) permitted to be secured by the Collateral, respectively, will be established by the terms of the Intercreditor Agreement, which will provide, among other things, that the first priority security interests securing the Notes are contractually deemed to rank equally with the security interests that secure (but only to the extent that such security is expressed to secure those liabilities) (i) obligations under the Revolving Credit Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness permitted to be incurred under the Indenture; *provided, however*, that under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Notes Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and future hedging obligations (if any) in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*," "*—Security—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

Security Documents

Under the Security Documents, the Security Provider, the Issuer and the Guarantors will grant security over the Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Notes, the Notes Guarantees and the Indenture. The Security Documents will be entered into by the relevant security provider and the Security Agent as agent for the secured parties. When entering into the Security Documents, the Security Agent will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the Holders from time to time). Under the Intercreditor Agreement, the Security Agent also acts as an agent of the lenders under the Revolving Credit Facility in relation to the Security Interests created in favor of such parties.

The Escrow Charge shall be granted solely for the benefit of the Trustee on behalf of the Holders, and no other persons (including for the avoidance of doubt any lender under the Revolving Credit Facility, counterparties under any Hedging Obligations or any other creditors) shall be entitled to benefit from the Escrow Charge.

The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the Holders. As a consequence of such contractual provisions, Holders will not be entitled to take enforcement action in respect of the Collateral, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the Collateral. In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of Security Interests, the relevant Security Documents will secure "*parallel debt*" obligations created under the Intercreditor Agreement in favor of the Security Agent (and not the obligations under the Notes and the Notes Guarantees). The parallel debt construct has not been fully tested under law in certain of these jurisdictions. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The security interests in the Collateral will be granted to the Security Agent (on behalf of the holders of the Notes) rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law*."

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Notes and the Indenture have been discharged. However, the Security Interests with respect to the Notes and the Indenture may be released under certain circumstances as provided under "*—Security—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt or other obligations in the future, may create or restart hardening periods.*"

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement will restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the Security Agent in accordance with the terms of the Intercreditor Agreement. These limitations are described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests.*" The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Revolving Credit Facility, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Note, each Holder will be deemed to have, appointed the Security Agent to act as its agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Credit Facility, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Note, each Holder will be deemed to have, authorized the Trustee or the Security Agent, as applicable, to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the Security Documents securing such Indebtedness, together with any other incidental rights, power and discretions and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that the Issuer and the Trustee will be authorized (without any further consent of the Holders) to enter into the Intercreditor Agreement to give effect to the provisions described in the section entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The Indenture will also provide that each Holder, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents and perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the Security Documents securing such Indebtedness, together with any other incidental rights, power and discretions;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents (including the execution of, and compliance with, any waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee or the Security Agent on its behalf).

See the section entitled "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The security interests in the Collateral will be granted to the Security Agent (on behalf of the holders of the Notes) rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law*."

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under "*—Certain Covenants—Additional Intercreditor Agreements*."

Release of Liens

Release of the Security Interests in respect of the Collateral will be permitted under any one or more of the following circumstances:

(1) other than the Liens over the Capital Stock of the Issuer held by the Topco Security Provider and Lux GP, in connection with any sale or other disposition of Collateral to (a) a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" and is otherwise not prohibited by the Indenture or (b) any Restricted Subsidiary; *provided* that this clause 1(b) shall not be relied upon in the case of a transfer of Capital Stock or intercompany loan receivables to a Restricted Subsidiary (except to a Securitization Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to, a Lien in favor of the Notes following such sale or disposal;

(2) in the case of a Guarantor that is released from its Notes Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*" and "*—Certain Covenants—Limitation on Liens"*;

(4) upon payment in full of principal, interest and all other obligations on the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*—Defeasance"* and "*—Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary, and the release of any assets designated by the Issuer as Receivables Assets in connection with a Receivables Facility;

(6) in connection with a Permitted Reorganization; or

(7) as otherwise permitted in accordance with the Indenture.

The Security Interests over the assets subject to the Escrow Charge will be released upon the occurrence of the Release or in connection with the Special Mandatory Redemption. In addition, the Security Interests created by the Security Documents will be released (a) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*."

The Security Agent and the Trustee (but only if required) will take all necessary action reasonably requested by the Issuer to effectuate any release of Collateral securing the Notes and the Notes Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release). The Security Agent and the Trustee shall be entitled to request and rely conclusively upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred, and that such release complies with the Indenture; *provided*, *however*, that with respect to the release of the collateral subject to the Escrow Charge, the Trustee shall also be entitled to receive (i) in connection with a Release, an Officer's Certificate certifying satisfaction of the conditions for the Release and (ii) in connection with the Special Mandatory Redemption, a notice of the Special Mandatory Redemption.

Transfer and Exchange

The Notes will initially be issued as follows:

- each series of Fixed Rate Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*144A Global Fixed Rate Notes*") and each series of Floating Rate Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest

coupons attached (the "*144A Global Floating Rate Notes*" and together with the 144A Global Floating Rate Notes, the "*144A Global Notes*"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream; and

- each series of Fixed Rate Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*Regulation S Fixed Rate Global Notes*") and each series of Floating Rate Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*Regulation S Floating Rate Global Notes*" and, together with the Regulation S Fixed Rate Notes, the "*Regulation S Global Notes*" and, together with the 144A Global Notes, the "*Global Notes*"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "*144A Book- Entry Interests*") may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "*Regulation S Book-Entry Interests*") denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a Person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities law of any other jurisdiction.

No Book Entry Interest in any Global Note representing the Fixed Rate Notes (the "*Global Fixed Rate Notes*"), and no Definitive Registered Note issued in exchange for a Book Entry Interest in the Global Fixed Rate Notes (the "*Definitive Registered Fixed Rate Notes*"), may be transferred or exchanged for any Book Entry Interest in any Global Note representing the Floating Rate Notes (the "*Global Floating Rate Notes*") or any Definitive Registered Note issued in exchange for a Book Entry Interest in the Global Floating Rate Notes (the "*Definitive Registered Floating Rate Notes*"), and no Book Entry Interest in the Global Floating Rate Notes and no Definitive Registered Floating Rate Note may be transferred or exchanged for any Book Entry Interest in any Global Fixed Rate Note or any Definitive Registered Fixed Rate Note.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Security Agent, the Paying Agent, the Transfer Agent and the Registrar will be entitled to treat the registered Holder as the owner thereof for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries and, immediately after the Completion Date, the Target and all of its Subsidiaries will be Restricted Subsidiaries. However, in the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

Optional Redemption

Except as set forth below, and except as described under "*—Redemption for Taxation Reasons*" or "*—Escrow of Proceeds; Special Mandatory Redemption*," the Notes are not redeemable at the option of the Issuer.

Fixed Rate Notes

At any time prior to , 2020, the Issuer may redeem the Fixed Rate Notes, in whole or in part, at its option, upon notice as described under "*—Selection and Notice*," at a redemption price equal to 100% of the principal amount of such Fixed Rate Notes plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, on the Fixed Rate Notes redeemed to, but excluding, the redemption date.

At any time and from time to time prior to , 2020, the Issuer may on any one or more occasions redeem during each calendar year up to 10% of the original principal amount of the Fixed Rate Notes (including the original principal amount of any Additional Fixed Rate Notes), upon not less than 10 nor more than 60 days' notice, at a redemption price of 103.000% of the principal amount of the Fixed Rate Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, on the Fixed Rate Notes redeemed to, but excluding, the redemption date.

At any time and from time to time prior to , 2020, the Issuer may redeem Fixed Rate Notes, upon notice as described under "*—Selection and Notice*," with the Net Cash Proceeds received by the Issuer from any Equity Offering at a redemption price equal to % of the principal amount of the Fixed Rate Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to, but excluding, the redemption date in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Fixed Rate Notes (including the original principal amount of any Additional Fixed Rate Notes); *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and

(2) not less than 50% of the original aggregate principal amount of the Fixed Rate Notes (including Additional Fixed Rate Notes) issued under the Indenture remains outstanding immediately thereafter (excluding Fixed Rate Notes held by the Issuer or any of its Restricted Subsidiaries).

At any time and from time to time on or after , 2020, the Issuer may redeem the Fixed Rate Notes in whole or in part, upon notice as described under "—*Selection and Notice*," at a redemption price equal to the percentage of principal amount of the Fixed Rate Notes so redeemed set forth below plus accrued and unpaid interest, if any, on the Fixed Rate Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on of the year indicated below:

Year	Redemption Price
2020	%
2021	%
2022, and thereafter	100.000%

Floating Rate Notes

At any time prior to , 2019, the Issuer may redeem the Floating Rate Notes, in whole or in part, at its option, upon notice as described under "—*Selection and Notice*," at a redemption price equal to 100% of the principal amount of such Floating Rate Notes plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, on the Floating Rate Notes redeemed to, but excluding, the redemption date.

At any time and from time to time on or after , 2019, the Issuer may redeem the Floating Rate Notes in whole or in part, upon notice as described under "—*Selection and Notice*," at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, on the Floating Rate Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on of the year indicated below:

Year	Redemption Price
2019	101.000%
2020 and thereafter	100.000%

General

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part following such purchase at a 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, such redemption date.

Subject to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, we may repurchase the Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under "—*Selection and Notice*" below.

If the optional redemption date is on or after a record date and on or before the corresponding interest payment date, the accrued and unpaid interest up 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 Euroclear and Clearstream, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Mandatory Redemption or Sinking Fund

Other than in an event of a Special Mandatory Redemption, the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the

Issuer may be required to offer to purchase Notes as described under "*—Change of Control*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

Selection and Notice

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). Under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book Entry Interest of less than €100,000 principal amount may be redeemed in part. If the Notes are not held through Euroclear and Clearstream the Notes will be selected on a pro rata basis, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; *provided*, *however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

Notices of redemption will be delivered electronically or mailed by first-class mail at least 10 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

Notice of any redemption of the Notes may, at the Issuer's discretion, be given prior to the completion of a transaction (including an Equity Offering, an Incurrence of Indebtedness, a Change of Control or other transaction) and any redemption notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related transaction. If such redemption or purchase 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 Issuer's discretion, the redemption date may be delayed until such time (*provided*, *however*, that any redemption date shall not be more than 60 days after the date of the notice of redemption) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If and for so long as any Notes are listed on the Official List of the Exchange and if and to the extent the rules of the Authority so require, the Issuer will notify the Authority of any such notice to the Holders of the relevant Notes and, in connection with any redemption, the Issuer will notify the Authority of any change in the principal amount of Notes outstanding.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Issuer defaults in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, 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) and all Additional Amounts, as defined below under "*—Withholding Taxes*," if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, official guidance or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations, official guidance or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts with respect to the Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*—Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that the obligation to pay Additional Amounts cannot be avoided by the relevant Payor taking reasonable measures available to it and (b) a written opinion of an independent tax counsel of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction (as defined below in "*—Withholding Taxes*") and satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely conclusively on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "*Payor*") in respect of the Notes or with respect to any Notes Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law or by the relevant taxing authority's interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Note or Notes Guarantee is made or any political subdivision or governmental authority thereof or therein having the power to tax (including the jurisdiction of the Paying Agent); or

(2) any other jurisdiction in which a Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor with respect to any Note or any Notes Guarantee, including (without limitation) 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 by each Holder in respect of such payments, after such withholding or deduction (including any such withholding or deduction from such Additional Amounts), will not be less than the amounts which would have been received by each Holder in respect of such payments on any such Note or Notes 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, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an

estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, 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 place of management present or deemed present in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Notes Guarantee;

(2) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request of the Payor addressed to the Holder or beneficial owner, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a law, statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, all or part of such Tax, but, in each case, only to the extent the Holder or beneficial owner is legally entitled to do so;

(3) any Taxes, to the extent such Taxes are imposed as a result of the presentation of the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the later of the applicable payment date or the date 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 with respect to the Notes or with respect to any Notes Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(6) any Taxes imposed, deducted or withheld pursuant to section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code, in each case, as of the Issue Date (and any amended or successor version that is substantively comparable), any current or future regulations or agreements thereunder, official interpretations thereof or similar law or regulation implementing an intergovernmental agreement relating thereto; or

(7) any combination of the items (1) through (6) 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 tax authority in accordance with applicable law. The Payor will use reasonable endeavors to obtain and provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee (with a copy to the Paying Agent). Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts with respect to any payment made on any Note or any Notes Guarantee, 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 on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee and the Paying Agent shall be entitled to rely conclusively on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) redemption prices or purchase prices in connection with a redemption or purchase of the Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Notes Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay each applicable Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration, enforcement of, or receipt of payments with respect to any Notes, any Notes Guarantee, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer 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 (7) (save that in respect of clause (5), this proviso shall not apply in connection with excise, transfer, personal property or similar Taxes).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or 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 resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes (or any Notes Guarantee) is made by or on behalf of such Person, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

The Indenture will provide that if a Change of Control Triggering Event occurs, unless (i) a third party makes a change of control offer as described herein or (ii) the Issuer has previously or substantially concurrently therewith delivered a redemption notice with respect to all the outstanding Notes as described under "—*Optional Redemption*," the Issuer will make an offer to purchase all of the Notes (equal to €100,000 or in integral multiples of €1,000 in excess thereof; *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) pursuant to the offer described below (the "*Change of Control Offer*") at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of repurchase; *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 name the Notes are registered at the close of business on such record date will receive interest on the repurchase date. Within 60 days following any Change of Control Triggering Event, the Issuer will deliver or cause to be delivered a notice of such Change of Control Offer electronically in accordance with the applicable procedures of Euroclear and Clearstream or by first-class mail, with a copy to the Trustee, to each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream, describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than the later of (x) 60 days from the date such notice is delivered and (y) the date of completion of the Change of Control Triggering Event, pursuant to the procedures required by the Indenture and described in such notice, except in the case of a conditional Change of Control Offer made in advance of a Change of Control Triggering Event as described below.

To the extent that the provisions of any securities laws, rules or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Issuer 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.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The occurrence of events which would constitute a Change of Control Triggering Event may constitute a default under the Revolving Credit Facility that permits the Revolving Credit Facility lenders to accelerate the maturity of

borrowings thereunder. Future Indebtedness of the Issuer or its Restricted Subsidiaries may contain prohibitions on certain events which would constitute a Change of Control Triggering Event or require such Indebtedness to be repurchased upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of such repurchase on the Issuer.

The Issuer's ability to pay cash to the Holders of Notes following the occurrence of a Change of Control Triggering Event may be limited by its then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control Triggering Event 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 Triggering Event purchase feature is a result of negotiations between the initial purchasers of the Notes and us.

Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control Triggering Event 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 described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in 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 protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control Triggering Event 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 Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described under "*—Optional Redemption*," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event; *provided*, *however*, that such Change of Control offer is 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 Restricted 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 such 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 Restricted Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control Triggering Event has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control Triggering Event may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

If and for so long as the Notes are listed on the Official List of the Authority and if and to the extent that the rules of the Exchange so require, the Issuer will notify the Authority of any Change of Control Offer.

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.

Termination of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date:

(a) the Notes have achieved Investment Grade Status; and

(b) no Default or Event of Default has occurred and is continuing under the Indenture,

then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the Notes, the covenants described under the following captions in this "*Description of the Notes*" will no longer be applicable as to the Notes and the Notes Guarantees:

- "*—Limitation on Restricted Payments*";
- "*—Limitation on Indebtedness*";
- "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";
- "*—Limitation on Affiliate Transactions*";
- "*—Limitation on Sales of Assets and Subsidiary Stock*";
- "*—Additional Notes Guarantees*"; and
- the provisions of clause (c) of the first paragraph of "*—Merger and Consolidation—The Issuer*";

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

In addition, any future obligation to grant further Notes Guarantees shall be released.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Status. The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any knowledge of the ratings of the Notes and shall have no duty to notify Holders if the Notes achieve Investment Grade Status. The Issuer shall notify the Trustee that the conditions under this covenant have been satisfied, although such notification shall not be a condition for termination of the covenants to be effective.

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Issuer and any of the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness), if on the date of such Incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries is at least 2.00 to 1.00.

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

(1) the Incurrence by the Issuer or any Restricted Subsidiaries of Indebtedness under any Credit Facility (and the issuance and creation of letters of credit and bankers' acceptances thereunder) in an aggregate principal amount at any time outstanding not to exceed the sum of an amount equal to the greater of (x) €115.0 million and (y) 106% of LTM EBITDA, in each case, at any one time outstanding, *provided* that any Indebtedness Incurred pursuant to this clause (1) may be refinanced at any time if such refinancing does not exceed the greater of (I) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to this clause (1) on the date of such refinancing and (II) the aggregate principal amount of the Indebtedness being refinanced at such time, together with an amount necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses (including original issue discount, upfront fees or similar fees) Incurred or payable in connection with such refinancing;

(2) (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary; and (b) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary, in each case, so long as the Incurrence of such Indebtedness or other obligations is not prohibited by the terms of the Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary;

(4) (a) Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on the Issue Date and of the Target Group outstanding as of the Issue Date, after giving *pro forma* effect to the Transactions and the application of the proceeds therefrom (as described under "*Use of Proceeds*" in this Offering Memorandum), (b) Indebtedness represented by the Notes (other than any Additional Notes), including any Guarantees thereof, (c) Refinancing Indebtedness (including with respect to the Notes and any Guarantee thereof) Incurred in respect of any Indebtedness described in this clause (4) and clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) other Indebtedness Incurred to finance Management Advances;

(5) Indebtedness (x) of the Issuer or any of the Restricted Subsidiaries, or any Person that will become a Restricted Subsidiary or that will be merged, consolidated or otherwise combined with or into the Issuer or any of its Restricted Subsidiaries, Incurred or issued to finance all or a portion of an acquisition (including an acquisition of any assets or any Person) or (y) of Persons that are, or secured by any assets 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 Indebtedness Incurred pursuant to this paragraph (5) is in an aggregate amount not to exceed (a) the greater of (i) €12.5 million and (ii) 12% of LTM EBITDA at the time of Incurrence, *plus* (b) unlimited additional Indebtedness to the extent that after giving effect to such acquisition, merger or consolidation and without giving effect to any Indebtedness Incurred or issued pursuant to subclause (5)(a) above on the date of determination, either: (i) the Issuer and its Restricted Subsidiaries would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant; or (ii) either the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would not be lower, or the Consolidated Total Net Leverage Ratio of the Issuer would not be higher, in each case, than it was immediately prior to such acquisition, merger, amalgamation or consolidation;

(6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes as determined in good faith by an Officer or the Board of Directors of the Issuer);

(7) Indebtedness (a) represented by Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, does not exceed the greater of (i) €25.0 million and (ii) 23% of LTM EBITDA at any time outstanding, and any Refinancing Indebtedness in respect thereof (*provided* that, in each case, the Indebtedness exists on the date of such purchase, lease, rental, construction, design, installation or improvement or is created within 270 days thereafter); or (b) arising out of Sale and Leaseback Transactions;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, unemployment insurance (including premiums related thereto), other types of social security, pension obligations or partial retirement obligations, vacation pay, health, disability or other employee benefits, customer guarantees performance, indemnity, surety, judgment, appeals, advance payment (including progress premiums), customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice; (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice; *provided*, *however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence; (c) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice; (d) letters of credit, bankers' acceptances, warehouse receipts, guarantees, discounted bills of exchange or the discounting of factoring of receivables for credit management of bad debt purposes or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or consistent with past practice; (e) the financing of insurance premiums, take-or-pay obligations contained in supply arrangements, any customary treasury and/or cash management services, depositary, cash management,

credit card processing, automatic clearinghouse arrangements, overdraft protections, credit or debit card, purchase card, electronic funds transfer, the collection of checks and direct debits, cash pooling or netting or setting off arrangements or similar arrangements in the ordinary course of business or consistent with past practice; (f) Indebtedness representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Entity, the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with past practice, or (ii) deferred compensation or other similar arrangements in connection with any Investment or acquisition permitted hereby; and (g) short-term borrowings of no longer than 30 Business Days owed to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness in connection with a disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (10) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock or otherwise contributed to the equity (in each case, other than through the issuance of Disqualified Stock, Designated Preferred Stock, the Equity Contribution, an Excluded Contribution or Excluded Amounts) of the Issuer, in each case, subsequent to the Issue Date, and any Refinancing Indebtedness in respect thereof; *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause to the extent such Net Cash Proceeds or cash have been applied to make Restricted Payments;

(11) [*Reserved*];

(12) Indebtedness consisting of promissory notes issued by the Issuer or any of its Restricted Subsidiaries to any future, present or former employee, director, contractor or consultant of the Issuer, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, director, contractor or consultant), to finance the purchase or redemption of Capital Stock of the Issuer or any Parent Entity or payment of a transaction bonus that is permitted by the covenant described below under "*—Limitation on Restricted Payments*";

(13) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed the greater of (i) €35.0 million and (ii) 32% of LTM EBITDA;

(14) Indebtedness in respect of any Qualified Securitization Financing or any Receivables Facility;

(15) 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 for all or any portion of the amounts payable by such customers to the Person extending such credit;

(16) 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 (with the respect to the Issuer and the Issue Date Guarantor) or the Completion Date (with respect to the Target and its Restricted Subsidiaries), as

applicable, including that (a) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (b) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

(17) obligations in respect of Disqualified Stock in an amount not to exceed €15.0 million outstanding at the time of Incurrence;

(18) Indebtedness of the Issuer or any of its Restricted Subsidiaries arising pursuant to any Permitted Tax Restructuring; and

(19) Indebtedness consisting of local lines of credit, bilateral facilities, overdraft facilities or local working capital facilities in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (19) and then outstanding, will not exceed the greater of (a) €30.0 million and (b) 28% of LTM EBITDA.

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 all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include, in any manner that complies with this covenant, the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in the first paragraph above or one of the clauses of the second paragraph of this covenant, and 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; *provided* that any amounts outstanding under the Revolving Credit Facility shall be deemed to be incurred under clause (1) of the preceding paragraph and cannot be reclassified;

(2) with respect to any Indebtedness Incurred pursuant to a clause limited by a fixed amount in the second paragraph of this covenant (other than Indebtedness Incurred under the Revolving Credit Facility pursuant to clause (1) of the preceding paragraph which shall not be reclassified), if at any time that the Issuer or any of its Restricted Subsidiaries would be entitled to have Incurred any then outstanding item of Indebtedness pursuant to the first paragraph of this covenant, such item of Indebtedness shall be automatically reclassified into an item of Indebtedness Incurred pursuant to the first paragraph of this covenant;

(3) for purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, reborrowings of amounts previously repaid pursuant to "cash sweep" or "clean down" provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid periodically shall only be deemed for purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent reborrowing thereof;

(4) in the case of any Refinancing Indebtedness, when measuring the outstanding amount of such Indebtedness, such amount shall not include any amounts necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses (including original issue discount, upfront fees or similar fees) Incurred or payable in connection with such refinancing;

(5) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(6) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to 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;

(7) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or

repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(8) 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 any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses (including original issue discount, upfront fees or similar fees) Incurred or payable in connection with such refinancing;

(9) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS; and

(10) the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the first paragraph of this covenant and clause (13) of the second paragraph of this covenant by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (x) €50.0 million and (y) 46% of LTM EBITDA at any one time outstanding.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of this *"Limitation on Indebtedness*" covenant.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*Limitation on Indebtedness*," the Issuer shall be in default of this covenant).

For purposes of determining compliance with any Euro-denominated restriction on the Incurrence of Indebtedness, the Euro equivalent 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 or first Incurred (whichever yields the lower Euro equivalent), 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 Euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed (x) the principal amount of such Indebtedness being refinanced plus (y) the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) Incurred in connection with such refinancing.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Issuer or a Guarantor will not Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the relevant Notes Guarantee, on substantially identical terms; *provided, however*, that for purposes of the Indenture, no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis, secured on different collateral or guaranteed by different obligors, or by virtue of the application of "waterfall" or other payment ordering provisions affecting tranches of Indebtedness.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any such payment in connection with any merger or consolidation involving the Issuer or any of the Restricted Subsidiaries) except:

(a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding;

(b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of the Issuer or any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a *pro rata* basis); and

(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 Issuer or any Restricted Subsidiary or is otherwise considered Indebtedness of the Issuer or any Restricted Subsidiary (*provided* that (x) any net proceeds from such Indebtedness are contributed to the equity of the Issuer or any Restricted Subsidiary in any form or otherwise received by the Issuer or any Restricted Subsidiary; (y) any net proceeds described in subclause (x) above shall be excluded for purposes of increasing the amount available for distribution pursuant to clause (C) of this paragraph and shall not be Excluded Contributions or Excluded Amounts; and (z) in the case that any net proceeds described in subclause (x) above are contributed to the Issuer or the Restricted Subsidiaries in the form of Indebtedness (a "*Parent Debt Contribution*"), there shall be no double-counting of interest paid on such Indebtedness and any dividends or distributions payable to the relevant Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity);

(2) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Issuer or any Parent Entity held by Persons other than the Issuer or a Restricted Subsidiary;

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(A) a Default or an Event of Default shall have occurred and be continuing (or would immediately thereafter result therefrom);

(B) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant immediately after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments (as

defined below) made pursuant to clauses (1) and (10) of the next succeeding paragraph (without duplication), but excluding all other Restricted Payments permitted by the next succeeding paragraph) would exceed the sum of:

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter in which the Issue Date occurs to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which consolidated financial statements of the Issuer are available, which may be internal consolidated financial statements (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit); *plus*

(ii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Issuer from the issue or sale of its Subordinated Shareholder Funding or Capital Stock or as the result of a merger or consolidation with another Person subsequent to the Issue Date or otherwise contributed to the equity (in each case other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Issuer or a Restricted Subsidiary (including the aggregate principal amount of any Indebtedness of the Issuer or a Restricted Subsidiary contributed to the Issuer or a Restricted Subsidiary for cancellation) or that becomes part of the capital of the Issuer or a Restricted Subsidiary through consolidation or merger subsequent to the Issue Date (other than (u) the Equity Contribution, (v) Subordinated Shareholder Funding or Capital Stock sold to a Restricted Subsidiary or the Issuer, (w) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Restricted Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary, (x) cash or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph, (y) Excluded Contributions and (z) Excluded Amounts and Parent Debt Contributions); *plus*

(iii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than (w) the Equity Contribution, (x) Subordinated Shareholder Funding or (y) Capital Stock sold to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Restricted Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness, Disqualified Stock or Designated Preferred Stock that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preferred Stock) *plus*, without duplication, the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary upon such conversion or exchange; *plus*

(iv) 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 any Restricted Subsidiary by means of: (i) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Issuer or the Restricted Subsidiaries, in each case after the Issue Date; or (ii) the sale (other than to the Issuer or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from a Person that is not a Restricted Subsidiary after the Issue Date (in each case, other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of "*Permitted Investment*" or clause (17) of the next succeeding paragraph, as the case may be) or a dividend from a Person that is not a Restricted Subsidiary after the Issue Date; *plus*

(v) 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 the Issue Date, 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 or consolidation 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 that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of "*Permitted Investment*" or clause (17) of the next succeeding paragraph, as the case may be; *plus*

(vi) €5.0 million,

provided that notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of the preceding clause (C) will be excluded to the extent (a) such amounts result from the receipt of Net Cash Proceeds, property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise have constituted a Change of Control Triggering Event, (b) the purpose of, or the effect of, the receipt of such Net Cash Proceeds, property or assets or marketable securities was to reduce the Consolidated Total Net Leverage Ratio of the Issuer so that a Change of Control Triggering Event did not occur, which would not have been achieved without the receipt of such Net Cash Proceeds, property or assets or marketable securities and (c) no Change of Control Offer is made in connection with such event in accordance with the requirements of the Indenture; *provided further* that the amount of any Excluded Amounts shall be limited to the amount of Net Cash Proceeds, property or assets or marketable securities necessary to reduce the Consolidated Total Net Leverage Ratio to cause the occurrence of a Change of Control Triggering Event, and amounts of Net Cash Proceeds, property or assets or marketable securities received in excess thereof shall not constitute Excluded Amounts.

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) the payment of any dividend or distribution, or redemption or repurchase, completed within 60 days after the date of declaration thereof, if at the date of declaration or notice of redemption or payment such payment would have complied with the provisions of the Indenture, or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption or repayment notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;

(2) (a) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock ("*Treasury Capital Stock*") or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Subordinated Shareholder Funding or Capital Stock of the Issuer (other than Disqualified Stock or Designated Preferred Stock) ("*Refunding Capital Stock*") or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, the Equity Contribution or through an Excluded Contribution, a Parent Debt Contribution or Excluded Amounts) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Subordinated Shareholder Funding or Capital Stock or such contribution will be excluded from clause (C) of the preceding paragraph, and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) 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 Capital Stock of a 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) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of,

Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(5) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary:

(a) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if (and to the extent required) the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of (i) a Change of Control (or other similar event described therein as a "change of control") or (ii) an Asset Disposition (or other similar event described therein as an "asset disposition" or "asset sale)," but only if (and to the extent required) the Issuer shall have first complied with the terms described under "*—Change of Control*" or "*—Limitation on Sales of Assets and Subsidiary Stock*," as applicable, and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock; or

(c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition);

(6) a Restricted Payment to pay for the repurchase, redemption, defeasance, cancellation, retirement or other acquisition for value of Capital Stock (including any options, warrants or other rights in respect thereof) (other than Disqualified Stock) of the Issuer or any Parent Entity held by any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, trusts or heirs of such employee, director, contractor or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director, contractor or consultant's employment or directorship; *provided*, *however*, that the aggregate Restricted Payments made under this clause do not exceed (x) €10.0 million in any calendar year (with unused amounts in any calendar year being carried forward to the next succeeding calendar year and amounts that will not be used in the subsequent calendar year being carried back to the immediately preceding calendar year) or (y) subsequent to the consummation of an Equity Offering of common stock of the Issuer or any Parent Entity, €15.0 million in any calendar year (with unused amounts in any calendar year being carried forward to the next succeeding calendar year and amounts that will not be used in the subsequent calendar year being carried back to the immediately preceding calendar year); *provided further* that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds from the issuance or sale of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock, the Equity Contribution, Excluded Contributions, a Parent Debt Contribution or Excluded Amounts) of the Issuer and, to the extent contributed to the capital of the Issuer (other than through the issuance of Disqualified Stock or Designated Preferred Stock, the Equity Contribution, an Excluded Contribution, a Parent Debt Contribution or Excluded Amounts), Subordinated Shareholder Funding or Capital Stock of any Parent Entity, in each case to members of management, directors or consultants of the Issuer, any of its Subsidiaries or any Parent Entity that occurred after the Issue Date, to the extent the cash

proceeds from the sale of such Capital Stock or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (C) of the preceding paragraph; *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer and its Restricted Subsidiaries after the Issue Date; *less*

(c) the amount of any Restricted Payments made in previous calendar years pursuant to clauses (a) and (b) of this clause;

and *provided further* that (x) cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former members of management, directors, employees, contractors or consultants of the Issuer or Restricted Subsidiaries or any Parent Entity in connection with a repurchase of Capital Stock of the Issuer or any Parent Entity and (y) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or similar instruments if such Capital Stock represents all or a portion of the exercise price thereof or payments, in lieu of the issuance of fractional Capital Stock or withholding to pay other taxes payable in connection therewith, in the case of each of clauses (x) and (y), will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(7) (a) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*" above; (b) the declaration and payment of dividends to any Parent Entity, the proceeds of which will be used to fund the payment of dividends on Disqualified Stock or Preferred Stock issued by such Parent Entity, *provided* that the amount of dividends paid pursuant to this clause shall not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Disqualified Stock or 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;

(8) (a) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable upon exercise of Capital Stock by any future, present or former employee, director, officer, contractor or consultant (or their respective Related Persons) of the Issuer or any Restricted Subsidiary or any Parent Entity and (b) any purchase, repurchase, redemption, defeasance or other acquisition or retirements of Capital Stock deemed to occur upon the exercise of options, warrants or similar instruments if such Capital Stock represents all or a portion of the exercise price thereof or payments, in lieu of the issuance of fractional Capital Stock or withholding to pay other taxes payable in connection therewith;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes; and

(b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (10), (11), (12), (18) and (19) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Capital Stock, common stock or common equity interests of the Issuer or any Parent Entity following a Public Offering of such Capital Stock, common stock or common equity interests; *provided* that the aggregate amount of all such dividends or distributions shall not exceed in any calendar year the greater of (a) 6% of the net cash proceeds received from such Public Offering or subsequent Equity Offering by the Issuer or contributed to the capital of the Issuer by any Parent Entity in any form other than Indebtedness, the Equity Contribution, a Parent Debt Contribution or Excluded Contributions or Excluded Amounts and (b) following the Initial Public Offering, an amount equal to (i) to the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Total Net Leverage Ratio shall be equal to or less than 4.25 to 1.00 and (ii) the greater of

(A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Total Net Leverage Ratio shall be equal to or less than 4.50 to 1.00; *provided, further* that, if such Public Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividends or distributions are used to fund a corresponding dividend or other distribution in equal or greater amount on the Capital Stock of such Parent Entity;

(11) payments by the Issuer, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Issuer or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Issuer);

(12) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate amount of Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (12);

(13) (a) the declaration and payment of dividends on Designated Preferred Stock of the Issuer issued after the Issue Date; (b) the declaration and payment of dividends to a Parent Entity in an amount sufficient to allow the Parent Entity to pay dividends to holders of its Designated Preferred Stock issued after the Issue Date; and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; *provided*, *however*, that, in the case of clauses (a) and (b), the amount of all dividends declared or paid to a Person pursuant to such clauses shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed as Subordinated Shareholder Funding or in cash to the equity of the Issuer (other than through the issuance of Disqualified Stock, the Equity Contribution, a Parent Debt Contribution, an Excluded Contribution of the Issuer or Excluded Amounts), from the issuance or sale of such Designated Preferred Stock;

(14) distributions, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock, of equity interests and participation interests in, or other securities of, or Indebtedness (including convertible debt) owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents) or proceeds thereof;

(15) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;

(16) any Restricted Payment made in connection with the Transactions and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto 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);

(17) so long as no Event of Default has occurred and is continuing (a) Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed the greater of (x) €25.0 million and (y) 23% of LTM EBITDA at such time, and (b) any Restricted Payments, 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 Leverage Ratio shall be no greater than 3.50 to 1.00;

(18) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;

(19) [*Reserved*];

(20) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), 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 covenants described under "*—Merger and Consolidation*";

(21) Restricted Payments to a Parent Entity to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Issuer; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (b) such Parent Entity shall, promptly following the closing thereof, cause (i) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (ii) the merger or amalgamation of the Person formed or acquired into the Issuer or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant "*—Merger and Consolidation*") to consummate such Investment, (iii) such Parent Entity and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (iv) any property received by the Issuer shall not increase amounts available for Restricted Payments pursuant to clause (C) of the preceding paragraph, clauses (2) or (6) above or be deemed to be an Excluded Contribution, a Parent Debt Contribution or an Excluded Amount and (v) such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (12) hereof) or pursuant to the definition of "*Permitted Investments*" (other than pursuant to clause (12) thereof); and

(22) any Restricted Payments in an aggregate amount not to exceed an amount equal to the sum of Retained Declined Proceeds.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment or Investment (or, in each case, portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (22) above, and/or is permitted 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 classify such Restricted Payment or Investment (or, in each case, portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or, in each case, portion thereof) in any manner that complies with this covenant, including in each case as an Investment pursuant to one or more of the clauses contained in the definition of "*Permitted Investments*," and may aggregate capacity in multiple clauses of the definition of Permitted Payments above, the first paragraph of this covenant and/or in the definition of "*Permitted Investments*" in any manner that 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.

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 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.

Limitation on Liens

The Issuer will not, and the Issuer will not permit any Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens or (ii) Liens on property or assets that are not Permitted Liens if the Notes, the Notes Guarantees and the Indenture are directly secured, subject to the Agreed Security Principles, equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes under (a)(ii) in the preceding paragraph will be automatically and unconditionally released and discharged upon (a) the release and discharge of the Initial Lien to which it relates, and (b) otherwise as set forth under "*—Security—Release of Liens*."

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.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;

(B) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility), (b) the Intercreditor Agreement or (c) any other agreement or instrument, in the case of (a), (b) and (c) , with respect to the Issuer and its Restricted Subsidiaries, in effect at or entered into on the Issue Date, and with respect to the Target or any of its Restricted Subsidiaries, in effect at or entered into on the Completion Date;

(2) any encumbrance or restriction pursuant to the Indenture, the Notes, the Security Documents or the Notes Guarantees;

(3) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;

(4) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary or entered into in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the Successor Issuer, any Restricted Subsidiary thereof or agreement or instrument of such Person or any such Restricted Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer;

(5) any encumbrance, restriction or condition:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;

(b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements;

(c) 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; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to 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; or

(d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(6) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes customary restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(7) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of the Issuer or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(8) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments;

(9) encumbrances or restrictions arising or existing by reason of, or pursuant to, applicable law or any applicable rule, regulation, licensing requirement or order, or required by any regulatory authority or any governmental license, concessions, franchises or permits, including restrictions on encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers or suppliers, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements entered into in the ordinary course of business or consistent with past practice;

(11) any encumbrance or restriction pursuant to Hedging Obligations;

(12) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Securitization Facility or Receivables Facility;

(13) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders (taken as a whole) than (i) the encumbrances and restrictions contained in (A) the Revolving Credit Facility, together with the Security Documents associated therewith, and (B) the Intercreditor Agreement, in the case of (A) as in effect on the Completion Date and in the case of (B) as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Issuer) and where, in the case of this subclause (ii), either (x) 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 (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument, or (b) constituting an Additional Intercreditor Agreement;

(14) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*"; or

(15) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) to (14) of this paragraph or this clause (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) to (14) of this paragraph or this clause; *provided*, *however*, that the encumbrances and restrictions with respect to such

Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders (taken as a whole) than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Issuer).

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Issuer, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), with a purchase price in excess of the greater of (a) €15.0 million and (b) 14% of LTM EBITDA, at least 75% of the consideration from such Asset Disposition (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*, *however*, that in the case of Asset Dispositions involving the disposition of non-core assets at fair market value (each, as determined by the Issuer in its good faith judgment) acquired as part of any acquisition after the Issue Date in which the value of such non-core assets does not exceed 50% of the consideration payable in connection with such acquisition, only 50% of the consideration therefor must be in the form of cash or Cash Equivalents); and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied:

(a) to the extent the Issuer or any Restricted Subsidiary elects (i) to prepay, repay, redeem or purchase any Indebtedness of a Restricted Subsidiary that is not a Guarantor (in each case, other than Indebtedness owed to the Issuer or any Restricted Subsidiary), any Senior Secured Indebtedness or any other Indebtedness under any Credit Facility Incurred pursuant to clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" (or any Refinancing Indebtedness in respect thereof) within 450 days from the later of (x) the date of such Asset Disposition and (y) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to this clause (a), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be reduced in an amount equal to the principal amount so prepaid, repaid or purchased; *provided further* that, for the avoidance of doubt, to the extent the Issuer or any Restricted Subsidiary elects to prepay, repay, redeem or purchase any Indebtedness outstanding under the Revolving Credit Facility, the Issuer or such Restricted Subsidiary shall be under no obligation to redeem, repay or purchase a *pro rata* portion of the Notes, (ii) to (A) purchase Notes in the open market or otherwise or (B) redeem Notes pursuant to the optional redemption provisions of the Indenture; *provided* that, in each case, the relevant purchase, repurchase or redemption is launched, or the relevant redemption notice is delivered within, 450 days from the later of (1) the date of such Asset Disposition and (2) the receipt of such Net Available Cash, or (iii) to make an Asset Disposition Offer in accordance with the terms of the Indenture;

(b) to the extent the Issuer or any Restricted Subsidiary elects, to invest in or purchase or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary equal to the amount of Net Available Cash received by the Issuer or any of its Restricted Subsidiaries) within 450 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided*, *however*, that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that an amount equal to Net Available Cash will be applied to satisfy such commitment within 180 days of such commitment (a "*Commitment*"); *provided further* that if any Commitment is later cancelled or terminated for any reason before such amount is applied, then such Net Available Cash shall constitute Excess Proceeds; or

(c) to consummate any combination of the foregoing;

provided that, (1) pending the final application of the amount of any such Net Available Cash in accordance with clauses (a), (b) or (c) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture and (2) the Issuer (or any Restricted Subsidiary, as the case may be) may elect to invest in Additional Assets prior to receiving the Net Available Cash attributable to any given Asset Disposition (*provided* that such investment shall be made no earlier than the earliest of execution of a definitive agreement for the relevant Asset Disposition or consummation of the relevant Asset Disposition) and deem the amount so invested to be applied pursuant to and in accordance with clause (b) above with respect to such Asset Disposition.

Notwithstanding the foregoing, to the extent that (x) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Restricted Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors) or (y) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Restricted Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as determined by the Issuer in its sole discretion, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant.

The amount of any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the first paragraph of this covenant will be deemed to constitute "*Excess Proceeds*" under the Indenture. On the 451st day after the later of an Asset Disposition or the receipt of such Net Available Cash (or (i) such earlier date as the Issuer or its Restricted Subsidiaries may elect or (ii) such later date as set forth in clause (3)(b) of the first paragraph of this covenant), if the aggregate amount of Excess Proceeds under the Indenture exceeds €25.0 million, the Issuer will within 10 Business Days be required to make an offer ("*Asset Disposition Offer*") to all Holders issued under such Indenture and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and to repay, prepay or purchase any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to 100% of the principal amount of the Notes and not more than 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of repayment, prepayment or purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and which may include in the case of such Pari Passu Indebtedness that is Public Debt, such higher price as may be contemplated by the agreement governing such Pari Passu Indebtedness, and with respect to the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver notice of such Asset Disposition Offer electronically or by first-class mail, with a copy to the Trustee, the Paying Agent and each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream, describing the transaction or transactions that constitute the Asset Disposition and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer may satisfy the foregoing obligations with respect to any Net Available Cash from an Asset Disposition by making an Asset Disposition Offer with respect to all Net Available Cash prior to the expiration of the relevant 450 days (or such longer period provided above) or with respect to any unapplied Excess Proceeds.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer or any Restricted Subsidiary may use any remaining Excess Proceeds (any such amount, "*Retained Declined Proceeds*") for any purpose not prohibited by the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Issuer shall allocate the Excess Proceeds among the Notes and Pari Passu Indebtedness to be repaid, prepaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness; *provided* that no Notes or other Pari Passu Indebtedness will be selected and purchased in an unauthorized denomination.

For the purposes of calculating the principal amount of any such indebtedness not denominated in Euro, such Indebtedness shall be calculated by converting any such principal amount into its Euro-equivalent amount determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero. Additionally, the Issuer may, at its

option, make an Asset Disposition Offer using proceeds from any Asset Disposition at any time after the consummation of such Asset Disposition. Upon consummation or expiration of any Asset Disposition Offer, any remaining Net Available Cash shall not be deemed Excess Proceeds and the Issuer may use such Net Available Cash for any purpose not prohibited by the Indenture.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than Euro, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in Euro that is actually received by the Issuer upon converting such portion into Euro.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness or other liabilities, contingent or otherwise, of the Issuer or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Issuer and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Issuer or a Guarantor (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary;

(5) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of (a) €35.0 million and (b) 32% of LTM EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(6) consideration consisting of Additional Assets; and

(7) any combination of the consideration specified in the preceding clauses (1) through (6).

To the extent that the provisions of any securities laws or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws, rules and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

Notwithstanding any other provision in the Indenture to the contrary, the provisions of the Indenture relative to the Issuer's obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

The Revolving Credit Facility may prohibit or limit, and future credit agreements or other agreements to which the Issuer becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any Restricted Subsidiary to enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "*Affiliate*

Transaction") involving aggregate value in excess of the greater of (i) €10.0 million and (ii) 9% of LTM EBITDA unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of (a) €20.0 million and (b) 18% of LTM EBITDA, the terms of such Affiliate Transaction have been approved by a majority of the members 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 provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*," or any Permitted Investment;

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long- term incentive plans, stock appreciation rights plans, participation plans, transaction bonuses or transaction-related securities repurchase plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business or consistent with past practice;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) (a) any transaction between or among the Issuer and any Restricted Subsidiary (or 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;

(5) the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, contractors, consultants, distributors or employees of the Issuer, any Parent Entity or any Restricted Subsidiary (whether directly or indirectly and including through any Controlled Investment Affiliate of such directors, officers, contractors, consultants, distributors or employees);

(6) the entry into and performance of obligations of the Issuer or any of the Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date (with respect to the Issuer and the Issue Date Guarantor) or the Completion Date (with respect to the Target and its Restricted Subsidiaries), as applicable, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders (taken as a whole) in any material respect;

(7) any transaction effected as part of a Qualified Securitization Financing or Receivables Facility, any disposition or repurchase of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;

(8) transactions with customers, clients, joint venture partners, suppliers, franchisees, contractors, distributors or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent

with past practice, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely (i) because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity or (ii) due to the fact that a director of such Person is also a director of the Issuer, a Restricted Subsidiary or any direct or indirect Parent Entity of the Issuer (*provided*, *however*, that such director abstains from voting as a director of the Issuer, such Restricted Subsidiary or such direct or indirect Parent Entity of the Issuer, as the case may be, on any matter involving such other Person);

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding 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 and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable; *provided* that such Subordinated Shareholder Funding, as amended or otherwise modified, will continue to satisfy the requirements described in the definition "*Subordinated Shareholder Funding*";

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly), including to its affiliates or its designees, of (i) annual management, consulting, monitoring or advisory fees and (ii) refinancing, transaction, subsequent transaction exit fees, related costs and expenses and indemnitees in connection with any arrangement described in this clause (a) and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an Initial Public Offering) and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital markets transactions, acquisitions or divestitures, which payments, agreements or arrangements providing for such payments are approved, in the case of each of clauses (a) and (b) by a majority of the Board of Directors of the Issuer in good faith;

(12) 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;

(13) the Transactions and the payment of all costs and expenses (including all legal, accounting and other professional fees and expenses) related to the Transactions;

(14) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating either (x) that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or (y) that such transaction meets the requirements of clause (1) of the preceding paragraph;

(15) the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under the terms of, any equityholders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Issue Date and any similar agreement that it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Issue Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders (taken as a whole) in any material respect as determined in good faith by the Issuer;

(16) any purchases by the Issuer's Affiliates of Indebtedness or Disqualified Stock of the Issuer or any of the 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;

(17) (a) Investments by Affiliates in securities 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 by the Issuer or such Restricted Subsidiary generally to other non-affiliated third party investors on the same or more favorable terms and (b) payments to Affiliates in respect of securities of the Issuer or any of the Restricted Subsidiaries contemplated in the foregoing clause (17)(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;

(18) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which any Parent Entity, the Issuer and its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; *provided* that payments under such Tax Sharing Agreement shall not exceed, and shall not be duplicative of, the amounts described under clause (5) of the definition of the term "Parent Entity Expenses";

(19) without duplications, payments by any Parent Entity, the Issuer and its Restricted Subsidiaries (including payments in respect of Taxes) pursuant to any Tax Sharing Agreement or other equity agreements in respect of Related Taxes among any such Parent Entity, the Issuer and its Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Issuer and its Subsidiaries;

(20) 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, contractor or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its Parent Entities pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment agreements, 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, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Issuer in good faith;

(21) employment and severance arrangements between the Issuer or its Restricted Subsidiaries and their respective officers, directors, contractors, consultants, distributors and employees in the ordinary course of business or entered into in connection with or as a result of the Transactions;

(22) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Capital Stock in any Restricted Subsidiary permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*." 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;

(23) 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 "*—Designation of Restricted and Unrestricted Subsidiaries*" and pledges of Capital Stock of Unrestricted Subsidiaries;

(24) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer that is not a Restricted Subsidiary, as lessor, which is approved by a majority of the disinterested members of the Board of Directors of the Issuer;

(25) intellectual property licenses in the ordinary course of business or consistent with past practice;

(26) payments to or from, and transactions with, any joint venture, including for the avoidance of doubt, the entry into, and performance of obligations and related services under, any management services agreement or any licensing agreement with regards to any existing or future joint venture, in the ordinary course of business or consistent with past practice (including any cash management activities related thereto);

(27) any participation in a public tender or exchange offer for securities or debt instruments issued by the Issuer or any of its Restricted Subsidiaries that provides for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer;

(28) the payment of costs and expenses related to registration rights and customary indemnities provided to shareholders under any shareholder agreement;

(29) the entry into, and performance of obligations and related services under, any registration rights or other listing agreement; and

(30) any Permitted Tax Restructuring.

Designation of Restricted and Unrestricted Subsidiaries

The Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments pursuant to the covenant described under "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary (and any redesignation of and Unrestricted Subsidiary as a Restricted Subsidiary) will be evidenced to the Trustee by filing with the Trustee an Officer's Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described under "*—Limitation on Restricted Payments*." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under "*—Limitation on Indebtedness*," the Issuer will be in default of such covenant.

The Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (a) such Indebtedness is permitted under the covenant described under "*—Limitation on Indebtedness*" (including pursuant to clause (5) 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 Relevant Testing Period; and (b) no Default or Event of Default would be in existence immediately following such designation.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 150 days after the end of the Issuer's fiscal year ending July 31, 2018 and within 120 days after the end of the Issuer's fiscal years thereafter beginning with the fiscal year ending July 31, 2019, annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the consolidated financial condition, results of operations and material changes in liquidity and capital resources of the Issuer; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Acquisition) that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a brief description of the business, management and shareholders of the Issuer, all material Affiliate Transactions and a description of all material debt instruments of the Group; (v) a description of material operational risk factors and material subsequent events; and (vi) reported EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days (or, in the case of the fiscal quarters ending January 31, 2018 and April 30, 2018, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Issuer, beginning with

the quarter ending January 31, 2018, quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Acquisition) that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations and material changes in liquidity and capital resources of the Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report; (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report; and (vi) reported EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the unaudited financial statements; *provided further* that notwithstanding anything in this clause (2) to the contrary, if the Release has not occurred on the last day that the Issuer is permitted to furnish to the Trustee the report for the fiscal quarter ending January 31, 2018 pursuant to this clause (2), the Issuer shall not be required to furnish to the Trustee such report, but shall instead use commercially reasonable efforts to cause the Target to promptly after such due date publish on its website a trading update for the financial quarter ending January 31, 2018, and upon the publication of such trading update by the Target, the Issuer shall be deemed to be in compliance with this clause (2) of this "*Reports*" covenant; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's *pro forma* total revenue or Consolidated EBITDA or total assets as of and for the most recent four quarters for which annual or quarterly financial reports have been delivered to the Trustee.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information,

documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in this "*Reports*" covenant.

Subject to compliance with the next succeeding paragraph, in the event that, and for so long as, the equity securities of the Issuer or any Parent Entity or IPO Entity are listed on a Recognized Stock Exchange and the Issuer or such Parent Entity or IPO Entity is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on such Recognized Stock Exchange, for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with such Recognized Stock Exchange. Upon complying with the foregoing requirements, and *provided* that such requirements require the Issuer or any Parent Entity or IPO Entity to prepare and file annual reports, information, documents and other reports with the Recognized Stock Exchange, as applicable, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs. "*Recognized Stock Exchange*" means a regulated market operated by any of Euronext, the New York Stock Exchange, NASDAQ, the London Stock Exchange (including, for the avoidance of doubt, AIM and Main Market listings), the Deutsche Börse, the Paris Stock Exchange Group, the Toronto Stock Exchange, TSX Venture Exchange, the Amsterdam Stock Exchange, the Hong Kong Stock Exchange, the Singapore Exchange, the Copenhagen Stock Exchange, the Stockholm Stock Exchange, the Helsinki Stock Exchange, the Oslo Stock Exchange, the Luxembourg Stock Exchange or such other similar regulated national securities exchange.

At its election, the Issuer may provide consolidated financial statements of a Parent Entity in lieu of those for the Issuer, in which case references to the Issuer in clauses (1), (2) and (3) of the preceding paragraph will be deemed to be references to the Parent Entity, as applicable; *provided* that if the consolidated financial statements of the Parent Entity are included in such report, a qualitative description of material differences between the consolidated financial statements of the Parent Entity and the Issuer shall be included for any period after the Issue Date starting with the reporting period during which the consolidated financial statements of such Parent Entity are first used.

Notwithstanding anything to the contrary herein, prior to the Completion Date, the Issuer shall be entitled to use or furnish to the Holders, as applicable, the consolidated financial statements of the Target in connection with any calculation made pursuant to any provision of the Indenture or to comply with the provisions of this "*Reports*" covenant.

All reports provided pursuant to this "*Reports*" covenant shall be in English, or with a certified English translation.

Impairment of Security Interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (a) the Issuer, the Topco Security Provider, Lux GP and any Restricted Subsidiary may amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security Documents, other than the Escrow Charge, for the purposes of Incurring Permitted Collateral Liens, (b) the Issuer, the Topco Security Provider, Lux GP and any Restricted Subsidiary may amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security Documents, other than the Escrow Charge, for the purposes of undertaking a Permitted Reorganization or in connection with any transaction not prohibited by the covenant set forth under "*—Merger and Consolidation*," (c) the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement, (d) the applicable Security Documents may be amended from time to time to (i) cure any ambiguity, mistake, omission, defect, error or inconsistency therein, (ii) add to the Collateral, (iii) evidence the succession of another Person to the Issuer, Topco Security Provider or any Restricted Subsidiary providing Collateral and the assumption of such successor of the obligations under the Indenture, the Notes, the Intercreditor Agreement and/or the Security Documents, in each case, including in accordance with the terms under "*—Merger and Consolidation*," (iv) to evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent, (e) the Issuer, the Topco Security Provider, Lux GP and any Restricted Subsidiary may amend the Security Interests in any manner that does not adversely affect Holders in any material respect (as determined in good faith by the Issuer) and (f) the Security Interests and the related Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); *provided*, *however*, that in the case

of clauses (a) and (f) above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (x) a solvency opinion, in a form reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (y) a certificate from the Board of Directors of the relevant Person, in a form reasonably satisfactory to the Trustee, which confirms the solvency of the Person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (z) an Opinion of Counsel, in a form reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer, the Topco Security Prover, Lux GP or any Restricted Subsidiary complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications and each of the Trustee and the Security Agent being indemnified and secured to its satisfaction) consent to such amendment, extension, renewal, restatement, supplement, release or other modification or replacement without the need for instructions from the Holders.

Additional Notes Guarantees

Notwithstanding anything to the contrary in this covenant, and subject to the Agreed Security Principles, no Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Revolving Credit Facility or any Public Debt in an aggregate principal amount in excess of €15.0 million, in each case, of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor at substantially the same time at which the Guarantee of such other Indebtedness is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be senior to or *pari passu*, as applicable, with such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided*, *however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Notes Guarantee is contrary to the Agreed Security Principles or could give rise to or result in: (a) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules, retention of title claims or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction; (b) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (c) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses. At the option of the Issuer, any Notes Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law (including any usury laws).

Future Notes Guarantees granted pursuant to this provision shall be released as set forth under "*—Notes Guarantees—Notes Guarantees Release*," or in accordance with the terms of the Intercreditor Agreement or the Security Documents. A Notes Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, reasonably requested by the Issuer to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

If any Guarantor becomes an Immaterial Subsidiary, the Issuer shall have the right, by execution and delivery of a supplemental indenture to the Trustee, to cause such Immaterial Subsidiary to cease to be a Guarantor, subject to the requirement described in the first paragraph above that such Restricted 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).

The validity and enforceability of the Notes Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Risk Factors—Risks Related to our Financing*

Arrangements and the Notes—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability" and "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*."

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of (x) any Indebtedness secured on Collateral or as otherwise required herein and (y) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders (taken as a whole)), including substantially the same terms with respect to release of Notes Guarantees and priority and release of the Security Interests; *provided* that (1) such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, protections, indemnifications, liabilities or immunities of the Trustee or Security Agent under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement and (2) if more than one such intercreditor agreement is outstanding at any one time, the correlative terms of such intercreditor agreements must not conflict.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types (including new Credit Facilities) of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) facilitate a Permitted Reorganization, (7) implement any Permitted Collateral Liens, (8) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (9) make any other change to any such agreement that does not adversely affect the Holders (taken as a whole) in any material respect, making all necessary provisions to ensure that the Notes and the Notes Guarantees are secured by first-ranking Liens over the Collateral. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, protections, indemnifications or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided*, *however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*."

The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement.

Financial Calculations

When calculating the satisfaction of or availability under any basket or ratio under the Indenture (including those based on LTM EBITDA, Fixed Charge Coverage Ratio, Consolidated Senior Secured Net Leverage Ratio and/or Consolidated Total Net Leverage Ratio), in each case, in connection with any acquisition, disposition, merger, joint venture, Investment, Incurrence, Change of Control or other similar transaction where there is a time difference between commitment and closing or Incurrence (including in respect of Incurrence of Indebtedness, Restricted Payments, Change

of Control and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such acquisition, disposition, merger, joint venture, investment, Incurrence, Change of Control or similar transaction are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such acquisition, disposition, merger, joint venture, Investment, Incurrence, Change of Control or similar transaction and the other transactions to be entered into in connection therewith (including any Restricted Payment, Permitted Investment, Asset Disposition, Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable Relevant Testing Period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio). For the avoidance of doubt, (1) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in LTM EBITDA, Consolidated EBITDA, Consolidated Total Net Indebtedness, Senior Secured Indebtedness or cash and Cash Equivalents of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transactions are permitted hereunder; and (2) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions; *provided*, *further*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Restricted Payment, Permitted Investment, Asset Disposition, Change of Control or Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such transactions.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets, in one transaction or a series of related transactions, to any Person, unless:

(a) the resulting, surviving or transferee Person (the "*Successor Issuer*") will be a Person organized and existing under the laws of any member state of the European Union, the United Kingdom, Japan, Australia, Switzerland, Norway, the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, and the Successor Issuer (if not the Issuer) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and the Indenture as well as all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Issuer or any Subsidiary of the applicable Successor Issuer as a result of such transaction as having been Incurred by the applicable Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(c) immediately after giving effect to such transaction, either (i) the Issuer or the applicable Successor Issuer would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction, or the Consolidated Total Net Leverage Ratio of the Issuer and its Restricted Subsidiaries would not be higher than it was immediately prior to giving effect to such transaction; and

(d) the Issuer or the Successor Issuer, as the case may be, shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (in the case of the Successor Issuer) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (in the case of a Successor Issuer) is a legal and binding agreement enforceable against the Successor Issuer; *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 (a), (b) and (c) above.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, but in the case of a lease of all or substantially all of its assets, the predecessor Person will not be released from its obligations under the Indenture and the Notes.

The Guarantors

None of the Guarantors (other than a Guarantor whose Notes Guarantee is to be released in accordance with the terms of the Indenture or the Intercreditor Agreement) may:

(a) consolidate with or merge with or into any Person; or

(b) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any Person; or

(c) permit any Person to merge with or into such Guarantor,

unless either:

(i) either:

(A) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor substantially concurrently with such transaction; or

(B) (1) either (x) the Issuer or a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Notes Guarantee and the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and

(C) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing; or

(ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise not prohibited by the Indenture.

Any such Guarantor will enter into one or more supplemental indentures to become a party to the Indenture, will guarantee (subject to the Agreed Security Principles) the Notes and will accede to the Intercreditor Agreement and any Additional Intercreditor Agreement.

General

The provisions set forth in this "*Merger and Consolidation*" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not the Issuer or a Guarantor from consolidating with, merging or liquidating into or assigning, transferring or otherwise disposing of all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not the Issuer or a Guarantor; (ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that (A) if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents and clauses (a) and (d) under the heading "*—The Issuer*" shall apply to such transaction and (B) there shall be a valid Lien over the Capital Stock of such surviving entity securing the obligations under the Notes and the Notes Guarantees; and (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided, however*, that clauses (a), (b) and (d) under the heading "*—The Issuer*" or clause (A), (B) and (C) under the heading "*The Guarantors*," as the case may be, shall apply to any such transaction.

The foregoing provisions shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary. Notwithstanding any of the foregoing, the Transactions (and any transaction reasonably related to the Transactions) will be permitted without compliance with this section.

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. See also "*—Change of Control*." This paragraph is not intended to limit the Issuer's sales or other dispositions of less than substantially all of its assets.

Events of Default

Each of the following is an "*Event of Default*" under the Indenture:

(1) default in any payment of interest on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or any Guarantor to comply for 60 days (or, in the case of an obligation set out in "*—Certain Covenants—Reports*," 120 days) after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any agreement or obligation contained in the Indenture;

(4) the occurrence of any default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any 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 date hereof, which default:

(a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness ("*payment default*"); or

(b) results in the acceleration of such Indebtedness prior to its stated final maturity (the "*cross acceleration provision*"),

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default of principal at its stated final maturity (after giving effect to any applicable grace periods) or the maturity of which has been so accelerated, aggregates €30.0 million or more at any one time outstanding;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) (the "*bankruptcy provisions*");

(6) failure by the Issuer or a Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of €30.0 million other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days (after receipt of notice as described in the next succeeding paragraph) after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the "*judgment default provision*");

(7) any Security Interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to a material portion of the Collateral for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such Security Interest, with respect to a material portion of the Collateral, created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 30 days; and

(8) any Notes Guarantee by a Guarantor that is a Significant Subsidiary (or group of Guarantors that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary) ceases to be in full force and effect, other than in accordance with the terms of such Notes Guarantee or the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement (including with respect to any Notes Guarantee limitations and the Agreed Security Principles).

Notwithstanding any other term of this "*Description of the Notes*" or the Indenture, no Permitted Reorganization shall (or shall be deemed to) constitute, or result in, a breach of any undertaking or other term in this "*Description of the Notes*" or the Indenture, or a Default or an Event of Default, and shall be expressly permitted under the terms of this "*Description of the Notes*" or the Indenture.

However, a Default under clauses (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes notify the Issuer of the Default and, with respect to clauses (4) and (6), the Issuer does not cure such Default within 60 days after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by written notice to the Issuer or the Holders of at least 30% in principal amount of the outstanding Notes by written notice to the Issuer and the Trustee may, and the Trustee (subject to certain conditions) at the request of such Holders shall, declare the principal of and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) under "*Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the Event of Default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of and accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Notes) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "*Initial Default*") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—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 Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee in its sole discretion against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing and, if requested, provided to the Trustee security and/or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the security and/or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing, of which a responsible officer of the Trustee has received written notice, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security satisfactory to the Trustee in its sole discretion against all fees, losses, liabilities and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee in good faith determines that withholding notice is in the interests of the Holders.

The Issuer is required to deliver to the Trustee, within 150 days after the end of the Issuer's fiscal year ending July 31, 2018 and within 120 days after the end of the Issuer's fiscal years thereafter beginning with the fiscal year ending July 31, 2019, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous fiscal year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). If any amendment, supplement or waiver will only affect the Fixed Rate Notes or the Floating Rate Notes, only the holders of a majority in aggregate principal amount of the then outstanding Fixed Rate Notes or Floating Rate Notes (and not the consent of the holders of the majority of all Notes), as the case may be, shall be required.

However, without the consent of Holders holding not less than 90% (or, in the case of clause (9) below, 75%) of the then outstanding principal amount of the Notes (*provided*, *however*, that if any amendment, supplement, waiver or other modification or consent will only affect the Fixed Rate Notes or the Floating Rate Notes, only the consent of the holders of at least 90% (or, in the case of clause (9) of this paragraph, 75%) of the aggregate principal amount of the then outstanding Fixed Rate Notes or Floating Rate Notes will be required), an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the stated rate of or extend the stated time for payment of interest on any such Note (other than provisions relating to Change of Control and Asset Dispositions);

(2) reduce the principal of or extend the Stated Maturity of any such Note (other than provisions relating to Change of Control and Asset Dispositions);

(3) 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*" or "*—Redemption for Taxation Reasons*";

(4) make any such Note payable in currency other than that stated in such Note;

(5) impair the right of any Holder to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor;

(6) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

(7) release all or substantially all Security Interests granted for the benefit of the Holders in the Collateral (taken as a whole) other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement and the Indenture; *provided* that, for the avoidance of doubt, the release of less than all or substantially all Security Interests granted for the benefit of the Holders in the Collateral (taken as a whole) shall only require the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided further*, that the release of the Security Interests created pursuant to the Escrow Charge shall require the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes (unless such release is otherwise in compliance with the terms of the Indenture);

(8) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(9) release any Guarantor from its obligations under its Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement;

(10) waive or modify any provision of the Escrow Agreement (including, without limitation, those relating to the release of Escrowed Proceeds) to the extent such provisions relate to the Issuer's obligation to redeem the Notes in a Special Mandatory Redemption and such waiver or modification adversely affects the right of any Holders of such Notes in any material respect; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the other parties thereto, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency, or conform any provision to this "*Description of the Notes*" or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or a Restricted Subsidiary under any Notes Document, including, without limitation, in connection with a Permitted Reorganization;

(3) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) provide for uncertificated Notes in addition to or in place of certificated Notes;

(5) make any change that would provide additional rights or benefits to the Trustee or the Holders or make any change (including changing the ISIN or other identifying number on any Notes) that does not adversely affect the rights of any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Issuer) for the issuance of Additional Notes that may be issued in compliance with the Indenture;

(7) provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the Covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Additional Guarantees*," to add Notes Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(8) conform the text of the Indenture, the Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;

(9) evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Notes Document;

(10) in the case of the Security Documents, mortgage, pledge, hypothecate or grant a Security Interest in favor of the Security Agent for the benefit of the Holders or parties to the Revolving Credit Facility, in any property which is required by the Security Documents or the Revolving Credit Facility (as in effect on the Completion Date) to be mortgaged, pledged or hypothecated, or in which a Security Interest is required to be granted to the Security Agent, or to the extent necessary to grant a Security Interest in the Collateral for the benefit of any Person; *provided* that the granting of such Security Interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with;

(11) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of Notes; *provided*, *however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect;

(12) to facilitate any transaction that complies with the covenants described under the headings "*—Certain Covenants—Merger and Consolidation*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" relating to mergers, consolidations and sales of assets;

(13) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*"; or

(14) at the Issuer's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the U.S. Trust Indenture Act of 1939, as amended, if such qualification is required.

For the avoidance of doubt, no amendment to, or deletion of, or actions taken in compliance with, the covenants described under "*—Certain Covenants*" or this section "*Amendments and Waivers*" shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or interest or premium, if any, on the Notes.

In formulating its decisions on such matters, the Trustee and the Security Agent, as applicable, shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Notwithstanding anything to the contrary in the paragraphs above, in order to effect an amendment authorized by clauses (4) and (7) of the second paragraph of this section "*Amendments and Waivers*" to add a Guarantor under the Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee. Any other amendments permitted by the Indenture need only be duly authorized and executed by the Issuer, the Trustee and the Security Agent (to the extent applicable).

The Indenture shall not contain a covenant regulating the offer and/or payment of a consent fee to Holders.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Notes Documents ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its obligations and the obligations of its Restricted Subsidiaries under the covenants described under "*—Certain Covenants*" (other than clauses (1), (2) and (4) of "*—Merger and Consolidation—The Issuer*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions (other than with respect to the Issuer), the judgment default provision, the guarantee provision and the security default provisions described under "*—Events of Default*" above ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than clauses (1), (2) and (4) of "*—Merger and Consolidation—The Issuer*"), (4), (5) (with respect only to a 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) of the Issuer), (6), (7) or (8) under "*—Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee cash in Euro or European Government Obligations, or a combination thereof, for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, 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 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 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 simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel, subject to customary assumptions and exclusions, to the effect that Holders, and beneficial owners of the Notes, in their capacity as Holders, will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law since the issuance of the Notes);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer; and

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents, will be discharged and cease to be of further effect (except as to surviving rights of transfer or exchange of the Notes and rights of the Trustee, as expressly provided for in the Indenture) as to all Notes when (a) either (i) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (ii) all Notes not previously delivered to the Paying Agent for cancellation (A) have become due and payable, (B) will become due and payable at their Stated Maturity within one year or (C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (b) the Issuer has deposited or caused to be deposited with the Trustee, money in Euro or European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (c) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (d) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and (e) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent under this "*Satisfaction and Discharge*" section relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b), (c) and (d)). If requested in writing by the Issuer, the Trustee shall distribute any amounts deposited to the Holders prior to Stated Maturity or the redemption date, as the case may be; *provided, however,* that Holders have received at least three Business Days' notice from the Issuer of such earlier repayment date. For the avoidance of doubt, the distribution and payment to holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, manager, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee

Deutsche Trustees Company Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has written notice, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has written notice, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (a) 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 Issuer and (b) that if the Trustee at any time (i) has or acquires a conflict of interest that is not eliminated, (ii) becomes incapable of acting as Trustee or (iii) becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses Incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

If and for so long as the Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, notices of the Issuer with respect to the Notes will be sent to the Authority.

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. For so long as any Notes are represented by global notes, all notices to Holders will be delivered to Euroclear and Clearstream in accordance with the applicable procedures of Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given in via Euroclear or Clearstream, it is duly given on the day the notice is given to Euroclear or Clearstream.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, 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 Issuer 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.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Notes and the Notes Guarantees, if any, including damages. Any amount received or recovered in a currency other than Euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Euro amount is less than the Euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Notes Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any Euro -denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non- Euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non- Euro amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Notes on the Official List of the Exchange and for permission to be granted to deal in the Notes on the Official List of the Exchange. There can be no assurance that the application to list the Notes on the Official List of the Exchange will be approved or that permission to deal in the Notes thereon will be granted, and settlement of the Notes is not conditioned on obtaining this listing or permission.

Enforceability of Judgments

Since substantially all the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Notes, and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York. For the avoidance of doubt, the governing law of the Indenture and the Notes may be amended with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). The Intercreditor Agreement, the Escrow Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England. The Security Documents will be governed by the law of the location of the relevant asset that is part of the Collateral.

Certain Definitions

"*Acquired Indebtedness*" means with respect to any Person, Indebtedness (1) of any other Person or any of its Subsidiaries existing at the time such other Person becomes a Restricted Subsidiary or merges or amalgamates with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from another Person, in each case, whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition, or (3) of a Person at the time such Person merges or amalgamates with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary, or (4) secured by a Lien encumbering any asset acquired by such 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 and, with respect to clauses (2) and (4) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, amalgamation, consolidation or other combination.

"*Acquisition*" has the meaning ascribed to such term in this Offering Memorandum.

"*Acquisition Agreement*" means the sale and purchase agreement dated as of November 10, 2017, by and among certain sellers identified therein and the Issuer with respect to the entire share capital of the Target.

"*Additional Assets*" means:

(1) any property or assets (other than Capital Stock) used or to be used by the Issuer, a Restricted Subsidiary or otherwise useful (including Investments in property or assets for potential future use) in a Similar Business (as of the Issue Date or the Completion Date, as applicable) (it being understood that capital expenditures on property or assets already used, or to be used, in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets (in each case, on or after the Issue Date or the Completion Date, as applicable));

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the agreed security principles appended to the Revolving Credit Facility Agreement, as of the Completion Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

"*Applicable Premium*" means

(x) with respect to any Fixed Rate Note the greater of (a) 1% of the principal amount of such Fixed Rate Note; and (b) on any redemption date, the excess (to the extent positive) of:

(i) the present value at such redemption date of (A) the redemption price of such Fixed Rate Note at , 2020 (such redemption price (expressed in percentage of principal amount) being set forth in the table set forth under "*—Optional Redemption—Fixed Rate Notes*" (excluding accrued and unpaid interest)), *plus* (B) all required interest payments due on such Fixed Rate Note to and including , 2020 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of such Fixed Rate Note; and

(y) with respect to any Floating Rate Note the greater of (a) 1% of the principal amount of such Floating Rate Note; and (b) on any redemption date, the excess (to the extent positive) of:

(i) the present value at such redemption date of (A) the redemption price of such Floating Rate Note at , 2019 (such redemption price (expressed in percentage of principal amount) being set forth in the table set forth under "*—Optional Redemption—Floating Rate Notes*" (excluding accrued and unpaid interest)), *plus* (B) all required interest payments due on such Floating Rate Note to and including , 2019 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of such Floating Rate Note,

in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, the calculation of the Applicable Premium shall not be the responsibility or obligation of the Trustee, Calculation Agent, Paying Agent, Registrar or Transfer Agent.

"*Asset Disposition*" means:

(a) 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 Leaseback Transaction) of the Issuer or any of its Restricted Subsidiaries (in each case other than Capital Stock of the Issuer) (each referred to in this definition as a "*disposition*"); or

(b) the issuance, sale, transfer or other disposition of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or directors' qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions,

in each case, other than:

(1) a disposition by the Issuer or a Restricted Subsidiary to the Issuer or a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, receivables, trading stock, security equipment or other 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, including any disposition of disposed, abandoned or discontinued operations;

(4) a disposition of obsolete, worn-out, uneconomic, damaged, retired or surplus property, equipment or other assets or property, equipment, facilities or other assets that are no longer economically practical or commercially desirable to maintain or used or useful in the business of the Issuer and its Restricted Subsidiaries whether now or hereafter owned or leased or acquired in connection with an acquisition or used or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries (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 judgment that such action or inaction is desirable);

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) a disposition, issuance, sale or transfer of Capital Stock (a) by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, or as part of or pursuant to an equity-based, equity-linked, profit sharing or performance based, incentive or compensation plan approved by the Board of Directors of the Issuer or (b) relating to directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Issuer) of less than the greater of (a) €15.0 million and (b) 14% of LTM EBITDA;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) conveyances, sales, transfers, licenses, sublicenses, lease or assignment or other dispositions of intellectual property rights, software or other general intangibles and licenses, sub-licenses, leases or subleases of other tangible and non-tangible 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 or other right in the intellectual property or software that result from such agreement;

(12) the lease, assignment, license, sublease or sublicense of any real or personal property in the ordinary course of business or consistent with past practice;

(13) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(14) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes, including pursuant to any factoring arrangements) of accounts receivable or other loans or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(15) any issuance, sale or transfer of Capital Stock 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;

(16) any disposition, issuance, sale or transfer of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(17) (a) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased and (b) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

(18) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility;

(19) any disposition pursuant to a financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Issuer or any Restricted Subsidiary, including any Sale and Leaseback Transaction in an amount not exceeding, when aggregated with all other disposition or Sale and Leaseback Transactions made pursuant to this clause (19), the greater of (i) €75.0 million and (ii) 69% of LTM EBITDA;

(20) dispositions of Investments in joint ventures, Associates or similar entities to the extent required by, or made pursuant to, customary buy/sell arrangements in joint venture arrangements and similar binding arrangements relating to such entities;

(21) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;

(22) the unwinding of any Cash Management Services or Hedging Obligations;

(23) any disposition of 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; *provided, however*, that the Issuer shall certify that in its opinion, the outstanding transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole); and

(24) dispositions of non-core assets (as determined by the Issuer in its good faith judgment) in connection with an acquisition; *provided* the value of such non-core assets does not exceed 50% of the consideration payable in connection with such acquisition and the consideration received by the Issuer or any Restricted Subsidiary from such disposition is not less than the fair market value of such disposition (or, if lower, the consideration paid by the Issuer or any Restricted Subsidiary for such non-core asset).

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition 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 Disposition and/or one or more of the types of Permitted Investments or Investments permitted under *"—Certain Covenants—Limitation on Restricted Payments*."

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or the Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"*Board of Directors*" means (i) with respect to 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 a 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 of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). Unless the context requires otherwise, Board of Directors means the Board of Directors of the Issuer.

"*Bund Rate*" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer) most nearly equal to the period from the redemption date to, with respect to the Fixed Rate Notes 2020, and with respect to the Floating Rate Notes, , 2019; *provided*, *however*, that if the period from the redemption date to, with respect to the Fixed Rate Notes, , 2020, and with respect to the Floating Rate Notes, , 2019, is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to, with respect to the Fixed Rate Notes, , 2020, and with respect to the Floating Rate Notes, , 2019, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used. In no case for any purposes in the Indenture shall the Bund Rate be less than 0.00%.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in (i) Luxembourg, Grand Duchy of Luxembourg, (ii) Copenhagen, Denmark, (iii) London, United Kingdom and (iv) New York, New York, United States are authorized or required by law to close.

"*Business Successor*" means (i) any former Subsidiary of the Issuer and (ii) 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*" of any Person means any and all shares of, rights to purchase or acquire, warrants, options or depositary receipts for, or other equivalents of, or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) (a) Euros, Canadian dollars, Swiss Francs, British pounds, Danish krone, Swedish krone, Norwegian krone, U.S. dollars or any national currency of any member state of the European Union; or (b) any other foreign currency held by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(2) securities or other direct obligations, issued or directly and fully Guaranteed or insured by the United States of America, Canadian, Norwegian, Swiss or United Kingdom governments, the European Union or any member state of the European Union on the Issue Date or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), with maturities of 24 months or less from the date of acquisition;

(3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by

any lender (whether party to the Revolving Credit Facility or otherwise) or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250.0 million;

(4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;

(5) readily marketable direct obligations issued by a member state of the European Union, Japan, Australia, Switzerland, Norway, Canada, the United States of America, any State of the United States or the District of Columbia or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P;

(6) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (3) above (or by the Parent Entity thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by, a corporation rated at least "A-2" or higher by S&P or "P-2" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Issuer) maturing within one year after the date of creation thereof;

(7) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(8) bills of exchange issued in a member state of the European Union, United Kingdom, Norway, Japan, Australia, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia, eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(9) with respect to a jurisdiction in which the Issuer or a Restricted Subsidiary conducts business or is organized, certificates of deposit, time deposits, recognized time deposits, overnight bank deposits or bankers' acceptances with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings of its long term debt, among the top five banks in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operations in such jurisdiction;

(10) interests in any investment company, money market, enhanced high yield fund or other investment fund which invests 90% or more of its assets in instruments of the types specified in clauses (1) through (9) above; and

(11) for purposes of clause (2) of the definition of "*Asset Disposition*," the marketable securities portfolio owned by the Issuer and the Issue Date Guarantor on the Issue Date and by the Target and its Subsidiaries on the Completion Date, as applicable.

"*Cash Management Services*" means any of the following to the extent not constituting a line of credit (other than an overnight draft facility that is not in default): automated clearing house transactions, treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements in the ordinary course of business or consistent with past practice.

"*Change of Control*" means:

(1) the Issuer becomes aware of (by way of a report or any other filing pursuant to any public regulatory filing made available to it, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in

Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent Holding Company; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than the Issuer (including, for the avoidance of doubt, any successor thereto pursuant to the provisions described under "*Certain Covenants—Merger and Consolidation*") or a Restricted Subsidiary or one or more Permitted Holders.

Notwithstanding the preceding or any provision of Section 13d-3 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 purposes of this definition and any related definition to the extent used for purposes of this definition, at any time when 50% or more of the total voting power of the Voting Stock of the Issuer is directly or indirectly owned by a Parent Entity of which the Issuer is a Subsidiary, all references to the Issuer shall be deemed to refer to its ultimate Parent Entity of which the Issuer is a Subsidiary (but excluding any Permitted Holder) that directly or indirectly owns such Voting Stock.

"*Change of Control Triggering Event*" means the occurrence of a Change of Control, unless *pro forma* for the Change of Control, the Consolidated Total Net Leverage Ratio is less than 4.00 to 1.0.

"*Clearstream*" means Clearstream Banking, *société anonyme*, or any successor thereof.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Completion Date*" means the date of completion of the Acquisition.

"*Consolidated Depreciation and Amortization Expense*" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including amortization or write-off of (i) intangibles and non-cash organization costs, (ii) deferred financing fees or costs and (iii) capitalized expenditures, customer acquisition costs and incentive payments, 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, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS and any write down of assets or asset value carried on the balance sheet.

"*Consolidated 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 (to the extent deducted (where applicable) and not added back in calculating Consolidated Net Income):

(a) provision for taxes based on income or profits, revenue or capital, including federal, state, provincial, territorial, local, foreign, unitary, excise, property, franchise and similar taxes and foreign withholding and similar taxes of such Person paid or accrued during such period, including any penalties and interest relating to any tax examinations (including any additions to such taxes, and any penalties and interest with respect thereto); *plus*

(b) Fixed Charges of such Person for such period (including (x) net losses on any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate,

currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (i) through (ix) in clause (1) thereof); *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period; *plus*

(d) any (x) Transaction Expenses and (y) 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 transactions costs associated with becoming a public company), Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of Indebtedness permitted to be Incurred by the Indenture (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges (including rating agency fees and related expenses) related to the offering of the Notes, the Revolving Credit Facility, any other Credit Facility or Public Debt and any Securitization Fees, and (ii) any amendment, waiver or other modification of the Notes, the Revolving Credit Facility, Receivables Facilities, Securitization Facilities, any other Credit Facility or Public Debt, any Securitization Fees, any other Indebtedness permitted to be Incurred under the Indenture or any Equity Offering, in each case, whether or not consummated; *plus*

(e) the amount of any (i) losses, charges, accrual or reserve (and adjustments to existing reserves), transaction or integration cost or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives), including any one-time costs Incurred in connection with acquisitions or divestitures after the Issue Date, including those related to any severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), operational and technology systems development and establishment costs, future lease commitments and costs related to the opening, pre-opening, abandonment, disposal, discontinuation and closure and/or consolidation of facilities and to exiting lines of business and consulting fees Incurred with any of the foregoing and (ii) fees, costs and expenses associated with acquisition related litigation and settlements thereof; *plus*

(f) any non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting; *provided* that if any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period then the cash payment in such future period shall be subtracted from Consolidated EBITDA when paid or other items classified by the Issuer as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period); *plus*

(g) the amount of board of director fees, management, monitoring, advisory, consulting, refinancing, subsequent transaction, advisory and exit fees (including termination fees) and related indemnities and expenses paid or accrued in such period to any member of the Board of Directors of the Issuer, any Permitted Holder or any Affiliate of a Permitted Holder to the extent permitted under "*—Certain Covenants—Limitation on Affiliate Transactions*"; *plus*

(h) the amount of "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), operating expense or loss reductions, other operating improvements and initiatives and synergies projected by the Issuer in good faith to be reasonably anticipated to be realizable or a plan for realization shall have been established within 24 months of the date thereof (which will be added to Consolidated 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), operating expense reductions, other operating improvements and initiatives and synergies had been realized on the first day of such period, net of the amount of actual benefits realized prior to or during such period from such actions; *provided* that all steps have been taken, or are reasonably expected to be taken, in good faith, for realizing such cost-savings within 24 months after the date of determination and such cost savings are reasonably identifiable and factually supportable (in the good faith determination of the Issuer); *plus*

(i) [*Reserved*]; *plus*

(j) the amount of loss or discount on sale of Securitization Assets, Receivables Assets and related assets to the Securitization Subsidiary in connection with a Qualified Securitization Financing or Receivables Facility; *plus*

(k) any costs or expense Incurred by the Issuer or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or Net Cash Proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Issuer solely to the extent that such Net Cash Proceeds are excluded from the calculation set forth in clause (C) of the first paragraph under *"—Certain Covenants—Limitation on Restricted Payments*"; *plus*

(l) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(m) any net loss included in the Consolidated Net Income attributable to non-controlling interests; *plus*

(n) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Issuer and its Restricted Subsidiaries; *plus*

(o) net realized losses from Hedging Obligations or embedded derivatives; *plus*

(p) the amount of any minority interest expense consisting of income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto; *plus*

(q) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a) and (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 the same was deducted (and not added back) in calculating Consolidated Net Income; *plus*

(r) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; *plus*

(s) 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), and any other items of a similar nature; *plus*

(t) the amount of expenses relating to payments made to option holders of the Issuer or any Parent Entity in connection with, or as a result of, any distribution being made to equityholders of such Person or its Parent Entities, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; *plus*

(u) the amount of any losses, charges, expenses, costs or other payments (including all fees, expenses or charges related thereto) (i) in respect of stores, office space or other facilities no longer used or useful in the conduct of the business of the Issuer or its Restricted Subsidiaries, abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations, and (ii) in respect of the pre-opening and opening of new stores, office space, disposition facilities and depots, and start-up period prior to opening, that are operated, or to be operated, by the Issuer or any Restricted Subsidiary, or charges in connection with brand or banner launch or re-launch costs; *plus*

(v) earn out obligations Incurred in connection with any permitted acquisition or other Investment permitted under the Indenture and paid or accrued during such period; *plus*

(w) to the extent not already otherwise included herein, adjustments and add-backs similar to those, or of the nature of those, made in calculating "*Run-rate Adjusted EBITDA for the Ongoing Business*" included in the Offering Memorandum; and

(2) decreased (without duplication) by 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 Consolidated EBITDA in any prior period.

"*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 (in each case, determined on the basis of IFRS), 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 the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to IFRS), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (i) Securitization Fees, (ii) penalties and interest relating to taxes, but excluding, for the avoidance of doubt, any additional amounts paid with respect to the Notes, (iii) any additional cash interest owing pursuant to any registration rights agreement, (iv) accretion or accrual of discounted liabilities other than Indebtedness, (v) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with the Transactions or any acquisition, (vi) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated Hedging Obligations and other commissions, financing fees and expenses and original issue discount with respect to any Indebtedness 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, (vii) any expensing of bridge, commitment and other financing fees, (viii) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS and (ix) Subordinated Shareholder Funding); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding); *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 IFRS.

"*Consolidated Net Income*" means, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis on the basis of IFRS after any reduction in respect of Preferred Stock dividends; *provided*, *however*, that there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from Investments recorded in such Person under the equity method of accounting), except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that (as reasonably determined by an Officer of the Issuer) could have been distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause

(C)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under the definition of "*Permitted Investments*";

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (C)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than the Issuer or the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer or a Guarantor by operation of the terms of such Restricted Subsidiary's articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Revolving Credit Facility, the Intercreditor Agreement, the Notes, the Indenture or any Security Document, and (c) restrictions specified in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*") except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents or non-cash distributions to the extent converted into cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed or discontinued operations of the Issuer or any of its Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Issuer);

(4) any extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, including Transaction Expenses or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities' opening costs and other business optimization expenses and operating improvements (including related to new product introductions and the build-out, renovation and expansion of stores or other facilities), systems development and establishment costs, 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, 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), litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events), contract terminations and professional and consulting fees Incurred with any of the foregoing;

(5) the cumulative effect of a change in law, regulation or accounting principles, including any impact resulting from an election by the Issuer to apply GAAP at any time following the Issue Date;

(6) any (a) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification or revaluation of any employee pension benefit plan obligation and (b) income (loss) attributable to deferred compensation plans or trusts;

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness (including Hedging Obligations) and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of any Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

(9) any fees, expenses and other charges (including any transaction or retention bonus or similar payment) incurred during such period, or any amortization thereof for such period, in connection with any

acquisition, Investment, reorganization, restructuring, asset disposition, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction, in each case, whether or not successful;

(10) any unrealized or realized foreign currency translation increases or decreases or transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person, including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Hedging Obligations for currency exchange risk) or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary and any unrealized or realized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(11) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with IFRS;

(12) any recapitalization accounting or purchase accounting effects, including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Issuer and its Restricted Subsidiaries), as a result of any consummated acquisition (including the Transactions), or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(13) any depreciation expense and any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and the amortization of intangibles arising pursuant to IFRS;

(14) any effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;

(15) accruals and reserves that are established or adjusted (including any adjustment of estimated payouts on existing earn-outs) that are so required to be established as a result of the Transactions in accordance with IFRS, or changes as a result of adoption or modification of accounting policies;

(16) any costs associated with the Transactions;

(17) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures and any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowances related to such item;

(18) (a) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed and (b) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates, deposits and other chargebacks (including government program rebates);

(19) any net gain (or loss) from disposed, abandoned, ceased or discontinued operations and services and any net gain (or loss) on disposal of disposed, discontinued, ceased or abandoned operations;

(20) consolidated depreciation and amortization expense and other impairment of non-current assets; and

(21) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include (i) any expenses and charges that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder, or, so long as the Issuer

has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed and only to the extent that such amount is (A) not denied by the applicable payor in writing within 270 days and (B) in fact reimbursed within 450 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 450 days) and (ii) to the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 270 days and (B) in fact reimbursed within 450 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 450 days), expenses with respect to liability or casualty events or business interruption.

"*Consolidated Senior Secured Net Leverage Ratio*" means, as of any date of determination, the ratio of (a) the aggregate principal amount of Senior Secured Indebtedness *minus* cash and Cash Equivalents (which may include any cash that collateralizes guarantee or letter of credit facilities of the Issuer or any Restricted Subsidiary) of the Issuer and its Restricted Subsidiaries as of the date of determination, to (b) LTM EBITDA, in each case, with such *pro forma* adjustments as are consistent with the *pro forma* adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*"; *provided, however*, that the *pro forma* calculation shall not give effect to (x) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause 5(b) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*") or (y) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause (5) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

"*Consolidated Total Net Indebtedness*" means, as of any date of determination, (a) the aggregate principal amount of Indebtedness for borrowed money (excluding Indebtedness with respect to Cash Management Services and intercompany Indebtedness), *plus* (b) the aggregate principal amount of Capitalized Lease Obligations, Purchase Money Obligations and unreimbursed drawings under letters of credit of the Issuer and its Restricted Subsidiaries outstanding on such date *minus* (c) the aggregate amount of cash and Cash Equivalents (which may include any cash that collateralizes guarantee or letter of credit facilities of the Issuer or any Restricted Subsidiary) of the Issuer and its Restricted Subsidiaries as of the determination date, in each case, with such *pro forma* adjustments as are consistent with the *pro forma* adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*." For the avoidance of doubt, Consolidated Total Net Indebtedness shall exclude Indebtedness in respect of any Hedging Obligations, Receivable Facility or Securitization Facilities.

"*Consolidated Total Net Leverage Ratio*" means, as of any date of determination, the ratio of (1) Consolidated Total Net Indebtedness as of such date to (2) LTM EBITDA, in each case, with such *pro forma* adjustments as are consistent with the *pro forma* adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*"; *provided, however*, that the *pro forma* calculation shall not give effect to (x) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause 5(b) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*") or (y) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause (5) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"). For purposes of the definition of Change of Control Triggering Event, cash and Cash Equivalents and Indebtedness under revolving credit facilities may both be determined as of the date of the event giving rise to the determination or both be determined as of the last day of the Relevant Testing Period ending immediately prior to such determination date calculated in accordance with the provisions of "*—Certain Covenants—Financial Calculations*."

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Controlled Investment Affiliate*" means, as to any Person, any other Person, 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 Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, indentures, instruments or other arrangements (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, other financial institutions, funds, governmental or quasi-governmental agencies 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 Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "*Credit Facility*" shall include any agreement or instrument (a) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (c) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *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.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Issuer or any Restricted Subsidiary) of non-cash consideration received by the Issuer or any of the Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, *less* the amount of cash or Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"Designated 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 (C)(iii) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors 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 exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or

(2) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or 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 further, however*, that if such Capital Stock is issued to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, contractor or consultant) 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 (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, contractual or regulatory obligations.

"*Equity Contribution*" means the approximately €585 million of shareholder funding to be provided by the Initial Investors to the Issuer through wholly-owned or majority-owned intermediate holding companies by way of an equity contribution and Subordinated Shareholder Funding.

"*Equity Offering*" means (a) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (b) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity of the Issuer or any of its Restricted Subsidiaries by any Parent Entity in any form other than Indebtedness, the Equity Contribution, a Parent Debt Contribution or Excluded Contributions of the Issuer or any of its Restricted Subsidiaries or Excluded Amounts.

"*Escrow Account*" means the escrow account into which the gross proceeds of this offering of the Notes will be deposited on the Issue Date, pursuant to the terms of the Escrow Agreement.

"*Escrow Agreement*" means the agreement to be dated the Issue Date between the Issuer, the Trustee and the Escrow Agent relating to the Escrow Account into which the gross proceeds of the Notes will be deposited pending consummation of the Acquisition.

"*Escrow Charge*" means the first-ranking pledge of the Escrow Account and the Issuer's rights under the Escrow Agreement in favor of the Trustee for the benefit of the Holders dated as of the Issue Date.

"*Euro*" or "€" means the single currency of participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

"*Euroclear*" means Euroclear Bank SA/NV or any successor thereof.

"*European Government Obligations*" means any security denominated in Euro that is (a) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "*A-2*" or higher by Moody's or "*A*" or higher by S&P or the equivalent rating category of another Nationally Recognized Statistical Rating Organization on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or

(b) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (a) or (b), is not callable or redeemable at the option of the issuer thereof.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets (other than the Equity Contribution, Excluded Amounts and a Parent Debt Contribution) received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer; *provided* that such designation occurs on or at any time prior to the date of utilization of such Excluded Contribution.

"*fair market value*" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith, and may take into consideration the fair market value of a group of assets being transferred and any liabilities, encumbrances or restrictions relating to such assets.

"*Fitch*" means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of (a) Consolidated EBITDA of such Person for the Relevant Testing Period ending immediately prior to such determination date calculated in accordance with the provisions of "*—Certain Covenants—Financial Calculations*" to (b) the Fixed Charges of such Person for such Relevant Testing Period. In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, guarantees, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness during such period or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the Relevant Testing Period 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, defeasance, retirement, extinguishment or other discharge 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; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause 5(b) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*") or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than the discharge of Indebtedness Incurred pursuant to clause 5(b) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed, ceased or discontinued operations that have been made by the Issuer or any of its Restricted Subsidiaries, during the Relevant Testing Period or subsequent to the Relevant Testing 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 and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Relevant Testing 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 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 or disposed, ceased or discontinued operations had occurred at the beginning of the Relevant Testing Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Issuer (and may include cost savings, expense reductions and synergies reasonably expected to occur, including from the result of a disposition or ceased or discontinued operations, as though such cost savings, expense reduction and synergies had been achieved on the first day of the Relevant Testing Period). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated, at the Issuer's option, either (x) as if the rate in effect on the determination date had been the applicable rate for the entire Relevant Testing Period or (y) using the average rate in effect over the Relevant Testing Period, in each case 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 IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the Relevant Testing Period except to the extent such revolving credit facility has been permanently repaid and the commitments thereunder cancelled. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum 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 this period.

"*GAAP*" means generally accepted accounting principles in the United States of America.

"*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 the Issue Date Guarantor and any other Restricted Subsidiary of the Issuer (including the Target) that Guarantees the Notes as Post-Completion Guarantor, until such Notes 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, interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate hedge agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity purchase agreement, commodity futures or forward

agreement, commodity option agreement, commodities derivative agreement, foreign exchange agreement, currency swap agreement, currency futures agreement, currency option agreement, currency derivative or similar agreements 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 the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply, as in effect on the Issue Date or, with respect to the covenant described under the caption "*Reports*," as in effect from time to time. Except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date. At any time after the Issue Date, the Issuer may elect to establish that IFRS shall mean the IFRS as in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Issuer may elect to apply GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean GAAP (except as otherwise provided in the Indenture), including as to the ability of the Issuer to make an election pursuant to the previous sentence; *provided* that any such election, once made, shall be irrevocable; *provided*, *further*, that any calculation or determination in the Indenture that require the application of IFRS for periods that include fiscal quarters ended prior to the Issuer's election to apply GAAP shall remain as previously calculated or determined in accordance with IFRS; *provided*, *further again*, that the Issuer may only make such election if it also elects to report any subsequent financial reports required to be made by the Issuer. The Issuer shall give notice of any such election made in accordance with this definition to the Trustee and the Holders. Notwithstanding any of the foregoing, the impact of IFRS 16 (*Leases*) and any successor standard thereto (or any equivalent measure under GAAP) shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture and (without limitation) any lease, concession or license of property that would be considered an operating lease under IFRS (or, as applicable, GAAP) as of the Issue Date and any guarantee given by the Issuer or any Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any Restricted Subsidiary under any such operating lease shall be accounted for in accordance with IFRS (or, as applicable, GAAP) as in effect on the Issue Date.

"*Immaterial Subsidiary*" means, at any date of determination, each Restricted Subsidiary of the Issuer that (a) has not Guaranteed any other Indebtedness of the Issuer and (b) has Total Assets of less than 5.0% of Total Assets, revenues of less than 5.0% of the Issuer and its Restricted Subsidiaries and LTM EBITDA of less than 5.0% of LTM EBITDA of the Issuer and its Restricted Subsidiaries taken as a whole and, together with all other Immaterial Subsidiaries (as determined in accordance with IFRS), has Total Assets of less than 10.0% of Total Assets, revenues of less than 10.0% of total revenues of the Issuer and its Restricted Subsidiaries and LTM EBITDA of less than 10.0% of total LTM EBITDA of the Issuer and its Restricted Subsidiaries taken as a whole, in each case, measured on the last day of the Relevant Testing Period ending immediately prior to such determination date calculated in accordance with the provisions of "*—Certain Covenants—Financial Calculations*" and revenues on a *pro forma* basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such date, 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) 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, subject to the provisions set forth in "*—Certain Covenants—Financial Calculations*."

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations that are not themselves Indebtedness and except to the extent that such obligations are satisfied within 60 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligation, including accrued expenses owed, to a trade creditor, or, in connection with the development of additional stores and related space), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of the type referred to in clauses (1), (2), (3), (4), (5) and (9) of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement),

with respect to clauses (1), (2), (4) and (5) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit described in (3) and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS; *provided* that Indebtedness of any Parent Entity appearing upon the balance sheet of the Issuer prepared on the basis of IFRS shall be excluded.

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 represented by loans, notes or other debt instruments ("*proceeds on-loan debt*") shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included ("*primary debt*"); *provided* that the proceeds on-loan debt shall only be excluded to the extent that the corresponding primary debt is included.

Notwithstanding the above provisions, in no event shall any of the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, or any buy-back obligations with regards to stock and inventory under agreements entered into by franchisees with their third party financing sources in each case other than Guarantees or other assumptions of Indebtedness of such franchisee;

(ii) Cash Management Services;

(iii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice;

(iv) 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;

(v) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;

(vi) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions, pension or partial retirement obligations and liabilities, or similar claims or any obligations under or in respect of, or in connection with, any Pension Insurance Plan, Pension Insurance Line and/or PIL Agreement (including, in each case, any guarantees thereof), obligations or contributions or social security or wage Taxes;

(vii) obligations under or in respect of Qualified Securitization Financings or Receivables Facilities;

(viii) Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer solely by reason of push down accounting under IFRS;

(ix) Capital Stock (other than Disqualified Stock of the Issuer and Preferred Stock of a Restricted Subsidiary);

(x) amounts owed to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), 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 "*—Certain Covenants—Merger and Consolidation*";

(xi) non-interest bearing installment obligations Incurred in the ordinary course of business that are not more than 120 days past due and any accrued expenses and trade payables;

(xii) (A) guarantees, letters of credit (to the extent not drawn or satisfied within 60 days of such drawing) or similar instruments in respect of any leases or provided to suppliers in the ordinary course of business (or provided to credit insurers relating to ordinary course of business payables of the Issuer and its Restricted Subsidiaries) or (B) other Indebtedness in respect of standby letters of credit, performance bonds or surety bonds provided by the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond;

(xiii) Indebtedness Incurred by the Issuer or one of the Restricted Subsidiaries in connection with a transaction where (A) such indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least "A" or the equivalent thereof by S&P and "A-2" or the equivalent thereof by Moody's and (B) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such indebtedness, or a Subsidiary or Affiliate thereof, in amount equal to such indebtedness; and

(xiv) Subordinated Shareholder Funding.

"*Independent Financial Advisor*" means an appraisal, investment banking or accounting firm or consultant to Persons engaged in Similar Businesses of international standing or any third party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means (i) Lone Star Fund X (U.S.), L.P. and Lone Star Fund X (Bermuda) L.P. (together, the "*Lone Star Funds*") and individually or collectively, one or more investment funds, co-investment vehicles, limited partnerships and/or other similar vehicles or accounts in each case advised or managed by the general partner, manager

or advisor to the Lone Star Funds; and (ii) any of the successors, Affiliates or direct or indirect Subsidiaries of the parties listed in the preceding clause (i) (but excluding, in each case, any portfolio company which is an obligor (and any of its Subsidiaries) in respect of any third party financing provided to that portfolio company (or any of its Subsidiaries) in which the parties listed in the preceding clause (i) or such Affiliates, Subsidiaries or investors hold an investment or interest in).

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent Entity or any successor of the Issuer or any Parent Entity (the "*IPO Entity*") following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated on or about the Issue Date, by and among, *inter alios*, the Issuer, the Initial Guarantor, the Security Agent and the Trustee, as amended from time to time.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of advances, loans or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business or consistent with past practice, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business or consistent with past practice will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments" and "—Designation of Restricted and Unrestricted Subsidiaries*":

(1) "*Investment*" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets (as determined by the Issuer) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined by the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States of America or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by the European Union or a member of the European Union, the United Kingdom, Japan, Australia, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB-" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P

then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) Investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"*Investment Grade Status*" shall occur when the Notes receive two of the following:

(1) a rating of "BBB-" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; or

(3) a rating of "BBB-" or higher from Fitch,

or the equivalent of such rating by such rating organization or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means , 2018.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*local line of credit"* or *"local working capital facility*" means a debt facility borrowed by the Issuer or a Restricted Subsidiary that may be Guaranteed by the Issuer and any Restricted Subsidiaries and may benefit from any Permitted Liens or Permitted Collateral Liens on any assets of the borrower and guarantors thereunder as permitted by the Indenture, the proceeds of which are intended to be used primarily in the jurisdiction of the borrower or where the substantial portion of its operations are located.

"*LTM EBITDA*" means Consolidated EBITDA of the Issuer and its Restricted Subsidiaries measured for the Relevant Testing Period ending immediately prior to such determination date calculated in accordance with the provisions of "*—Certain Covenants—Financial Calculations*," in each case, with *pro forma* adjustments consistent with the *pro forma* adjustments set forth in the definition of "*Fixed Charge Coverage Ratio*."

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Issuer or any Restricted Subsidiary, or to any management equity plan, stock option plan, any other management or employee benefit, bonus or incentive plan or any trust, partnership or other entity of, established for the benefit of or the beneficial owner of which (directly or indirectly) is, any of the foregoing:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or consistent with past practice or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent Entity with (in the case of this clause (1)(b)) the approval of the Board of Directors of the Issuer;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of (i) €10.0 million and (ii) 9% of LTM EBITDA in the aggregate outstanding at the time of Incurrence.

"Management Stockholders" means the current or former officers, directors, employees and other members of the management of, or consultants to, any Parent Entity, the Issuer or any of their respective Subsidiaries or spouses, family members or relatives thereof, or any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent Entity or participate in an employee arrangement that tracks equity value and is designed to distribute amounts based on a sale, share repurchase, dividend or other shareholder exit event.

"*Market Capitalization*" means an amount equal to (a) 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 (10) of the second paragraph under "*—Certain Covenants—Limitation on Restricted Payments*" multiplied by (b) 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. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under IFRS (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Issuer and after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition, including distributions for Related Taxes;

(2) all payments made on any Indebtedness which (a) is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or (b) which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity, the Issuer or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition;

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition, including pension and other post-employment benefits liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such transaction; and

(5) any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Issuer and after taking into account any available tax credit or deductions and any Tax Sharing Agreements, and including distributions for Related Taxes).

"*Notes Documents*" means the Notes (including Additional Notes), the Indenture (including the Notes Guarantees), the Security Documents, the Escrow Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"*Obligations"* means any principal, interest (including Post-Petition Interest and fees accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor whether or not a claim for Post-Petition Interest or fees is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means this offering memorandum, dated as of , 2018, relating to 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, 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, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel that is reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"*Parent Entity*" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent Entity.

"*Parent Entity Expenses*" means:

(1) costs (including all legal, accounting and other professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to the Notes, Notes Guarantees or any other Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its articles, charter, by-laws, partnership agreement or other organizational documents or pursuant to written agreements with any such Person to the extent relating to the Issuer or its Subsidiaries;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) general corporate overhead expenses, including (a) legal, accounting and other professional fees and expenses and other operational expenses of any Parent Entity related to the ownership or operation of the business of the Issuer or any of its Subsidiaries, (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent Entity, (c) costs and expenses with respect to the maintenance of any equity incentive or compensation plan, (d) any Taxes and other fees and expenses required to maintain such Parent Entity's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent Entity and (e) to reimburse reasonable out-of-pocket expenses of the Board of Directors of such Parent Entity;

(5) [*Reserved*];

(6) expenses Incurred by any Parent Entity in connection with (a) any offering, sale, conversion or exchange of Subordinated Shareholder Funding, Capital Stock or Indebtedness, and (b) any related compensation paid to officers, directors and employees of such Parent Entity;

(7) amounts to finance Investments that would otherwise be permitted to be made pursuant to the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" if made by the Issuer or a Restricted Subsidiary; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (b) such direct or indirect parent company shall, immediately following the closing thereof, cause (i) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (ii) the merger, consolidation or amalgamation of the Person formed or acquired into the Issuer or one of its Restricted Subsidiaries in order to consummate such Investment, (c) such direct or indirect parent company and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture and such consideration or other payment is included as a Restricted Payment under the Indenture, (d) any property received by the Issuer shall not increase amounts available for Restricted Payments pursuant to clause (C) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and (e) such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to a provision of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or pursuant to the definition of "Permitted Investments"; and

(8) any other costs or expenses of any Parent Entity up to €2.5 million per calendar year (with unused amounts in any calendar year being carried forward to succeeding calendar years).

"*Pari Passu Indebtedness*" means Indebtedness (a) of the Issuer which ranks equally in right of payment to the Notes or (b) of any Guarantor which ranks equally in right of payment to the Notes Guarantee of such Guarantor.

"*Paying Agent*" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"*Pension Insurance Line*" means any pension insurance line or similar agreement pursuant to which pension liabilities (including liabilities to any Pension Insurance Provider) of any member of the Group incorporated in (or under the laws of), or which liabilities are otherwise subject to, or governed by, the laws of, Sweden, are guaranteed, cash collateralized and/or extended any other credit support.

"*Pension Insurance Plan*" means any credit insurance, other insurance or assurance against loss in respect of the pension obligations of any member of the Group incorporated in (or under the laws of), or which obligations are otherwise subject to, or governed by, the laws of Sweden.

"*Pension Insurance Provider*" means any provider of a Pension Insurance Plan to any member of the Group incorporated in (or under the laws of), or whose Pension Insurance Plan is otherwise subject to, or governed by, the laws of Sweden.

"*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, Cash Equivalents between the Issuer or any of the Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

For the avoidance of doubt, any Permitted Change of Control Reorganization will be permitted subject to the Holders continuing to benefit from a single point of enforcement at all times.

"*Permitted Collateral Liens*" means Liens on the Collateral:

(a) that are described in one or more of clauses (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (14), (15), (16), (17), (18), (19), (21), (22), (23), (24), (25), (26), (27), (28), (30), (33), (34), (35), (36), (37), (38), (40), (41), (42) and (43) (to the extent it applies to one of the foregoing clauses) of the definition of "*Permitted Liens*" and Liens arising by operation of law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral; or

(b) to secure all obligations (including paid-in-kind interest) in respect of:

(i) the Notes (other than Additional Notes), including any Notes Guarantees;

(ii) Indebtedness described under clause (1) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(iii) Indebtedness described under clause (2) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(iv) Indebtedness described under clause (5) of the second paragraph of "*—Certain Covenants—Limitation on Indebtedness,*" and that is Incurred by the Issuer or a Guarantor; *provided* that, if such Liens secure Senior Secured Indebtedness, at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, the Consolidated Senior Secured Net Leverage Ratio of the Issuer would have been either (x) no greater than 4.40 to 1.00 or (y) no greater than it was immediately prior to giving effect to the relevant transaction;

(v) Indebtedness described under clauses (6), (7), (10), (13) and (19) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(vi) Indebtedness described under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that if such Liens secure Senior Secured Indebtedness, at the time of Incurrence and after giving *pro forma* effect thereto, the Consolidated Senior Secured Net Leverage Ratio would be no greater than 4.40 to 1.00; or

(vii) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) though (vi); or

(c) to secure (i) all Indebtedness and other obligations Incurred under or in respect of, or in connection with, (A) any early retirement obligations, pension fund obligations or contributions, pension or partial retirement obligations and liabilities or similar claims, or (B) any Pension Insurance Plan, Pension Insurance Line and/or PIL Agreement (including, in each case, any guarantees thereof) or (ii) obligations Incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that in total do not exceed the greater of (A) €10.0 million and (B) 9% of LTM EBITDA at any one time outstanding and that in the case of this sub-clause (ii) (x) are not Incurred in connection with the borrowing of money and (y) do not in the aggregate materially detract from the value of the property or materially impair the use thereof or the operation of the Issuer's or such Restricted Subsidiary's business,

provided that, in the case of clauses (b) and (c) of this definition of "*Permitted Collateral Liens,*" each of the secured parties to any such Indebtedness or obligations, as the case may be, (acting directly or through its respective creditor representative) will have entered into, or acceded to, the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided further* that Indebtedness Incurred under clauses (1), (6) and (7) (with respect to Purchase Money Obligations only) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" may receive priority as to the receipt of proceeds from enforcement of, and certain distressed disposals of, the Notes Guarantees and the Collateral on terms not materially less favorable to the Holders (taken as a whole) than accorded to the Revolving Credit Facility Agreement pursuant to the Intercreditor Agreement; and *provided further* that Indebtedness Incurred by any member of the Group incorporated in (or under the laws of) Sweden in respect of, or in connection with, any early retirement obligations, pension fund obligations or contributions, pension or partial retirement obligations and liabilities or similar claims, or any Pension Insurance Plan, Pension Insurance Line and/or PIL Agreement (including, in each case, any guarantees thereof) secured pursuant to clause (c)(i) of this definition of "*Permitted Collateral Liens*" may, at the option of the Issuer, receive priority as to the receipt of proceeds from enforcement of, and certain distressed disposals of, the Notes Guarantees and the Collateral on terms not materially less favorable to the Holders (taken as a whole) than accorded to the Revolving Credit Facility Agreement pursuant to the Intercreditor Agreement.

For purposes of determining compliance with this definition, in the event that a Permitted Collateral Lien meets the criteria of one or more of the categories of Permitted Collateral Liens described above, the Issuer will be permitted to classify such Permitted Collateral Lien on the date of its Incurrence and reclassify such Permitted Collateral Lien at any time and in any manner that complies with this definition.

"*Permitted Holders*" means, collectively, (a) the Initial Investors, (b) any one or more Persons, together with such Persons' Affiliates, whose beneficial ownership constitutes or results in a Change of Control Triggering Event in

respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or whose beneficial ownership constitutes or results in a Change of Control that is not a Change of Control Triggering Event, (c) the Management Stockholders, (d) any Related Person of any of the foregoing Persons, (e) 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, and (f) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (a) through (e), 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.

"*Permitted Investment*" means (in each case, by the Issuer or any of the Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, amalgamated, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice;

(5) Investments in payroll, travel, relocation, entertainment, moving related and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business or consistent with past practice;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business or consistent with past practice and owing to the Issuer or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets or through the provision of any services, including an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect or existence on, the Issue Date (or the Completion Date with respect to the Target and its Restricted Subsidiaries) and any modification, replacement, renewal or extension thereof; *provided* that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Issue Date (or the Completion Date with respect to the Target and its Restricted Subsidiaries) or (b) as otherwise permitted under the Indenture;

(10) Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "*Permitted Liens*" or made in connection with Liens permitted under the covenant described under *"—Certain Covenants—Limitation on Liens*";

(12) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent Entity as consideration;

(13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (7), (8), (9), (12) and (14) of that paragraph);

(14) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property or services, in any case, in the ordinary course of business or consistent with past practice, and in accordance with the Indenture;

(15) any (a) Guarantees of Indebtedness not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business (which shall include such arrangements in respect of providers of credit insurance related to the ordinary course of business payables of the Issuer and the Restricted Subsidiaries or in favor of landlords or for or on behalf of franchisees), and (b) performance guarantees with respect to obligations that are not prohibited by the Indenture;

(16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

(17) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into 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;

(18) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(19) contributions to a "rabbi" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Issuer;

(20) Investments in franchisees, joint ventures and similar entities and Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding, not to exceed the greater of (a) €30.0 million and (b) 28% 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 (C) 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 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 (2) above and shall cease to have been made pursuant to this clause for so long as such Person continues to be the Issuer or a Restricted Subsidiary;

(21) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (a) €30.0 million and (b) 28% of LTM EBITDA (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 (C) 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 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 (2) above and shall cease to have been made pursuant for so long as such Person continues to be the Issuer or a Restricted Subsidiary;

(22) [*Reserved*];

(23) Investments (a) arising in connection with a Qualified Securitization Financing or Receivables Facility; and (b) constituting distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;

(24) Investments in connection with the Transactions;

(25) Investments (including repurchases) in Indebtedness of the Issuer and its Restricted Subsidiaries;

(26) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*";

(27) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business or consistent with past practice;

(28) Investments consisting of purchases and acquisitions of real property, any other assets or services in the ordinary course of business or consistent with past practice or made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing customer or client contacts and loans or advances made to distributors in the ordinary course of business or consistent with past practice;

(29) advances, loans or other extensions of credit to any franchisee in the ordinary course of business;

(30) 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;

(31) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection of deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(32) transactions entered into in order to consummate a Permitted Tax Restructuring;

(33) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property or Investments in franchisees in respect of any such purchases and acquisitions, in any case, in the ordinary course of business and otherwise in accordance with the Indenture; and

(34) Investments made with, or received from or in exchange for, (a) the licensing or use of intangible assets; *provided* that the Issuer and its Restricted Subsidiaries maintain the ownership of such intangible assets with respect to the United Kingdom without the need to pay consideration to use such assets; or (b) the provision of management, advisory, sales, marketing and/or other similar services.

"*Permitted Liens*" means, with respect to any Person:

(1) 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;

(2) pledges, deposits or Liens under workmen's compensation laws, old-age-part-time arrangements, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure the performance of bids, trade contracts, government contracts and leases, statutory obligations, surety, stay, indemnity, judgment, customs, appeal or performance bonds, guarantees of government contracts, return-of-money bonds, bankers' acceptance facilities (or other similar bonds, instruments or obligations), obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, or as security for contested taxes or import or customs duties or for the payment of ordinary course payables (or obligations of credit insurers with respect thereto), rent, or other obligations of like nature, in each case Incurred in the ordinary course of business; or consistent with past practice;

(3) Liens with respect to outstanding motor vehicle fines and Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors' or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or governmental charges which are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS (or other applicable accounting principles) have been made in respect thereof;

(5) encumbrances, charges, leases (including ground and operating leases), easements (including reciprocal easement agreements), survey exceptions, restrictions, encroachments, protrusions, by-law, regulation, zoning restrictions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of their properties, including servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other agreements, which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries, including, for the avoidance of doubt (a) ground leases entered into by the Issuer or any of its Restricted Subsidiaries in connection with any development, construction, operation or improvement of assets on any real property owned by the Issuer or any of its Restricted Subsidiaries (and any Liens created by the lessee in connection with any such ground lease, including easements and rights of way, or on any of its assets located on the real property subject to such ground lease), and (b) leases, licenses, subleases and sublicenses in respect of real property to any trading counterparty to which the Issuer or any of its Restricted Subsidiaries provides services on such real property;

(6) Liens (a) on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services permitted under the Indenture; (b) that are statutory, common law or contractual rights of set-off (including, for the avoidance of doubt, Liens arising under the general terms and conditions of banks or saving banks) or, in the case of clause (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and cash management services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations Incurred in the ordinary course of business of the Issuer or any Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness and other Obligations permitted to be Incurred under clause (8)(e) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts Incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; and/or (e) (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, or (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business in connection with the maintenance of such accounts, or (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness;

(7) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(8) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default so long as (a) any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated, (b) the period within which such proceedings may be initiated has not expired or (c) no more than 60 days have passed after (i) such judgment, decree, order or award has become final or (ii) such period within which such proceedings may be initiated has expired;

(9) Liens (a) on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, or Purchase Money Obligations, or securing the payment of all or a part of

the purchase price of, or securing 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 or consistent with past practice; *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 or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements, accessions and/or fixtures to such assets and property, including any real property on which such improvements or construction relates and (b) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(10) Liens perfected or evidenced by UCC financing statement filings, including precautionary UCC financing statements (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(11) (a) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date, or (b) with respect to the Target and its Subsidiaries, Liens existing on, or provided for or required to be granted under written agreements existing on, the Completion Date (other than Liens securing the Revolving Credit Facility on the Completion Date);

(12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided*, *however*, that such Liens are limited to all or part of the same property or assets, including Capital Stock (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) acquired, or of any Person acquired or merged, consolidated or amalgamated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness or other Obligations relates;

(13) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other Obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(14) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that were previously so secured, and permitted to be secured under the Indenture (other than initially Incurred pursuant to clause (29) of this definition); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness or other Obligations being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(15) Liens resulting from (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;

(16) any encumbrance, restriction (including put and call arrangements) or other Liens with respect to Capital Stock of any joint venture, Associate or entity (a) pursuant to any joint venture or similar agreement (including the articles, by-laws and other governing documents of such entity); or (b) securing obligations of joint ventures, Associates or similar entities;

(17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods or receivables resulting from the sale of goods entered into in the ordinary course of business or consistent with past practice;

(19) Liens securing Indebtedness and other Obligations under clause (19) (*provided* that such Liens cover only the assets of Restricted Subsidiaries that are not Guarantors) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(20) Permitted Collateral Liens;

(21) (a) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary and (b) 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 "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*";

(22) any security granted over the marketable securities portfolio described in clause (8) of the definition of "*Cash Equivalents*" in connection with the disposal thereof to a third party;

(23) Liens on (a) goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Issuer or any Restricted Subsidiary 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 and (b) specific items of inventory of other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in respect of any credit support in favor of any provider of credit insurance relating to the Issuer and its Subsidiary;

(24) Liens on equipment of the Issuer or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;

(26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(27) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;

(28) Liens (a) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (b) consisting of an agreement to sell any property in an asset sale permitted under the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(29) Liens securing Indebtedness and other Obligations in an aggregate principal amount not to exceed the greater of (a) €30.0 million and (b) 28% of LTM EBITDA at the time Incurred;

(30) Liens deemed to exist in connection with Investments in repurchase agreements permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(31) Liens arising in connection with a Qualified Securitization Financing or a Receivables Facility;

(32) Liens created on any asset acquired by the Issuer or a Restricted Subsidiary or developed by the Issuer or a Restricted Subsidiary after the Issue Date for the sole purpose of financing or refinancing such acquisition or development and securing not more than 100% of the cost of acquisition or development; *provided* that such Lien is released within 12 months of such acquisition or completion of such development;

(33) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any government, statutory or regulatory authority;

(34) the rights reserved to 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 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;

(35) restrictive covenants affecting the use to which real property may be put;

(36) 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;

(37) Liens arising in connection with any Permitted Tax Restructuring;

(38) Liens arising by virtue of any statutory or common law provisions or customary standard terms relating to banker's Liens or similar general terms and conditions of banks with whom the Issuer or a Restricted Subsidiary maintains a banking relationship in the ordinary course of business or consistent with past practice, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(39) (a) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case, to the extent such cash or government securities are held in escrow accounts or similar arrangement;

(40) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(41) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes, (b) Liens pursuant to the Intercreditor Agreement and the Security Documents entered into pursuant to the Indenture, (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement, (d) Liens securing Indebtedness Incurred under clause (1) of the second paragraph of the covenant entitled "*—Limitation on Indebtedness*" to the extent the Agreed Security Principles would permit such Lien to be granted to such Indebtedness and not to the Notes and (e) Liens on rights under any proceeds loan that are assigned to the third party creditors of the Indebtedness Incurred by the Issuer to finance such proceeds loan and incurred in compliance with the Indenture and securing that Indebtedness;

(42) Liens created or subsisting in order to secure (a) any pension liabilities or partial retirement liabilities or any liabilities arising in connection with any Pension Insurance Plan and (b) obligations under any Pension Insurance Line and PIL Agreement (including, in the case of (a) and (b) any guarantees thereof); and

(43) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (42); *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

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 Reorganization*" means

(a) any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables among the Issuer and its Restricted Subsidiaries in connection therewith (a "*Reorganization*") that is made on a solvent basis (as determined by an Officer or the Board of Directors of the Issuer in good faith); *provided* that:

(i) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries;

(ii) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral; and

(iii) the Security Agent and the Trustee shall take any action necessary to effect any releases of Notes Guarantees requested by the Issuer in connection with the reorganization; provided that, reasonably promptly after completion of the reorganization, Notes Guarantees are *provided* by such Restricted Subsidiaries of the Issuer as is necessary to procure that such new Notes Guarantees will (taken as a whole together with any pre-existing Notes Guarantees that were not released in connection with the reorganization) have substantially similar value (as determined in good faith by the Board of Directors or senior management of the Issuer) to the Notes Guarantees existing prior to the reorganization; and

(b) to the extent not included in sub-clause (a), any reorganization, amalgamation, merger, acquisition, disposal or other transaction (and to enter into any intermediary steps in connection therewith), including the insertion of a new holding company of the Issuer or any member of the Group, as may be necessary or desirable to facilitate a Change of Control; *provided* that any such reorganization, amalgamation, merger, acquisition, disposal or other transaction shall be conditional upon the Holders continuing to benefit from the same or substantially equivalent Notes Guarantees and Security Interests of substantially similar value (and ignoring for the purpose of assessing such equivalency any limitations required in accordance with the Agreed Security Principles which do not materially and adversely affect the value or enforceability of those Notes Guarantees and Security Interests taken as a whole), other than assets that have ceased to exist as a result of such reorganization, amalgamation, merger, acquisition, disposal or other transaction.

"*Permitted Tax Distribution*" means, without duplication of any payments under any Tax Sharing Agreement and if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent Entity, any dividends or other distributions to fund any income Taxes for which such Parent Entity is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Subsidiaries that are included in such consolidated or combined tax return would have been required to pay on a separate company basis or on a consolidated basis calculated as if the Issuer and such Subsidiaries had paid Tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and such Subsidiaries, *provided, however*, that to the extent any such Taxes are attributable to Unrestricted Subsidiaries (computed on a "with" and "without" basis), payments for such Taxes shall be permitted only to the extent such Unrestricted Subsidiaries have distributed cash to the Issuer for the purposes of such payments.

"*Permitted Tax Restructuring*" means any reorganizations and other activities related to tax planning and tax reorganization entered into prior to, on or after the date hereof so long as such Permitted Tax Restructuring is not materially adverse to the Holders (taken as a whole) (as determined by the Issuer in good faith).

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

"*PIL Agreement*" means any facility agreement pursuant to which a Pension Insurance Line is made available.

"*Post-Petition Interest*" means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act or (ii) a private placement to institutional and other investors, in each case, that are not Affiliates of the Issuer, in accordance with Section 4(a)(2) of and/or Rule 144A and/or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Securitization Financing*" means any Securitization Facility that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and its Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Issuer or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Issuer) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

"*rating agencies*" means S&P, Moody's and Fitch or if no rating of S&P, Moody's or Fitch is publicly available, as the case may be, the equivalent of such rating selected by the Issuer by any other Nationally Recognized Statistical Ratings Organization.

"*Receivables Assets*" means (a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer to a commercial bank or Affiliate thereof in connection with a Receivables Facility.

"*Receivables Facility*" means an arrangement between the Issuer or a Restricted Subsidiary and a commercial bank or an Affiliate thereof pursuant to which (a) the Issuer or such Restricted Subsidiary, as applicable, sells (directly or indirectly) to such commercial bank (or such Affiliate) accounts receivable owing by customers, together with Receivables Assets related thereto, (b) the obligations of the Issuer or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Issuer and such Restricted Subsidiary and (c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Issue Date (with respect to the Issuer and its Restricted Subsidiaries) or the Completion Date (with respect to the Target and its Restricted Subsidiaries), as applicable, or Incurred (or established) in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) (a) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced; and (b) to the extent such Refinancing Indebtedness refinances Subordinated Indebtedness, Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Subordinated Indebtedness, Disqualified Stock or Preferred Stock, respectively, and, in the case of Subordinated Indebtedness, is subordinated to the Notes on terms at least as favorable to the Holders (taken as a whole) as those contained in the documentation governing the Indebtedness being refinanced;

(2) Refinancing Indebtedness shall not include:

  (i) Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Guarantor; or

  (ii) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal

amount (or if issued with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including premiums, accrued and unpaid interest and defeasance costs) of the Indebtedness being Refinanced, plus (y) fees, underwriting discounts, accrued and unpaid interest, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees and similar fees) Incurred or payable in connection with such refinancing,

provided that clause (1) above will not apply to any extension, replacement, refunding, refinancing, renewal or defeasance of any Credit Facility or Senior Secured Indebtedness or to any Indebtedness under revolving credit, working capital, commercial paper or letter of credit facilities or any receivables financing.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Related Person*" means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means

(a) 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:

  (i) being organized or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries) or otherwise maintain its existence or good standing under applicable law;

  (ii) (A) being a holding company parent, directly or indirectly, of the Issuer or any Subsidiaries of the Issuer or (B) issuing or holding Subordinated Shareholder Funding;

  (iii) 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

  (iv) 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

(b) any Permitted Tax Distribution.

"*Relevant Testing Period*" means, for purposes of the calculation of any applicable financial covenant, test, basket or ratio (including those based on LTM EBITDA, Fixed Charge Coverage Ratio, Consolidated Senior Secured Net Leverage Ratio and/or Consolidated Total Net Leverage Ratio), the most recently completed four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter (or fiscal year, if later) for which financial statements have been delivered pursuant to the "*—Reports*" covenant or, at the option of the Issuer, the most recently completed twelve consecutive months ending on the last day of a calendar month for which the Issuer has, in its sole determination, sufficient available information to be able to determine any applicable financial covenant, test, basket or ratio.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Revolving Credit Facility*" means the revolving credit facility made available under the Revolving Credit Facility Agreement.

"*Revolving Credit Facility Agreement*" means the revolving credit facility agreement entered into on or about , 2018 by and among the Issuer, the Guarantors from time to time party thereto, Deutsche Bank AG, London Branch, as facility agent and as security agent, and each lender from time to time party thereto, as 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.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Sale and Leaseback Transaction*" means any arrangement providing for the leasing by the Issuer or any of the Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"*SEC*" means the Securities and Exchange Commission or any successor thereto.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Securitization Asset*" means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

"*Securitization Facility*" means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Issuer or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other Person.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or Receivables Assets or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Receivables Facility.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase or otherwise make payments with respect to Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Securitization Subsidiary*" means any Subsidiary of the Issuer in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for this purpose.

"*Security Documents*" means, prior to the Completion Date, the Escrow Charge, and on and after the Completion Date, all other security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the Security Interests in the Collateral as contemplated by the Indenture.

"*Senior Secured Indebtedness*" means Indebtedness of the type referred to in the definition of "*Consolidated Total Net Indebtedness*" that is secured by a Lien on the Collateral ranking senior to, or *pari passu* with, the Liens on the

Collateral securing the Notes and that are not contractually subordinated to obligations under the Notes or the Notes Guarantees as of such date, or entitled to receive proceeds of an enforcement of the Collateral after Holders pursuant to any "waterfall" or similar provision in the Intercreditor Agreement or any Additional Intercreditor Agreement or similar agreement, and that (x) is Incurred under the first paragraph described under "*—Certain Covenants—Limitation on Indebtedness*" or clauses (1), (4)(a), (4)(b), (4)(c), (5), (7), (10), (13) or (19) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," (y) is a Guarantee of any Indebtedness set forth in clause (x) that has been Incurred by the Issuer or a Restricted Subsidiary, or (z) is Refinancing Indebtedness in respect thereof, in all cases without double-counting.

"*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 (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date or by the Target, its Subsidiaries or its Associates on the Completion Date and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, guarantees and indemnities entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Securitization Facility or Receivables Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking or, in the case of a Receivables Facility, a non-credit related recourse accounts receivable factoring arrangement.

"*Stated Maturity*" means, with respect to any Indebtedness, the date specified in the instrument governing such Indebtedness 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 any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any Parent Entity, any Affiliate of any Parent Entity or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the date that is six months after the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the date that is six months after the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months after the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries;

(5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes and any Notes Guarantee pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Subordinated Liabilities" (as defined therein);

(6) is not Guaranteed by any Subsidiary of the Issuer;

(7) contains restrictions on transfer to a Person who is not a Parent Entity, any Affiliate of any Parent Entity, any holder of Capital Stock of a Parent Entity or any Affiliate of a Parent Entity or any Permitted Holder or any Affiliate thereof; *provided* that any transfer of Subordinated Shareholder Funding to any of the foregoing persons shall not be deemed to be materially adverse to the interest of the Holders; and

(8) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or any Notes Guarantee or compliance by the Issuer or any Guarantor with its obligations under the Notes, any Notes Guarantee or the Indenture.

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

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent Holding Company*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d- 5 under the Exchange Act (as in effect on the Issue Date).

"*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 and "*Tax*" shall be construed accordingly.

"*Tax Sharing Agreement*" means any tax sharing, profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent Entity or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and any Parent Entity in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent Entity to enable a Parent Entity to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent Entity under any profit and loss pooling agreement).

"*Temporary Cash Investments*" means any of the following:

(1) any Investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) the United Kingdom, Japan, Australia, Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Revolving Credit Facility;

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of £250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Restricted Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state, the United Kingdom or Japan, Australia, Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, the United Kingdom, Japan, Australia, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of £250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) Investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*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 prepared in accordance with IFRS, 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 Expenses*" means any fees or expenses Incurred or paid by the Issuer or any Restricted Subsidiary in connection with the Transactions, including any fees, costs and expenses associated with settling any claims or action arising from a dissenting stockholder exercising its appraisal rights.

"*Transactions*" shall have the meaning assigned to such term in this Offering Memorandum.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*UCC*" means the Uniform Commercial Code 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.

"*U.S. Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer in the manner provided under "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*"); and

(2) any Subsidiary of an Unrestricted Subsidiary.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*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 obtained by dividing:

(1) the sum of the products of the number of years 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 multiplied by the amount of such payment; by

(2) the sum of all such payments.

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold within the United States to "qualified institutional buyers" in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Global Notes"). On the Issue Date, the Rule 144A Global Note representing the Fixed Rate Notes (the "Fixed Rate Rule 144A Global Note") and the Rule 144A Global Note representing the Floating Rate Notes (the "Floating Rate Rule 144A Global Note") will be deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Notes sold outside the United States in reliance on Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). On the Issue Date, the Regulation S Global Note representing the Fixed Rate Notes (the "Fixed Rate Regulation S Global Note" and, together with the Fixed Rate Rule 144A Global Note, the "Fixed Rate Global Notes") and the Regulation S Global Note representing the Floating Rate Notes (the "Floating Rate Regulations S Global Note" and, together with the Floating Rate Rule 144A Global Note, the "Floating Rate Global Notes") will be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the "Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by Euroclear and Clearstream and their participants. The Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Book-Entry Interests will not be held in definitive form. Instead Euroclear and Clearstream will credit a participant's account on their book entry transfer and registration systems with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, the common depositary of Euroclear and/or Clearstream (or its respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

None of the Issuer, the Guarantors or any of the Trustee, the Transfer Agent, the Paying Agent, the Calculation Agent, the Registrar or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive Notes in registered form (the "Definitive Registered Notes") only in the following circumstances:

(i) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(ii) the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an "Event of Default" under the Indenture.

Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (ii), their current procedure is to request that the Issuer issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the Issuer, as applicable (in accordance with its respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, any Transfer Agent, Calculation Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

The Issuer will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. The Issuer is also not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer or asset sale offer. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. The Issuer may require a holder to pay any transfer taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such a Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the Issuer will issue and the Trustee (or an authentication agent appointed by it) will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the Registrar or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer, Registrar and Trustee may charge for any expenses incurred by it in replacing a Definitive Registered Note.

If any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to participants' accounts in accordance with their customary procedures. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Calculation Agent, the Registrar and any of their respective agents will treat the registered holders of the Global Notes (e.g., the common depositary (or its respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Calculation Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- any other matter relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant (including payments made); or

- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of (i) the Fixed Rate Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro and (ii) the Floating Rate Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Trustee, the Initial Purchasers, the Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar or any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment. Holders may be subject to foreign exchange risks that may have economic and tax consequences to them.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of a Note (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the relevant Notes, Euroclear and Clearstream, at the request of the holders of such Notes, reserve the right to exchange the Global Notes for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of a Note requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states that require the physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 or any other exemption (if available under the Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

For the avoidance of doubt, (i) no Book-Entry Interest in any Fixed Rate Global Note and no Definitive Registered Note issued in exchange for a Book-Entry Interest in the Fixed Rate Global Notes may be transferred or exchanged for any Book-Entry Interest in any Floating Rate Global Note or any Definitive Registered Note issued in exchange for a Book-Entry Interest in the Floating Rate Global Notes (the "Definitive Registered Floating Rate Notes"), and (ii) no Book-Entry Interest in the Floating Rate Global Notes and no Definitive Registered Floating Rate Note may be transferred or exchanged for any Book-Entry Interest in any Fixed Rate Global Note or any Definitive Registered Fixed Rate Note (the "Definitive Registered Fixed Rate Notes").

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Pledges

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a Book-Entry Interest to pledge such interest to persons or entities who or that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither the Issuer, the Trustee, the Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar nor any of the Initial Purchasers are responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can act only on behalf of participants, who or that in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities who or that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect

of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. United States investors who or that wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels, if Euroclear is used, or in Luxembourg, if Clearstream is used.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer or any of the Guarantors, the Initial Purchasers, the Trustee, the Calculation Agent, the Transfer Agent, the Registrar or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

CERTAIN TAX CONSIDERATIONS

If you are a prospective investor, you should consult your tax advisor as to the possible tax consequences of purchasing, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this offering memorandum. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Luxembourg Tax Considerations

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income taxes, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Holders of Notes

Withholding Tax

Non-Resident Holders of Notes

Under Luxembourg general tax laws, there is no Luxembourg withholding tax for non-resident corporations holders of the Notes on payments of at-arm's-length interest (including accrued but unpaid interest), except for interest on certain profit sharing bonds or similar instruments and interest paid as a profit share under certain silent partnership type arrangements or payments on instruments that are deemed to be equity from a tax perspective, in which case a 15% withholding tax is currently levied at source, unless on the basis of the tax treaty concluded with Luxembourg and the country in which the corporation is tax resident, a lower tax rate or an exemption is available.

Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "Relibi Law"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%.

Income Taxation

Non-Resident Holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or

received, redemption premiums or issue discounts, under the Notes. A gain realized by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal, in any form whatsoever, of the Notes.

Resident Holders of Notes

Luxembourg Resident Corporate Holder of Notes:

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, or by the law of July 23, 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realized on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg Resident Individual Holder of Notes:

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20% tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State). A gain realized by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate holder of Notes, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of May 11, 2007 on family estate management companies, as amended, by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, by the law of July 23, 2016 on reserved alternative investment funds, or is a securitization company governed by the law of March 22, 2004 on securitization, as amended, or is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended. Please however note that securitization companies governed by the law of March 22, 2004 on securitization, as amended, or capital companies governed by the law of June 15, 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of July 23, 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

An individual holder of Notes, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg in the case where the notes are physically attached to a public deed or to any other document subject to mandatory registration, in the case of a registration of the Notes on a voluntary basis or in case the Notes are lodged with a Luxembourg Civil Law notary for his records (*déposé au rang des minutes d'un notaire*).

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

Certain United States Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. Except for the discussion under "*—Backup Withholding and Information Reporting—Foreign Account Tax Compliance Act*," this summary deals only with Notes that are held as capital assets by a United States holder (as defined below) who acquires our Notes upon original issuance at their respective issue price (the first price at which a substantial amount of the Fixed Rate Notes or the Floating Rate Notes, as applicable, is sold to the investors for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler)).

As used herein, a "U.S. holder" means a beneficial owner of a Note that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable United States Treasury Regulations ("Treasury Regulations") to be treated as a United States person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income taxes and does not address the effects of the Medicare contribution tax on net investment income or foreign, state, or local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address tax consequences to:

- holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark to market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, investors in partnerships or other pass through entities for United States federal income tax purposes, tax exempt entities or insurance companies;
- persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- U.S. holders whose "functional currency" is not the U.S. dollar;
- United States expatriates or entities covered by the U.S. anti-inversion rules;
- persons who actually or constructively own more than 5% of our voting stock;
- persons subject to special tax accounting rules as a result of gross income with respect to the Notes being taken into account in an applicable financial statement;

- persons subject to the base erosion and anti-abuse tax; or
- persons subject to the alternative minimum tax.

If an entity treated as a partnership for U.S. federal income tax purposes holds our Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership, or a partner of a partnership, holding our Notes, you should consult your tax advisors.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Characterization of the Notes

We may be required to pay additional amounts if certain taxes are withheld or deducted from payments on the Notes (as described under "*Description of the Notes—Withholding Taxes*") or make additional payments in redemption of the Notes in addition to their stated principal amount and accrued interest (as described under "*Description of the Notes—Change of Control*"). Although the issue is not free from doubt, we intend to take the position that the possibility of paying such additional amounts, or making additional payments in redemption of the Notes, does not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. This position will be based in part on our determination that, as of the date of the issuance of the Notes, the possibility that additional amounts will have to be paid is a remote or incidental contingency within the meaning of the applicable Treasury Regulations.

Our determination that the Notes are not contingent payment debt instruments is binding on a U.S. holder, unless the U.S. holder explicitly discloses to the Internal Revenue Service (the "IRS") on its tax return for the year during which such U.S. holder acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a position contrary to that described above, a U.S. holder may be required to accrue interest income on its Notes based upon a comparable yield, regardless of its method of accounting. The "comparable yield" is the yield at which we would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions otherwise similar to those of the Notes. In addition, any gain on the sale, exchange, redemption or other taxable disposition of the Notes generally would be recharacterized as ordinary income. Each U.S. holder should consult its own tax advisor regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of Interest

It is anticipated, and this discussion assumes, that the Notes will not be issued with original issue discount for U.S. federal income tax purposes. In such a case, subject to the foreign currency rules discussed below, the gross amount of interest on a Note (which includes any foreign tax withheld) will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for tax purposes. In addition to interest on the Notes, you will be required to include in income any Additional Amounts paid in respect of any foreign tax withheld. You may be entitled to deduct or credit this tax, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Interest income (including any Additional Amounts) generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income the U.S. dollar value of the stated interest received, determined by translating the euro received at the spot rate on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment, but may recognize exchange gain or loss attributable to the actual disposition of the euro so received.

If you use the accrual method of accounting for U.S. federal income tax purposes, you may determine the amount of income recognized with respect to such stated interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or

periods during which such interest accrued or, in the case of an accrual period that spans two taxable years of a U.S. holder, the part of the period within the taxable year. Under the second method, you may elect to translate stated interest income at the spot rate on:

- the last day of the accrual period;
- the last day of the portion of the accrual period within the applicable taxable year if the accrual period straddles your taxable year; or
- the date the stated interest payment is received if such date is within five business days of the end of the accrual period.

This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the IRS. You should consult your own tax advisor as to the advisability of making the above election.

Whether or not such election is made, upon receipt of a stated interest payment on a Note (including, upon the sale of a Note, the receipt of proceeds which include amounts attributable to accrued but unpaid interest previously included in income), you will recognize U.S. source ordinary income or loss in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euro received at the spot rate on the date such payment is received) and the U.S. dollar value of the stated interest income you previously included in income with respect to such payment. This exchange gain or loss will not be treated as an adjustment to interest income or expense.

Sale, Exchange, Redemption, Retirement and Other Taxable Disposition of Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, redemption, retirement or other taxable disposition (less an amount equal to any accrued but unpaid stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will be your U.S. dollar cost for that Note. If you purchased your Note with euro, your cost generally will be the U.S. dollar value of the euro paid for such Note determined at the spot rate on the date of such purchase. If your Note is sold, exchanged, redeemed, retired or otherwise disposed of in a taxable transaction for euro, the amount realized generally will be the U.S. dollar value of the euro received based on the spot rate in effect on the date of sale, exchange, redemption, retirement or other taxable disposition. If you are a cash method taxpayer and the Notes are traded on an established securities market, euro paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of Notes traded on an established securities market, provided that the election is applied consistently to all debt instruments from year to year. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, your gain or loss will generally be capital gain or loss and will be long term capital gain or loss if at the time of sale, exchange, redemption, retirement or other taxable disposition, you have held the Note for more than one year. Capital gains of non-corporate U.S. holders, including individuals, derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, redemption, retirement or other taxable disposition of a Note would generally be treated as United States source gain or loss.

A portion of your gain or loss may be treated as exchange gain or loss with respect to the principal amount of a Note. Exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euro on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date of the sale, exchange, redemption, retirement or other taxable disposition of the Note and (ii) the U.S. dollar value of the principal amount determined on the date you purchased the Note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the Note.

Exchange Gain or Loss with Respect to Euro

Your tax basis in the euro received as interest on a Note will be the U.S. dollar value thereof at the spot rate in effect on the date the euro are received. Your tax basis in euro received on the sale, exchange, redemption, retirement or other taxable disposition of a Note will be equal to the U.S. dollar value of the euro, determined at the time of the sale, exchange, redemption, retirement or other taxable disposition. As discussed above, if the Notes are traded on an

established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the euro by translating the euro received at the spot rate of exchange on the settlement date of the sale, exchange, redemption, retirement or other taxable disposition. Accordingly, your basis in the euro received would be equal to the spot rate of exchange on the settlement date. If you purchase a Note with previously owned euro, you will generally recognize gain or loss in an amount equal to the difference, if any, between your adjusted tax basis in such euro and the U.S. dollar fair market value of such Note on the date of purchase.

Any gain or loss recognized by you on a sale, exchange, redemption, retirement or other taxable disposition of the euro will be ordinary income or loss and generally will be United States source gain or loss. The conversion of U.S. dollars to euro and the immediate use of such euro to purchase a Note generally will not result in any exchange gain or loss for a U.S. holder.

Reportable Transactions

Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the applicable Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note, or foreign currency received in respect of a foreign currency note, to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. Holders considering the purchase of Notes should consult with their own tax advisor to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Individuals and certain entities who or that own "specified foreign financial assets" with an aggregate value exceeding certain threshold amounts, generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in a financial account at certain financial institutions.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments of principal and interest on a Note, or the proceeds from the sale of a Note, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding, currently at a rate of 24%.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is timely furnished to the IRS.

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets), with their tax return for each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding backup withholding and information reporting requirements relating to your ownership and disposition of the Notes.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "FATCA"), a "foreign financial institution" may be required to withhold United States tax on certain "foreign passthru payments" made after December 31, 2018 to the extent such payments are treated as attributable to certain United States source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final Treasury Regulations defining "foreign passthru payments" are filed generally would be "grandfathered" unless such obligations are materially modified after such date. As of the date of this offering memorandum, applicable final Treasury Regulations have not yet been filed. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a significant modification of the Notes for United States federal income tax purposes after the expiration of this grandfathering period. Non United States governments (including the government of The Netherlands) have entered into, and others are expected to enter into, intergovernmental agreements with the United States to implement FATCA in a manner that alters the rules described herein. U.S. holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there generally will be no additional amounts payable to compensate for the withheld amount.

Certain General Tax Considerations—Payments by a Guarantor

If a Guarantor makes any payment in respect of the Notes, it is possible that such payments may be subject to withholding tax at applicable rates, subject to such relief as may be available under the provisions of any applicable double taxation treaty, or to any other exemption that may apply. It is not certain that such payments by the Guarantor will be eligible for such exemptions.

PLAN OF DISTRIBUTION

The Issuer, the Guarantors, Credit Suisse Securities (Europe) Limited, Danske Bank A/S, DNB Markets, a division of DNB Bank ASA and Nykredit Bank A/S, as Initial Purchasers, have entered into a purchase agreement dated on or around the date of this offering memorandum with respect to the Notes (the "Purchase Agreement").

Subject to the terms and conditions set forth in the Purchase Agreement, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Notes.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint.

The Initial Purchasers initially propose to offer the Notes for resale at the respective issue prices that appear on the cover of this offering memorandum for each of the Fixed Rate Notes and the Floating Rate Notes. After the initial Offering, the Initial Purchasers may change the Offering's price for each series of Notes and any other selling terms without notice. The Initial Purchasers may offer and sell Notes in the United States through certain of their affiliates or through United States registered broker dealers.

In the Purchase Agreement, we have agreed that:

- the obligations of the Initial Purchasers to pay for and accept delivery of the relevant Notes are subject to, among other conditions, the delivery of certain opinions by their counsel;

- during the period from the date of the Purchase Agreement through and including the date that is 60 days after such date, none of the Issuer, the Guarantors or any of their subsidiaries or other affiliates will, without the prior written consent of Credit Suisse Securities (Europe) Limited, offer, sell, contract to sell or otherwise dispose of any debt (including, without limitation, any debt securities, loans or other debt instruments), issued or guaranteed by any of the Issuer or the Guarantors and having a tenor of more than one year (other than the Notes); and

- the Issuer and the relevant Guarantors will indemnify the Initial Purchasers and their respective affiliates against certain liabilities, including liabilities under the Securities Act, and/or will contribute to payments that the Initial Purchasers and their respective affiliates may be required to make in respect of those liabilities.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the issue price set forth on the cover page hereof. Certain affiliates of the Issuer may purchase a portion of the Notes in the Offering.

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 has agreed that the Notes may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements, including sales pursuant to Rule 144A and Regulation S.

In addition, until 40 days following the later of (i) the commencement of the Offering and (ii) the Issue Date, an offer or sale of Notes within the United States by a dealer (whether or not participating in the 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. During this 40 day period, neither Clearstream nor Euroclear will monitor compliance by dealers with Section 4(a)(3) of the Securities Act. In addition, as Nykredit Bank A/S and its affiliated are not registered with the SEC as a U.S. registered broker-dealer, it will effect offers and sales of the Notes solely outside of the United States.

The Notes are a new issue of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under "*Transfer Restrictions*." We do not intend to apply for the Notes to be listed on any securities exchange other than the Official List of the Exchange or to arrange for the Notes to be quoted on any quotation system. The Initial Purchasers have advised us that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time in their sole discretion. In addition, such market making activities will be

subject to the limits imposed by the Securities Act, the Exchange Act and other applicable legal requirements. Accordingly, we cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

In connection with the Offering, 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 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 or syndicate covering transactions, they may discontinue them at any time.

It is expected that delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this offering memorandum, which will be the business day following the date of pricing of the Notes (this settlement cycle is being referred to as "T+ "). Under Rule 15(c)6-1 of 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 on the date of pricing or the next successive business day will be required, by virtue of the fact that the Notes initially will settle in T+ , to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing should consult their own advisor.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that:

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation 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 the Prospectus Directive.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of Notes. See "*Notice to Certain Investors*."

Certain of the Initial Purchasers and their affiliates from time to time have performed, and in the future will perform, banking, investment banking, advisory, consulting and other financial services for the Issuer and its affiliates, for which they may receive customary advisory and transaction fees and reimbursement of expenses. In particular, Danske Bank A/S currently provides transaction banking, cash management, trade finance and leasing services to certain Group companies, namely Stark Danmark A/S, DT Finland Oy, Neumann Bygg AS and Beijer Byggmaterial Aktiebolag. 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 securities and/or instruments of ours or our affiliates. Certain of the

Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations or publish or express independent research views in respect of the Issuer, the Group, such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

CERTAIN INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE NOTES GUARANTEES AND THE SECURITY INTERESTS

The following is a general discussion of the insolvency laws of several jurisdictions for informational purposes only and does not address all the legal considerations that may be relevant to holders of the Notes.

European Union

The Issuer and the Guarantors located in Denmark, Sweden and Finland are incorporated under the laws of Member States of the European Union.

Pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended (the "EU Insolvency Regulation"), which applies within the European Union, other than Denmark, the courts of the Member State in which a company's "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to commence main insolvency proceedings relating to such debtor. The determination of where a debtor has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that a debtor has its centre of main interests in the Member State in which it has its registered office in the absence of proof to the contrary (which presumption shall not apply if the registered office has been moved to another Member State within the three month period prior to the request for the opening of insolvency proceedings), Article 3(1), second sentence, of the EU Insolvency Regulation states that the centre of main interests "shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties." The courts have taken into consideration a number of factors in determining the centre of main interests of a debtor, including, in particular, where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established. Recital 30 of the EU Insolvency Regulation states that the presumption should be rebutted where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. A debtor's centre of main interests is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If the centre of main interests of a debtor is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although territorial (secondary) insolvency proceedings may be commenced in another Member State.

If the centre of main interests of a debtor is in a Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence territorial (secondary) insolvency proceedings against that debtor only if such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other Member State. An "establishment" is defined to mean "any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets." Accordingly, the opening of territorial (secondary) insolvency proceedings in another EU Member State will also be possible if the debtor had an establishment in such EU Member State in the three month period prior to the request for commencement of main insolvency proceedings.

The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its centre of main interests have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (i) insolvency proceedings cannot be commenced in the Member State in which the debtor's centre of main interests is situated under of the conditions laid down by that Member State's law; or (ii) the opening of territorial insolvency proceedings is requested by (i) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested, or (ii) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States (other than Denmark) so long as no secondary proceedings have been commenced there. The insolvency administrator appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's centre of main interests is there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets. The EU Insolvency Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of our group's members.

Luxembourg

The insolvency laws of the Grand Duchy of Luxembourg may not be as favorable to holders of Notes as insolvency laws of other jurisdictions with which investors may be familiar. The Issuer is incorporated and has its centre of main interests (*centre des intérêts principaux*), for the purposes of the EU Insolvency Regulation and central administration (*administration centrale*) in Luxembourg. Accordingly, insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws. The following is a brief description of the key features of Luxembourg insolvency proceedings and certain aspects of insolvency laws in the Luxembourg as they may apply in respect of the Issuer.

Luxembourg Insolvency Proceedings

Under Luxembourg insolvency laws, the following types of proceedings (together referred to as "Insolvency Proceedings") may be opened against the Issuer to the extent that it its centre of main interests (*centre des intérêts principaux*), for the purposes of the EU Insolvency Regulation, and central administration (*administration centrale*) in Luxembourg:

- bankruptcy proceedings (*faillite*);
- controlled management proceedings (*gestion contrôlée*); and
- composition proceedings (*concordat préventif de la faillite*).

In addition to these Insolvency Proceedings, the ability of the holders of the Notes to receive payment on the Notes may be affected by a decision of the Commercial District Court (*Tribunal d'arrondissement siégeant en matière commerciale*) granting suspension of payments (*sursis de paiements*) or putting the Issuer into judicial liquidation (*liquidation judiciaire*).

Bankruptcy Proceedings (Faillite)

General Administration of Bankruptcy Proceedings

The opening of bankruptcy proceedings may be requested by the Issuer or by any of its creditors. Following such a request, the Commercial District Court having jurisdiction may open bankruptcy proceedings in the event that the Issuer (a) has ceased to make payments (*cessation de paiements*) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). If the Commercial District Court considers that these conditions are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Issuer or a creditor.

If the Commercial District Court declares a company bankrupt, it will appoint one or more bankruptcy receivers (*curateur(s)*), depending on the complexity of the proceedings and a supervisory judge (*juge-commissaire*) to supervise the bankruptcy proceedings.

The period within which creditors must file their proof of claims (*déclaration de créance*) is specified in the judgment adjudicating the company bankrupt. Claims filed after such period may nevertheless be taken into account by the bankruptcy receiver subject to certain limitations as to distributable proceeds.

The bankruptcy receiver takes over the management and control of the Issuer in place of the managers. The bankruptcy receiver will realize the Issuer's assets and distribute the proceeds to the Issuer's creditors in accordance with the statutory order of payment and, if there are any funds left, to the bankrupt company's shareholders. The bankruptcy receiver represents the Issuer as well as the creditors collectively (*masse des créanciers*).

The bankruptcy receiver will need to obtain of the Commercial District Court permission for certain acts, such as agreeing to a settlement of claims or deciding to pursue the business of the Issuer during the bankruptcy proceedings.

Bankruptcy is governed by public policy and rules, which generally delay the process and limit restructuring options of the group to which the bankrupt company belongs.

On closing of the bankruptcy proceedings, the bankrupt company will normally be dissolved.

Effects of Bankruptcy Proceedings

The main effect of bankruptcy proceedings is the suspension of all measures of enforcement against the Issuer, except, subject to certain limited exceptions, for secured creditors, and the payment of unsecured creditors of the Issuer in accordance with their rank upon the realization of the assets of the Issuer.

In principle, contracts of the bankrupt company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company was crucial (*intuitu personae* agreements) for the other party. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are generally held as being valid. The receiver may choose to terminate contracts of the company subject to the rule of "*exceptio non adimpleti contractus*" and the creditors' interest.

Unsecured claims of the Issuer (such as the Issuer's liabilities under the Notes) will, in the event of a liquidation of the Issuer, only rank after (i) the cost of liquidation (including any debt incurred for the purpose of such liquidation) and (ii) the debts of the Issuer that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, *inter alia*:

- 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 of the Issuer (except after enforcement and to the extent a surplus is realized and subject to application of the relevant priority rules, liens and privileges arising mandatorily by law). During insolvency proceedings, all enforcement measures by unsecured creditors of the Issuer are suspended.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the Issuer during the pre-bankruptcy hardening period (*période suspecte*) which is fixed by the Luxembourg court and dates back not more than six months as from the date on which the Luxembourg court formally adjudicates a company bankrupt, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some transactions (in particular, the granting of a security interest for antecedent debts, save in respect of financial collateral arrangements within the meaning of the Luxembourg law of August 5, 2005 on collateral arrangements, as amended (the "Collateral Act 2005")), 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 (unless, arguably, that method of payment was agreed from inception), transactions without consideration or with substantially inadequate consideration entered into during the suspect period (or the ten days preceding it) must be set aside, if so requested by the bankruptcy 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 setting aside by the Commercial District Court upon proceedings initiated by the bankruptcy receiver, if they were concluded with the knowledge of the bankrupt's cessation of payments; and

- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the bankruptcy receiver (acting on behalf of the creditors) has 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.

Controlled Management Proceedings (Gestion Contrôlée)

General Administration of Controlled Management Proceedings

The Issuer, which has lost its commercial creditworthiness (*ébranlement de crédit*) or which is not in a position to completely fulfil its obligations, can apply for the regime of controlled management in order either (i) to restructure its business or (ii) to realize its assets in good conditions. An application for controlled management can only be made by the Issuer.

The loss of commercial creditworthiness (*ébranlement de crédit*) is identical to the credit test applied in bankruptcy proceedings. As to the second criteria (that is, the case where a company is not in a position to completely fulfil its obligations), a broad view of the total situation of the Issuer is taken. Controlled management proceedings is only available for good-faith debtor.

Controlled management proceedings are rarely used as they are not often successful and generally lead to bankruptcy proceedings. They are occasionally applied to companies, in particular holding or finance companies, which are part of an international group and whose inability to meet obligations results from a default of group companies.

The proceedings are divided into three steps:

(i) The Issuer must file an application with the Commercial District Court. The Commercial District Court can reject the application because (i) the Issuer has already been declared bankrupt or (ii) the evidence brought forward by the Issuer does not ensure the stabilization and the normal exercise of the Issuer's business or improve the realization of the Issuer's assets in better conditions. If the application is upheld at this stage, the Commercial District Court will appoint an investigating judge (*juge délégué*) to make a report on the overall situation of the Issuer.

(ii) Once the investigating judge has delivered a report, the Commercial District Court may (i) turn down the application on the ground that the proposals made by the applicant are unlikely to lead to the reorganization of the business or the realization of the assets in better conditions or (ii) appoint one or more administrators (*commissaires*) who will supervise the management of the assets of the Issuer. If the Commercial District Court ascertains that the Issuer is unable to pay its creditors (i.e. the Issuer has ceased its paiements (*cessation de paiements*)), it may set the date as from which the Issuer will be deemed to have been in such situation. Such date may be set up to six months prior to the filing of application for controlled management proceedings. However, bankruptcy may only be declared if the two conditions for bankruptcy are met (cessation of payment (*cessation de paiements*) and loss of commercial creditworthiness (*ébranlement de crédit*)), and if the application has been dismissed either before or after consideration of the report by the investigating judge or after the reorganization plan proposed by the administrators (*commissaires*) at the third step described below. The administrators will draw up the inventory of the assets as well as the financial situation of the Issuer. They are also in charge of the annual accounts of the Issuer. The administrators may also prescribe any act they consider to be in the interests of the applicant or its creditors. The administrators have to be convened to any meeting of the board of directors or of managers. They may attend all board meetings but have no voting rights. They have the right to convene such board meetings.

(iii) The administrators will draft a reorganization plan in respect of the applicant's business or a plan for realization of the assets, within the deadlines set forth by the Commercial District Court. The plan shall equitably take into account all interests involved and will comply with the ranking of mortgages (*hypothèques*) and privileges (*privilèges*) as required by law, without taking into account any contractual clause regarding termination, penalties or acceleration. The administrators will notify the draft plan to the

creditors, joint debtors and guarantors. Within fifteen days of such notification or publication, the creditors will inform the Commercial District Court whether they agree or object to the draft plan. Any creditor who abstains will be considered as having adhered to the plan. The creditors, the company, the joint debtors and the guarantors may submit written observations to the Commercial District Court. The Commercial District Court may (i) approve the plan if a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the Issuer's liabilities have agreed thereto or (ii) disagree with the plan proposed by the administrators even though a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities have agreed to such plan, in which case the application for controlled management will be dismissed or (iii) ask the administrators to propose an amended plan (such amended plan will have to be submitted again to the creditors). The judgment approving the plan will be binding upon the company and its creditors, joint debtors and guarantors. The fees of the administrators will be fixed by the Commercial District Court and will be borne by the company. The administrators who at the same time are creditors of the applicant are not entitled to any fees.

Effects of A Controlled Management Proceedings

As from the day of the appointment of the investigating judge and up to the final decision on the application for controlled management, any subsequent enforcement proceedings or acts, even if initiated by privileged creditors (including creditors who have the benefit of pledges (*gages*) and mortgages (*hypothèques*)) are stayed, save as provided for by the Collateral Act 2005. The Issuer may not enter into any act of disposition, mortgage and contract or accept any movable asset without the authorization of the investigating judge.

Once the administrators have been appointed, the Issuer may not carry out any act (including receiving funds, lending money, granting any security, or making any payment) without the prior authorization of the administrators. The administrators may bring any action before the Commercial District Court in order to have any act made in violation of the legislation governing the controlled management or in fraud of the creditors' rights be set aside. Subject to the prior authorization of the Commercial District Court, they may bring an action (i) to have the directors, managers or the statutory auditor be held liable or (ii) if the Commercial District Court has declared the company to be in cessation of payments, to have certain payments, compensations or security interests be set aside (under certain conditions set forth in Articles 445 et seq. of the Luxembourg code of commerce).

Preventive Composition Proceedings (Concordat Préventif De La Faillite)

General Administration of Preventive Composition Proceedings

The Issuer may enter into a preventive composition proceedings (*concordat préventif de la faillite*) in order to resolve its financial difficulties by entering into an agreement with its creditors, the purpose of which is to avoid bankruptcy.

Preventive composition proceedings may only be applied for by a company which is in financial difficulty. Similar to controlled management proceedings, the preventive composition proceedings are not available if the company has already been declared bankrupt by the Commercial District Court or if the company is acting in bad faith. The application for the preventive composition proceedings can only be made by the Issuer and must be supported by proposals of preventive composition.

The Commercial District Court will delegate to a delegated judge (*juge délégué*) the duty to verify, and to prepare a report on, the situation of the Issuer. Based on such report, the Commercial District Court will decide whether or not to pursue the preventive composition proceedings. If the Commercial District Court considers that the procedure should not be pursued, it will in the same judgment declare the bankruptcy of the company (which bankruptcy may also be declared during the preventive composition proceedings if the conditions for the composition proceedings are not met). If the Commercial District Court considers that the procedure may be pursued, it will set the place, date and hour of a meeting (*assemblée concordataire*) at which the creditors will be convened. The delegated judge will make its report at the *assemblée concordataire*.

The preventive composition may only be adopted if a majority of the creditors representing, by their unchallenged claims, three-quarters of the Issuer's debt, has adhered to the proposal and if the preventive composition has been homologated by the Commercial District Court. Creditors benefiting from mortgages (*hypothèques*), privileges (*privilèges*) or pledges (*gages*) only have a deliberating voice in the operations of the concordat, if they renounce the benefit of their mortgages, privileges or pledges. The vote in favor of the concordat entails renunciation. The renunciation may be limited by the secured creditors to only a portion (but representing at least 50% in value) of their claims with corresponding voting rights.

The preventive composition has no effect on the claims secured by a mortgage, a privilege or a pledge and on claims by the tax authorities. If the application results in a preventive composition arrangement sanctioned by the Commercial District Court, the preventive composition could still either be annulled (if it has not been executed) or terminated (in case of fraud or bad faith of the company). In such scenarios, the Commercial District Court may adjudicate bankrupt the Issuer. The bankruptcy judgment can decide to set the date of cessation of payment to the date of the application for the preventive composition proceedings. If that date is less than six months prior to the bankruptcy judgment, the court can of course set the cessation of payment date at six months prior to its judgment.

Preventive composition proceedings are rarely used in practice since they are not binding upon secured creditors.

Effects of a Preventive Composition Proceedings

The Issuer's business activities continue during the preventive composition proceedings. While the preventive composition is being negotiated, the Issuer may not dispose of, or grant any security over, any assets without the approval of the delegated judge. Once the preventive composition has been agreed by the Commercial District Court, this restriction is lifted. However, the Issuer's business activities will still be supervised by the delegated judge.

Except as provided for in Collateral Act 2005, while the preventive composition is being negotiated, unsecured creditors may not take action against the company to recover their claims. Secured creditors who do not participate in the preventive composition proceedings may take action against the Issuer to recover their claims and to enforce their security. Fraudulent transactions which took place before the date on which the Commercial District Court commenced preventive composition proceedings may be set aside (please see the bankruptcy proceedings section above).

Suspension of Payments Proceedings (Sursis De Paiements)

General Administration of a Suspension of Payments Proceedings

A suspension of payments (*sursis de paiements*) for commercial companies is different from the *sursis de paiement* proceedings available to banks and insurance companies. It can only be applied to a company which, as a result of extraordinary and unforeseeable events, has to temporarily cease its payments but which has on the basis of its balance sheet sufficient assets to pay all amounts due to its creditors. The suspension of payments may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between its assets and its debts.

The purpose of the suspension of payments proceedings is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceeding involving both the Commercial District Court and the *Cour supérieure de justice* and the approval by a majority of the creditors representing, by their claims, three-quarters of the company's debts (excluding claims secured by privilege (*privilège*), mortgage (*hypothèque*) or pledge (*gage*)).

The suspension of payments is, however, not for general application, which is one of the main reasons it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension of payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege, a mortgage or a pledge) are concerned.

Effects of Suspension of Payments Proceedings

During the suspension of payments, ordinary creditors cannot open enforcement proceedings against the Issuer or the Issuer's assets. This stay on enforcement does not extend to preferred creditors, or to creditors which are secured by mortgages (*hypothèques*), pledges (*gages*) or financial collateral arrangements governed by the Collateral Act 2005. The Issuer continues to manage its own business under the supervision of a court-appointed administrator who must approve most of the transactions carried out by the Issuer.

When a suspension of payments ends, the stay on enforcement is terminated and the Issuer's managers can run the business again.

Judicial Liquidation

Judicial 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 violation of the Luxembourg commercial code or of the Luxembourg law dated August 10, 1915 on commercial companies, as amended (the Companies Act 1915).

The management of such judicial liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings.

Security Interests Considerations

According to Luxembourg conflict of laws 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 security interests (such as a pledge) are 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 pledges over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, preferred equity certificates in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables/claims governed by Luxembourg law and/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.

The Collateral Act 2005 governs the creation, validity, perfection and enforcement of pledges over shares (such as registered shares in Luxembourg companies), preferred equity certificates, bank accounts and receivables located or deemed to be located in Luxembourg. Under the Collateral Act 2005, the perfection of pledges depends on certain registration, notification and acceptance requirements. A share pledge over registered shares in a Luxembourg company must be (i) acknowledged and accepted by the company which has issued the shares (subject to the pledge) and/or (ii) registered in the shareholders' register of such company. 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 Collateral Act 2005 sets out enforcement remedies available upon the occurrence of an enforcement event, including, but not limited to:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at a value determined in accordance with a valuation method agreed upon by the parties;

- sell or cause the sale of the pledged assets (i) in a private transaction at normal commercial terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange (if listed shares) or (iii) by way of a public auction;

- 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 Collateral Act 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 recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the pledges might be substantially delayed.

The Collateral Act 2005 expressly provides that financial collateral arrangements (including pledges and transfer of title by way of security) including enforcement measures are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties.

The perfection of the pledges created pursuant to 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).

Foreign law governed security interests (such as the escrow charge) and the powers of any receivers/ administrators may not be enforceable or recognized in respect of assets located or deemed to be located in Luxembourg. Security interests/ arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators might not be recognized or enforced by the Luxembourg courts, even over assets located outside of Luxembourg, in particular where the relevant Luxembourg security provider or Luxembourg guarantor 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 EU Insolvency Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights *in rem* over assets located in another Member State in which the EU Insolvency Regulation applies in accordance with article 8 of the EU Insolvency Regulation.

Finally, the appointment of a foreign security agent will be recognized under Luxembourg law (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions depending on the type of security interests. Generally, according to paragraph 2(4) of the Collateral Act 2005, a financial collateral may be granted in favor of a person acting on behalf of the collateral takers, a fiduciary or a trustee in order to secure the claims of third-party beneficiaries, whether present or future, provided that these third-party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-à-vis third-party beneficiaries of such financial collateral, persons acting on behalf of the third-party beneficiaries of a financial collateral, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of a financial collateral under the Collateral Act 2005.

Registration in Luxembourg

The registration of the transaction documents with the *Administration de l'Enregistrement et des Domaines* in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that they must be produced before an official Luxembourg authority (*autorité constituée*).

In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) 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 Collateral Act 2005.

The Luxembourg courts or the official Luxembourg authority may require that the transaction documents and any judgment obtained in a foreign court be translated into French or German.

Denmark

Insolvency Proceedings Under Danish Law

Any insolvency proceedings with respect to any Danish Notes Guarantor may proceed under, and be governed by, the insolvency laws of Denmark as the EU Insolvency Regulation (Council Regulation (EC) no. 1346/2000 on insolvency proceedings) does not apply to Denmark.

In a Danish bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. Such liquidation may not yield the same value to the creditors as a reorganization and sale of a going concern.

As a general rule, the debtor or (provided it has the necessary legal interest) any creditor may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on a statement of the debtor's liquidity status and that the insolvency is not of a purely temporary nature. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security. If there is probable cause for the creditor to believe that avoidable transactions have occurred, it may serve as required legal interest, provided that the creditor is able to substantiate the avoidable transactions with a certain degree of certainty.

If bankruptcy proceedings are commenced, payments under the Notes may be delayed and may not be made in full. Provisions on avoidance and set off may adversely affect the enforcement of rights under the Notes. Security interests (except for those qualified as "*håndpant eller anden tilsvarende sikkerhedsret*" under the Danish Bankruptcy Act (*Konkursloven*)) may only be enforced by the bankruptcy trustee, however, mortgagees and execution creditors may demand enforcement of such security interests six months after the declaration of bankruptcy, always provided that such security interests are valid and duly perfected.

Danish insolvency law also includes a scheme for reconstruction of insolvent companies. In broad terms, this scheme provides for reconstruction of an insolvent company by transfer of the business in full or in part and/or a compulsory composition/moratorium. During the reconstruction procedure, creditors are restricted in their ability to enforce their claims; however valid security may be enforced under certain conditions (including security interests that are qualified as "*håndpant eller anden tilsvarende sikkerhedsret*" under the Danish Bankruptcy Act (*Konkursloven*)). If a restructuring procedure fails, bankruptcy proceedings will be initiated against the debtor.

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's unsecured creditors. However, claims against the debtor are subject to priority ranking, giving first priority to costs incurred during the bankruptcy proceedings or claims according to agreements affirmed by the bankruptcy trustee, including the fee for the bankruptcy trustee. Second rank is given to claims incurred during any preceding restructuring proceedings and other costs incurred with the approval of any reconstructor. Third rank, "privileged claims," are mainly certain salary claims, including holiday pay, salary income taxes (relating to salary claims being filed) and salary claims payable in the period of six months of the onset of insolvency but excluding salary claims from management. Fourth rank is given to suppliers to the debtor who have, within twelve months of the onset of insolvency, delivered goods to the debtor with the applicable duties paid (or to be paid) by the relevant supplier, but only (i) as regards certain specifically listed duties, and (ii) to the extent that the relevant supplier has a claim for reimbursement of the duties prepaid.

After fulfilment, if any, of these priority ranking claims, in the above order, any excess proceeds will be distributed among all ordinary, unsecured and unsubordinated creditors. Interest accrued on ordinary, unsecured and unsubordinated claims will rank as ordinary claims up to the date of the bankruptcy order, after which date the accrued interest will rank as a deferred claim. Deferred claims also include, among others, certain liquidated damages, subordinated loans and penalties.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish krone using the relevant currency rate as of the date of the bankruptcy order.

The status of a claim is dependent upon express statutory authority (except for subordinated loans).

Voidable Transactions

Danish bankruptcy law contains several provisions enabling the bankruptcy trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Some avoidance provisions require the payment or security to be granted within six or three months, as applicable, before the date of the bankruptcy (or the reconstruction) petition being filed (referred to as "the reference date"). In some cases, however, avoidance can be claimed for payments or security granted within two years or more before the date of the reference date.

Under Danish bankruptcy law, payments of debt made by a Danish group company could be void if such payments are made (a) later than three months before the reference date (i) by unusual means of payment, (ii) before the normal due date or (iii) in an amount that has a distinctly impairing effect on such Danish group company's ability to pay its debts, always provided such payment does not appear to be ordinary, and where such payment has been made for the benefit of a party closely connected to such Danish group company, it may be void if the payment has been made later than two years before the reference date, unless it is substantiated that such Danish group company neither was nor became insolvent at the time of making the payment; or (b) after the reference date, unless such debts are settled under the rules on the order of priority of creditors in bankruptcy, payment was necessary to prevent a loss or the persons for whose benefit the payment was made neither knew nor ought to have known that a petition for bankruptcy (or reconstruction) had been filed.

Granting of security could be void under Danish bankruptcy law if, among other things (i) security for the debts was not granted to the creditor before or at the time the debt was incurred; or (ii) security was not perfected no later than without undue delay after the time the debt was incurred, and where such security was made on behalf of a party closely connected to such Danish group company, it may be void if the security has been granted later than two years before the reference date, unless it is substantiated that such Danish group company neither was nor became insolvent at the time of making the payment. The timing requirements in respect of granting of security and perfection are interpreted very strictly under Danish law and "undue delay" in practice means as soon as practically possible.

A general avoidance rule applies under Danish bankruptcy law, pursuant to which any transaction, including payments and security, which in an improper way favors a creditor to the detriment of the other creditors, or whereby the debtor's assets are prevented from serving the purpose of satisfying the creditors, or whereby the debtor's debts are

increased to the detriment of the creditors, may be void if the Danish group company was (or by way of the transaction) became insolvent and the party favored knew or ought to have known about the insolvency and the circumstances that made the transaction improper. In general, only transactions which are contrary to common norms of correct and decent business behavior will be deemed improper, and improper behavior is normally associated with breaching the purpose of insolvency proceedings (e.g., when a creditor ought to realize that a given transaction will deprive the other creditors of their right of satisfaction). Furthermore, there is no limitation in time applicable to this avoidance rule and it can in principle be applied for an unlimited period of time.

Under Danish bankruptcy law the issuance of guarantees may be subject to avoidance if, among other things (i) the issuance was made at a time when the issuer was insolvent, (ii) the issuance is without due consideration, and/or (iii) between closely related parties. A claim for avoidance can be made against the main debtor or against the beneficiary.

Any proceeds relating to a voidable claim are considered an asset of the bankruptcy estate and are to be distributed to the creditors in accordance with the rules governing priority of debts in bankruptcy.

Limitations on the Validity and Enforceability of the Notes Guarantees and Security Interests

It is a requirement under Danish law that a guarantor or security provider obtains an adequate corporate benefit from the issuance of a guarantee or granting of security. This is due to a requirement under Danish law that the management of the company must always ensure a proper management of the company's assets.

Further, the management of the company is obliged to act in accordance with the company's individual interests, including consideration of the company's financial position, the benefits the company will obtain through and the risks related to the granting of security or guarantee, assessment of the debtor, securing that the arrangement is on market terms, etc. If such benefit is not obtained, the directors of a Danish guarantor or security provider may be subject to civil liability and/or the guarantee or security may be null and void. It is not entirely clear under Danish case law to what extent such corporate benefit is established when a subsidiary guarantees and secures debt of a direct or indirect parent company.

The Danish Companies Act furthermore contains restrictions on financial assistance by Danish limited companies.

Generally, a Danish company may not, directly or indirectly, advance or make funds available to, or grant loans to, or issue guarantees or provide security for, any of its shareholders, or any of the shareholders in its, direct or indirect, parent company or in any other company which exerts a decisive influence in respect of the Danish company.

However, Danish companies may advance or make funds available to, or grant loans to, or issue guarantees or provide security for, Danish and certain foreign parent companies which are covered by Danish Executive Order No. 275/2010 (on loans etc. to foreign parent companies) which includes any entity in the corporate form of (a) a public limited company (*aktieselskab*), (b) a limited partnership with a share capital (*partnerselskab*), (c) a private limited company (*anpartsselskab*) or (d) a foreign company with an equivalent corporate form, having its registered office in the EU or EEA or any country categorized 0 or 1 in OECD's country risk classification, including USA.

In addition to the general restriction on financial assistance, a Danish company is generally prohibited from advancing or making funds available, granting loans, guarantees or security in connection with the financing or refinancing of a third party's acquisition of, or subscription for, shares in the Danish company or shares in the Danish company's direct or indirect parent company and any such loan, guarantee, security or other financial assistance will be invalid and unenforceable.

To the extent that any such acquisition debt cannot be separated from other (non-acquisition) debt, such other debt may be deemed acquisition debt and any loans, guarantees, security or other financial assistance provided by a Danish company for such other debt may then also be invalid or unenforceable.

The prohibition on financial assistance also extends to non-Danish subsidiaries of Danish companies even if, under the local financial assistance and other laws otherwise applicable to such non-Danish subsidiaries, the relevant guarantee or security could validly be granted.

If loans, guarantees, security or other financial assistance are provided in violation of the prohibitions above, such loans, guarantees, security or other financial assistance will be invalid and unenforceable and must be repaid together with interests. The directors may be subject to fines and liability for losses suffered in this regard.

Enforcement of Security Interests Outside Bankruptcy

The parties to a security agreement can include contractually agreed enforcement procedures and, if there are no bankruptcy proceedings, the agreed procedures bind the parties. However, sales of assets may be voidable in a later bankruptcy proceeding if the assets were transferred below market value.

The agreed enforcement procedures are not binding on third parties such as creditors that have registered an attachment or valid security against the encumbered assets.

Such third-party attachments and rights can only be cleared through a court administered public auction.

In the absence of specifically agreed enforcement procedures, Danish law requires conduct of a public auction in accordance with the Danish Administration of Justice Act (*Retsplejeloven*).

Pledges of shares and accounts as well as security assignments of receivables may be enforced without an execution order. However, at least eight days prior notice requesting the debtor to pay the secured debt must be given to the pledgor by registered mail unless a sale is necessary to avoid or reduce a loss.

Perfection of Security Interests

The Collateral governed by Danish law will be granted and perfected, *inter alia*, in favor of the Security Agent as representative for the holders of the Notes. Rules have been enacted in the Danish Capital Markets Act (*lov om kapitalmarkeder*) allowing representatives to hold security, and exercise authority and rights in relation thereto, on behalf of noteholders and the Security Agent may be appointed as representative pursuant to the Danish Capital Markets Act (*lov om kapitalmarkeder*) and, in accordance therewith, should be registered with the Danish Financial Supervisory Authority (*Finanstilsynet*) to ensure effective representation. There is not yet any case law relating to this legislation confirming the right of the representative to enforce on behalf of the holders of the Notes so there is a risk that enforcement may be delayed.

The Collateral governed by Danish law will be perfected by the Issuer in favor of the Security Agent and some of the Collateral may only be perfected after the occurrence of certain events of default or other perfection triggers.

Absent perfection, the holder of the security interest may not be able to enforce its rights in the Collateral against the security provider's creditors, including a bankruptcy administrator who claim a security interest in the same Collateral. The same principle applies with respect to any third party acting in good faith, provided that such third party has complied with the relevant act of perfection. In general, Danish law stipulate (as an overall principle on perfection) that a security provider must be deprived possession of control over the relevant assets that are subject to security and such dispossession must be effective at all times. If dispossession is not effectively upheld, the security may be extinguished.

A Danish court may find that a security interest in dividend rights and voting rights granted pursuant to a share pledge agreement has not been perfected until the parties secured by the share pledge have given notice to the relevant company that the voting rights and dividend rights pledged under the share pledge agreement may be exercised only by the secured parties or a security agent acting on their behalf. Upon perfection, the security interest in dividend rights and voting rights may be deemed to be security for pre-existing debt and, thus, as regards those rights be subject to a hardening period and avoidance following perfection. The same principle applies to security interest over other assets, e.g. bank account in respect of which the security provider is authorized to freely make withdrawals, release and transfer funds and receivables (including subordinated claims) in respect of which the security provider is authorized to freely receive payments, waive and amendment the terms and conditions thereof and exercise rights in respect of thereof.

A Danish court may find that security of receivables must be perfected in accordance with the law of the country where that receivable is deemed to be located (the *lex rei sitae* rule). It is unresolved under Danish law if a receivable is deemed to be located at the domicile of the debtor of the creditor, thus it cannot be ruled out that security over receivables in respect of which a Danish company is a debtor or a creditor will be subject to Danish perfection requirement notwithstanding that the governing law of the receivable between the parties thereto is not Danish law (and vice versa).

Under Danish law, the ranking of security rights is determined by the date on which the relevant act of perfection has been taken, and if a security interest created later in time over that same Collateral, but in respect of which the act of perfection is completed prior to perfection of the pre-existing security interest then the security interest created later will have priority (provided that the third party beneficiary, other than creditors, acts in good faith).

Parallel Debt and Trusts

The concept of parallel debt arrangements is not generally recognized under Danish law and any agreement or document may not be enforceable to the extent it purports to effect such arrangements.

It is uncertain whether Danish law recognizes the concept of trusts, and provisions in documents which intend to create a trust may not be enforceable.

Sweden

Insolvency Proceedings

Pursuant to the Swedish Bankruptcy Act (*Sw. konkurslag (1987:627)*), if a Swedish company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the competent district court (*Sw. tingsrätt*) by the debtor or by a creditor of the debtor.

In the event of a bankruptcy of a Swedish company the court will appoint a receiver in bankruptcy (*Sw. konkursförvaltare*) who will work in the interest of all creditors of the company with the objective of selling the company's assets and distribute the proceeds among the creditors. The bankruptcy estate is deemed to constitute a separate legal entity.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the company as soon as possible and to distribute the proceeds in accordance with the mandatory priority rules as primarily set out in the Swedish rights of priority act, as amended (*Sw. Förmånsrättslagen (1970:979)*) (the "Rights of Priority Act"). In the interim, the receiver in bankruptcy will take over the management and control of the company. Thus, the company's directors and/or managing director will no longer be entitled to represent the company or dispose of the company's assets.

A declaration of bankruptcy does not automatically terminate existing contracts; instead, the receiver in bankruptcy may in its discretion choose to have the bankruptcy estate itself step into any such existing contracts. A clause in a contract which provides that the contract is terminated by reason of bankruptcy proceedings or similar is likely to be unenforceable (the bankruptcy estate shall always be given a right to fulfil the company's obligations according to a contract). If the bankruptcy estate steps into the contract and performance by the creditor is due, the creditor may demand that the bankruptcy estate performs its newly assumed obligations as well or, if a grace period has been granted, request that the bankruptcy estate, without unreasonable delay, provides acceptable security for its performance. If performance by the creditor is not due, the creditor may request security where this is necessary in order to protect it against loss. If the bankruptcy estate does not step into the contract within a reasonable time after the creditor's demand or if it does not comply with the creditor's request to provide security, the creditor may terminate the contract.

Enforcement Process

In case of enforcement outside of bankruptcy proceedings, in respect of real estate mortgages and business mortgages (*Sw. företagshypotek*) and (as relevant) assets in the possession of the relevant security provider, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority (*Sw. Kronofogden*) or the courts. Upon obtaining an enforcement order against a debtor, a creditor may apply to the Swedish Enforcement Authority for enforcement of its claim. In respect of pledges over certain other types of assets, such as over shares, receivables, bank accounts, trademarks and contractual rights, enforcement can be carried out by the security holder itself. A provision granting the secured party or its agent such right of enforcement is typically included in any pledge agreement between the security provider and the secured party or its agent. The secured party is typically entitled to enforce the security through a sale of the collateral. However, certain restrictions apply to the procedure for such a sale. In general, when enforcing the security, the secured party is under a duty of care in relation to the security provider and the security granted. This duty includes, *inter alia*, an obligation to notify the security provider of any liquidation or sale of the collateral, to account for the proceeds of such liquidation or sale, and to pay to the security provider that portion of the proceeds of such liquidation or sale which exceeds the debt secured by such asset. The security provider should, if the circumstances are not exceptional, be given prior notice of the contemplated enforcement and also of the time and location of the sale. Furthermore, sufficient notice should be given to prospective purchasers in

order to create reasonable preconditions for a market price being obtained in the sale. Where the secured party has been granted the right to enforce the security through a private sale, such sale must be made to a party unaffiliated with the secured party unless the market price of the security can be independently and objectively established prior to or shortly after enforcement and the security is sold at such price. Pledges over receivables and other claims are, if the receivable or claim has fallen due, normally enforced through the secured party collecting the payment as opposed to selling the receivable. Certain categories of assets (such as real property) may however only be enforced through the Swedish Enforcement Authority.

Enforcement of security in bankruptcy is also subject to certain restrictions. A holder of a real property mortgage, a business mortgage or security over specific assets in the possession of the relevant security provider may demand that the relevant assets are sold by the receiver in bankruptcy without undue delay, provided that the underlying claim is not disputed or has been confirmed in a non-appealable decision. This rule does however not apply to such assets as are necessary for the continuation of the debtor's business. The receiver in bankruptcy may thus postpone such sale if the receiver in bankruptcy determines that the bankruptcy estate would either incur a considerable loss or that the implementation of a public composition proceeding (*Sw. offentligt ackord*) would become substantially more difficult, provided that a postponement is not unreasonable to the secured party. A secured party holding a possessory pledge over moveable property (such as shares) may arrange for the sale of the moveable property at a public auction (but not sell the moveable property privately unless the receiver in bankruptcy consents). Such secured party must however give the receiver in bankruptcy an opportunity to arrange payment of the debtor's debt to the creditor in order to redeem the moveable property to the bankruptcy estate, and the moveable property may not, without the consent of the receiver in bankruptcy, be sold earlier than four weeks after the oath administration meeting (*Sw. edgångssammanträde*) held as a part of the bankruptcy proceedings. However, financial instruments and currency are exempt from the requirement for the receiver in bankruptcy's consent. The secured party may either sell such financial instruments or currency immediately or assume ownership (against reduction of the secured debt with the market value of such assets or, if the market value of the assets exceeds the outstanding debt, against repayment to the debtor of the surplus), provided that the realization is done in a commercially viable manner. Should the security granted consist of rights over unlisted shares in a subsidiary of the debtor, the receiver in bankruptcy must still be given an opportunity to redeem the shares prior to the sale or deduction.

Priority of Certain Creditors

When distributing the proceeds, the receiver must follow the mandatory provisions of the Rights of Priority Act, which states the order in which creditors have a right to be paid. As a general principle, under Swedish insolvency law competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, some preferential and secured creditors, where such preference or security may arise as a consequence of law, have the benefit of payment before all other creditors (in the case of preferential creditors only) and before all unsecured creditors out of the assets that secure the creditors' claims (in the case of secured creditors only). There are two types of preferential rights: specific and general preferential rights. Specific preferential rights apply to certain specific property and give the creditor a right to payment from such separate property. General preferential rights cover all property belonging to the debtor's estate in bankruptcy, which is not covered by specific preferential rights, and give the creditor a preferential right to payment. Claims that do not carry any of the above mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other (unless subordinated). A claim can be subordinated if, for instance, the creditor has entered into an agreement with the debtor stipulating such subordination. It should be noted that, in the case of bankruptcy, claims in relation to the bankruptcy estate (a legal entity separate from the debtor) due to costs relating to the bankruptcy (including fees payable to the receiver in bankruptcy), may have priority over claims in relation to the debtor.

Challengeable Transactions

In Swedish bankruptcy and, if certain conditions are met, company reorganization proceedings, transactions can (in certain circumstances and subject to a time limit) be reversed and the assets being the subject of such transaction can then be returned to the bankruptcy estate (or the company subject to company reorganization). Broadly, these transactions include, among others, situations where the debtor has (i) conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, (ii) created a new security interest or provided a guarantee that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or (iii) paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during three or six months preceding the commencement of the relevant Swedish insolvency proceedings.

Where the other party to a transaction is deemed to be a closely related party to the debtor (such as a subsidiary or parent company) or aware of *inter alia* the insolvency of the debtor, longer time limits apply and in others there are no time limits.

Limitations on Enforceability Due to the Swedish Reorganization Act

The Swedish Reorganization Act (*Sw. Lag (1996:764) om företagsrekonstruktion*) provides companies facing difficulties in meeting their payment obligations with an opportunity to resolve these difficulties without being declared bankrupt. A petition for company reorganization may be presented to the court by the company or a creditor of the company but a reorganization order may only be granted subject to the company's approval. Corporate reorganization proceedings shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended for up to one year.

An administrator (*Sw. rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors as well as the company. However, the company remains in full possession of the business except that the consent of the administrator is required for important decisions, such as paying a debt that has arisen prior to the granting of a reorganization order, granting security for a debt that arose prior to the granting of the reorganization order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the company's business. However, the absence of such consent does not affect the validity of the transaction (but may jeopardize the reorganization).

Upon the opening of company reorganization proceedings, the administrator must notify the creditors of the reorganization proceedings and will draw up a reorganization plan specifying the proposed action to be taken to resolve the company's difficulties. A creditors' meeting will be held at which the creditors will be given the opportunity to express their opinions as to whether the reorganization should continue. Upon the request of any of the creditors, the court shall appoint a creditors' committee of a maximum of three persons. The administrator shall, if possible, consult with the creditors' committee prior to taking any important decisions.

The corporate reorganization proceedings do not have the effect of terminating contracts entered into by the company. However, the opening of corporate reorganization proceedings entails limitations in the contracting party's right to terminate a contract due to the company's delay in payment or performance. Such limitations are similar to that which is stated above in respect of a bankruptcy estate's right to step into existing contracts. The limitations are not applicable where a creditor has security over, *inter alia*, financial instruments or receivables originating from a loan granted by a credit institution. During the reorganization procedure, the company's business activities continue in the ordinary course of business. However, the procedure includes a suspension of payments to creditors and the company may not pay a debt that arose prior to the granting of the reorganization order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the company will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor, which is the case with a Swedish law pledge over the shares in a Swedish limited liability company provided that the share certificates of such company has been delivered to the secured creditor or its agent and with a Swedish law pledge over a loan governed by a negotiable debt instrument (*Sw. löpande skuldebrev*) where such negotiable debt instrument has been delivered to the secured creditor or its agent.

During reorganization proceedings, the company may apply to the courts requesting public composition proceedings (*Sw. offentligt ackord*) which means that the amount of a creditor's claim may be reduced on a percentage basis. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims vote in favor of such public composition. Creditors with set-off rights and preferred creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is binding on all creditors that were entitled to participate, i.e. also creditors who have not attended the creditors' meeting will be bound. However, the obligations of a guarantor under a guarantee provided in respect of a creditor's claim which has been reduced by way of public composition will not be reduced correspondingly but will remain valid up to the original amount of such creditor's claim.

Liquidation Due to Capital Deficiency

Pursuant to the Swedish companies act (*Sw. aktiebolagslagen (2005:551)*), as amended (the "Swedish Companies Act"), whenever a company's board of directors has a reason to assume that, as a result of losses or

reductions in the value of the company's assets or any other event, the company's equity is less than half the registered share capital, the company's board of directors shall prepare a special balance sheet (*Sw. kontrollbalansräkning*) and have the auditors examine it. The same obligation arises if the company in connection with enforcement pursuant to Chapter 4 of the Swedish Enforcement Code (*Sw. utsökningsbalken (1981:774)*) is found to lack seizeable assets.

If the special balance sheet shows that the equity of the company is less than half of the registered share capital, the board of directors shall, as soon as possible, issue a notice to call a shareholders' meeting which shall consider whether the company shall go into liquidation (initial shareholders' meeting). The special balance sheet and an auditor's report with respect thereto shall be presented at the initial shareholders' meeting.

If the special balance sheet presented at the initial shareholders' meeting fails to show that, on the date of such meeting, the equity of the company amounts to the registered share capital and the initial shareholders' meeting has not resolved that the company shall go into liquidation, the shareholders' meeting shall, within eight months of the initial shareholders' meeting, reconsider the issue whether the company shall go into liquidation (second shareholders' meeting). Prior to the second shareholders' meeting, the board of directors shall prepare a new special balance sheet and cause such to be reviewed by the company's auditors. The new special balance sheet and an auditor's report thereon shall be presented at the second shareholders' meeting.

A shareholders' resolution on liquidation of the company shall be registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*), which shall appoint a liquidator. Should the shareholders not resolve on such voluntary liquidation where required (which is where (i) a second shareholders' meeting is not held within the period of time stated above, or (ii) the new special balance sheet which was presented at the second shareholders' meeting was not reviewed by the company's auditor or fails to show that, on the date of such meeting, the equity of the company amounts to at least the registered share capital), the court may put the company into compulsory liquidation and appoint a liquidator. The liquidator takes over management and control of the company and shall sell the company's assets and settle the company's debts with the proceeds. The liquidator shall give notice to the company's unknown creditors and creditors that have not lodged their claims with the liquidator within six months following such notice will have forfeited their rights to their claims.

Limitations on the Value of a Guarantee

A Swedish limited liability company may not provide a guarantee for the obligations of a parent or sister company, unless they belong to the same group of companies and the parent company of that group is domiciled within the EEA, or unless the loan, for which the guarantee is provided, is intended to be used exclusively in the borrower's business operations and the guarantee is provided for purely commercial reasons. Furthermore, if a Swedish limited liability company provides any guarantee without receiving sufficient corporate benefit in return, such guarantee will, in whole or in part, be considered a distribution of assets, which will be lawful only (i) to the extent there is sufficient coverage for the restricted equity capital of the Swedish limited liability company after the distribution (i.e., at the time the guarantee is provided) (where the aggregate amount available for distribution during the period from the annual general meeting until the following year's annual general meeting shall be calculated on the basis of the balance sheet approved by the shareholders at the first annual general meeting, taking into account changes in the restricted equity capital after such annual general meeting) and (ii) if it would be considered prudent by the Swedish limited liability company to undertake such distribution after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish limited liability company's business or the Swedish limited liability company's need to strengthen its balance sheet, liquidity or financial position in general. Where the Swedish limited liability company is a parent company, the latter assessment is made also on a group level.

It should also be noted that laws relating to financial assistance in Sweden prohibit limited liability companies incorporated in Sweden from providing guarantees for obligations of any person where such obligations are being incurred for the purpose of acquiring shares in the company itself or in any superior member of the same Swedish group of companies.

The guarantee of the Guarantor is limited in accordance with the above restrictions relating to prohibited security, distribution of assets and financial assistance and are subject to limitation language limiting the liability of such entities thereunder to the extent required by the above restrictions.

Creation of Valid Security Interests

In order to create a valid security interest under Swedish law, the property subject to such security interest must fulfil the following criteria: (a) there must be an underlying debtor-creditor relationship in respect of the obligations

which the security purports to secure; (b) the security provider must grant the security interest, typically in the form of a pledge agreement; (c) the security assets must be sufficiently specified; and (d) an act perfecting the security interest must take place. The method for perfection varies depending on the asset type.

Under Swedish law, in addition to certain actions that must be taken to perfect a security interest by the secured party and the grantor, for any security to be validly created, the grantor must be effectively deprived of its right to control, deal with or dispose of the assets subject to the security interest. Any security interests purported to be created under Swedish law over assets which the security provider may remain in possession of, retain exclusive control over, freely operate or collect, invest and dispose of any income from until the occurrence of an enforcement event would therefore not be effective until an enforcement event has occurred and the security interests have been perfected. Security interests that are subject to such delayed perfection stand the risk of being subject to clawback claims whereby the security interest might be held invalid and unenforceable.

In the case of shares, the perfection of the pledge is achieved by transferring the share certificates endorsed in blank to the possession of the pledgee. The pledgee is not entitled to vote for the shares but is, absent agreement to the contrary, entitled to any bonus shares and any new shares issued in rights issues. Unless the pledgee and the security provider agree otherwise, the security provider is entitled to all dividends until the bankruptcy date.

The right to future dividends can however be pledged to the pledgee or to a third party. As set out above, any security purported to be created over, *inter alia*, (i) future shares before such shares are issued and/or (ii) dividends after a certain triggering event, will not be perfected from the outset and may as such be vulnerable under applicable provisions of Swedish law of being set aside as a preference in any Swedish insolvency proceeding affecting the security provider.

Security Granted in favor of Secured Parties represented by a Security Agent

It is generally possible under Swedish law to grant security interests in favor of an agent acting on behalf of the secured parties. However, it is not established by judicial precedent or otherwise by law that a power of attorney or a mandate of agency, including the appointment of an agent, can be made irrevocable. It should be noted that any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

Trust

Currently, Swedish law does not contain any provisions for trusts to be formed and trustees to be appointed. While Swedish law does not know the concept of trust, it is generally believed that a trustee that has been appointed under foreign law, provided that a trustee is capable of being appointed under the laws governing such appointment, will be recognized and acknowledged in Sweden and that such an appointed trustee may be able to claim and enforce or procure the enforcement of the rights of the beneficiaries under the trust, subject to the terms of the relevant documents.

Parallel Debt

The concept of parallel debt arrangements is not generally recognized under Swedish law and any agreement or document may not be enforceable to the extent it purports to effect such arrangements.

Foreign Currency

Whereas Swedish courts may award judgments in currencies other than Swedish kronor, judgments will be enforced in Swedish kronor, generally at the rate of exchange prevailing at the date of enforcement rather than at the date of judgment.

Stamp Duty

No Swedish stamp duty will be payable on the granting of the Notes Guarantee by the Guarantor.

Norway

Financial Assistance

Section 8-7 of the Norwegian Private Limited Companies Act of 1997 No. 44 / Norwegian Public Limited Companies Act of 1997 No. 45 (*Aksjeloven and Allmennaksjeloven*) (respectively and together, the "Acts," and each an

"Act") restricts a Norwegian private or public limited liability company from granting credit to, guaranteeing or providing security for the obligations of, its shareholders or a party related to the shareholder beyond its distributable reserves (free equity) and then further provided that satisfactory security for repayment/recovery has been established.

The above restriction does not, however, apply to providing credit to or guaranteeing or providing security for the obligations of a parent company or another company within the same "group." This exemption must be read in conjunction with the group definition in Section 1-3 of the Acts which, broadly speaking, includes Norwegian limited liability companies. Furthermore, there is an exemption for providing credit to or guaranteeing or providing security for the obligations of any legal entity which has "decisive influence" over the company as mentioned in Section 1-3 of the Acts provided that the credit, security or guarantee is granted in order to benefit the financial interest of the group of companies. Section 1-3 defines "decisive influence" as holding or otherwise controlling at least a majority of the voting shares in the company or having the right to elect or discharge a majority of the members of the board of directors of such company. In practice, this exception will be applicable to a Norwegian wholly owned subsidiary of a foreign company provided that the credit, security and/or guarantee is established in order to benefit the financial interest of the group of companies.

In addition to the restrictions with regard to, among others, upstream and cross-stream guarantees and security as outlined above, Section 8-10 of the Acts prohibits a Norwegian private or public limited liability company from providing financial assistance (including putting assets at disposal, granting loans or providing security or guarantees) in connection with the acquisition of its shares or in connection with the acquisition of shares in a parent company (including any intermediate parent company) unless the value of such financial assistance is within the company's distributable reserves and, provided further, that satisfactory security for repayment has been established, the financial assistance is provided on ordinary business terms and principles and that the acquisition is of fully paid shares. Furthermore, before such assistance is granted, certain procedural rules must be complied with. The board of directors shall ensure that the beneficiary parties are subject to a credit assessment and the board will be required to prepare a statement which, *inter alia*, describes the background for and the terms and consequences of the financial assistance. Such statement will have to be presented to the general meeting of the company, which in turn must approve the financial assistance.

The practical restriction in respect of financial assistance referred to above applies irrespective of whether such parent company is a Norwegian or a foreign company, and there are no general exemptions available except for special cases of real property financing and employee share purchase programs. The restriction applies not only to the granting of loans, guarantees and security, but also to making assets available and other transfers that are not lawful distributions in accordance with the Acts. The assistance is restricted if made in connection with the acquisition of shares, which may also cover financial assistance after completion of the acquisition (such as the refinancing of an acquisition loan facility or the subsequent merger of the target company and the acquiring entity). This means that in practice a Norwegian guarantor cannot give credit, guarantee or provide security for any loans which have been used to finance the acquisition of the shares of the Issuer, a parent company (including any intermediate parent company) or the Norwegian guarantor.

As a consequence of these restrictions, the value of the Notes Guarantees and any security provided by a Norwegian guarantor may be reduced to zero to the extent it secures obligations relating to the acquisition of shares in itself or its parent company. In addition, the Notes Guarantees or security interest infringing the limitations set forth in Section 8-10 of the Acts will be void, and any funds paid out will have to be repaid. Finally, an illegal arrangement of this kind may give rise to directors' liability issues. The Notes Guarantees and the security interests provided by Norwegian companies are subject to limitation language substantially in the form as follows:

"The obligations and liabilities of each Guarantor incorporated in Norway (each, a "Norwegian Guarantor") for the Issuer's obligations under the Notes Guarantees, shall be deemed to have been given only to the extent such guarantee does not violate Section 8-7 and/or 8-10 of the Norwegian Limited Companies Act of June 13, 1997 No. 44 or the Norwegian Public Limited Liability Companies Act of June 13, 1997 No. 45 (as the case may be) (the "Norwegian Companies Act"), regarding unlawful financial assistance and the liability of each Norwegian Guarantor will only apply to the extent permitted by such provision of the Norwegian Companies Act. Such limitations on the liabilities and obligations of any Norwegian Guarantor may have the effect of reducing the amount of obligations or liabilities assumed and/or the amount guaranteed or secured to zero, to the extent to which any proceeds under the Senior Secured Notes are used in connection with the acquisition of shares in the Norwegian Guarantor or its parent.

The limitations set forth in these sections will apply mutatis mutandis to any security created by a Norwegian Guarantor over the Collateral and to any guarantee, indemnity, any similar obligation resulting in a payment obligation and payment, including, but not limited to, set-off and made by any Norwegian Guarantor."

Insolvency

Norwegian insolvency legislation is regulated by the Norwegian Bankruptcy Act of June 8, 1984 No. 58 (*Konkursloven*) (the "Bankruptcy Act"), which sets forth the various procedures to be followed both in the case of court-administered debt negotiations and bankruptcy proceedings, and the Creditors Recovery Act of June 8, 1984 No. 59 (*Dekningsloven*) (the "Recovery Act") containing provisions on, among other things, the priority of claims.

The key features of the Norwegian bankruptcy proceedings are (i) the seizure and subsequent disposal of the debtor's assets, (ii) the assessment and ranking of claims, (iii) the testing and revocation of transactions (including the securing of existing claims) made prior to bankruptcy, (iv) the handling of the debtor's contractual relationships and (v) the distribution of funds (if any) in accordance with the priority rules. If the business operations of the bankrupt company are continued, they are formally continued at the risk of the bankruptcy estate, but in practice at the risk of, and only to the extent guaranteed by, the creditors.

Bankruptcy proceedings may be opened provided that the debtor is insolvent. Both the debtor and the creditors (holding or pretending to hold a claim) can petition for bankruptcy.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due (the "cash flow test"), and (ii) the debtor must be in "deficit" (the company's debts must exceed the sum of its assets and revenue, based on real, not book, values) (the "balance sheet test").

During bankruptcy proceedings the debtor's assets are seized and controlled by the court-appointed liquidator (usually a lawyer), on behalf of the bankruptcy estate. The main task of the liquidator is to turn all the debtor's assets into cash in the manner assumed to be most profitable for the estate (the creditors), and then distribute the available cash to the rightful creditors.

All of the debtor's assets will in practice be seized by the bankruptcy estate, and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing. The bankruptcy estate may also seize assets held by third parties, if these assets are acquired from the debtor in an unlawful manner, or if the acquisition lacks legal protection, or if the transaction can be reversed according to the Recovery Act. The bankruptcy estate is a separate legal entity, which is authorized to exercise all ownership interests and rights with respect to the seized assets, including, but not limited to, the realization of assets.

Secured creditors are, in principle, not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may, in principle, realize the security, and cover their claims; however, keeping in mind that the realization of a number of categories of security during the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (the same principles apply to official debt negotiations). The bankruptcy estate has the right, subject to certain conditions being fulfilled, to realize the security and divide the proceeds between the secured creditors and other holding legal rights in the assets.

Furthermore, the bankruptcy estate has a statutory first lien of up to 5% of the estimated value or sales value of all assets secured by the debtor for its own debt or by a third party for the debtor's indebtedness (limited to the Norwegian Court Fee (presently being in the amount of NOK 1130) multiplied by 700 for each such asset registered in an asset register). Such statutory lien is not applicable to financial security (cash deposits and financial instruments) established pursuant to the Norwegian Financial Collateral Act No. 17/2004 (the "Financial Collateral Act") or the Norwegian Liens Act No. 2/1980 section 6-4(9).

Any under-secured amount (any amount exceeding the value of the secured assets) will be deemed an ordinary (unsecured) trade claim.

In a Norwegian bankruptcy, the creditors will be paid according to the following priority:

- secured claims (valid and perfected security covered up to the value of the secured asset – either after the realization by the secured creditor itself or after realization undertaken by the bankruptcy estate);
- super-priority claims (claims that arise during the bankruptcy proceedings, liquidator's costs and obligations of the estate);
- salary claims (within certain limitations);

- tax claims (such as withholding tax and value-added tax within certain limitations);
- ordinary unsecured claims (all other claims unless subordinated, including unsecured debt, trade creditors and indemnity claims); and
- subordinated claims (including interest incurred after the opening of bankruptcy proceedings, claims subordinated by agreement, liquidated damages and penalty claims).

Pursuant to the Recovery Act, the bankruptcy estate may be entitled to set aside or reverse transactions carried out in the three- to twelve-month period (and, in respect of transactions in favor of related parties, up to two years) before the opening of the bankruptcy proceedings, such as extraordinary payments of certain creditors, security established for existing debt and transactions at an undervalue. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently which in an improper manner increase the debtor's debt, favor one or more creditors at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to ten years.

Solvent Enforcement

Enforcement of security normally requires that the pledgee or chargee files an application to the enforcement authorities for the enforcement of the security. Certain types of security may, however, be enforced without the involvement of the enforcement authority or a court, typically security established pursuant to the Financial Collateral Act and charges over monetary claims. A provision granting the secured party such right of enforcement is typically included in any security agreement between the pledgor/chargor and the secured party.

Enforcement of a guarantee claim against a solvent guarantor will in principal require a final, legally binding judgment by a court (unless the guarantee is made as an enforceable promissory note). Thereafter the creditor may apply to the enforcement authorities for enforcement of his or her claim.

Foreign Currency

Norwegian courts may award judgment in currencies other than Norwegian krone, but the debtor is nevertheless in relation to such judgment entitled to make payment in Norwegian krone at the rate of exchange prevailing at the date of such payment.

Parallel Debt

The concept of parallel debt arrangements is not generally recognized under Norwegian law and any agreement or document may not be enforceable to the extent it purports to effect such arrangements.

Finland

The following is a brief description of certain aspects of the insolvency law of Finland.

Applicable Insolvency Law

There are two primary insolvency regimes under Finnish law. The first, company reorganization (*yrityssaneeraus*), is intended to investigate whether the business has a reasonable chance to continue and, if so, to rehabilitate the company's viable business, ensure its continued viability and make arrangements with creditors. The second, bankruptcy (*konkurssi*), is primarily designed to liquidate and distribute the assets of a debtor to its creditors.

Company Reorganization

If a company is insolvent or is at risk of becoming insolvent, and it is probable that a company reorganization will remedy the insolvency or prevent its recurrence otherwise than for a short period, an application for company reorganization can be made to a court by the debtor or by one or more creditors. Further, the initiation of company reorganization proceedings is possible – in theory, irrespective of the company's solvency situation – when at least two creditors whose total claims represent at least one-fifth of the debtor's known debts, and who are not related to the debtor, file a joint application with the debtor or declare that they support the debtor's application for company reorganization. If there are no specific legal barriers to company reorganization and, consequently, the court approves the application and opens company reorganization proceedings, the court will simultaneously appoint an administrator (*selvittäjä*).

All existing claims against the company are suspended as of the commencement of the company reorganization. The suspension as a main rule prohibits the enforcement and placing of security, the repayment and enforcement of the restructuring debts (although debts arising after the filing of the company reorganization application can be repaid and enforced) and the seizure of assets. The suspensions are in force until the company reorganization program has been confirmed by the district court or the proceedings have been dismissed.

Creditors with equal ranking have an equal status in the arrangements of the restructuring debts within the company reorganization program. Subject to certain restrictions set forth in the Finnish Company Reorganization Act 47/1993, as amended, (*Laki yrityksen saneerauksesta*), the following measures may be taken with respect to unsecured debts in the company reorganization program:

(i) change the repayment schedule;

(ii) order that debt payments be considered as payments against principal first, and as payments of interest and other credit costs only second;

(iii) reduce the obligation to pay interest and other credit costs with respect to the remaining term of a debt; and

(iv) reduce the outstanding principal balance of unpaid debt.

The company reorganization program may also include the full or partial refinancing of debt. Consequently, the company reorganization procedure could result in holders of the Notes receiving a right to recover considerably less than they would otherwise be entitled to recover under the Note Guarantees.

Secured debt means restructuring debt where the creditor holds an effective (against third parties) security interest to property that belongs to or is in the possession of the debtor, insofar as the value of the security at the commencement of the proceedings would have been enough to cover the amount of the creditor's claim after the deduction of liquidation costs and claims with a higher priority. Regarding business mortgages, only 50% of the value of the mortgaged property will be considered as secured debt. The value of the property will be determined by the reorganization program. The following debt arrangements may be applied to secured debt:

(i) change the repayment schedule;

(ii) order that debt payments be applied as payments against principal first and as payments of interest and other credit costs second; or

(iii) reduce the obligation to pay interest and other credit costs with respect to the remaining term of the debt. Even if the debt arrangement does not affect the existence or content of a creditor's security interest, the security arrangements relating to the debt may be altered by replacing the security with other fully adequate security.

Payments on a secured debt shall be determined so that at least the present value of the secured debt will be repaid within a reasonable period, not to materially exceed the remainder of the credit period without the consent of the creditor or, if the debt has become due in full, not to materially exceed one-half of the original credit period. As for reducing interest and other credit costs, a court will take into consideration the length of the remaining credit period, so that the longer the remaining credit period, the smaller the reduction in interest and credit costs.

Bankruptcy

A debtor or its creditor may apply for bankruptcy from a bankruptcy court of competent jurisdiction when the debtor has failed to pay its debts and the inability to pay is not temporary. If the application is approved, an estate administrator (or several estate administrators) of the bankruptcy estate (*pesänhoitaja*) will be appointed by the court.

A bankruptcy covers all the liabilities of the debtor, and its objective is to liquidate the assets of the debtor and use the proceeds received therefrom in payment of the creditors' claims. In order to achieve the objective of bankruptcy, the debtor's assets are, from the beginning of the bankruptcy, subject to the authority of the estate administrator. The creditors are represented through the meeting of creditors. The estate administrator must act for the common benefit of all creditors and shall comply with the decisions and guidelines of the creditors in matters falling within the decision-making powers of the creditors.

As a main rule, in order to be entitled to a disbursement, a creditor must file a claim in bankruptcy in writing (a "claim letter"), by delivering it to the estate administrator no later than the deadline set by the estate administrator. The obligation to notify the bankruptcy estate of a claim is binding even on a creditor with a secured claim. A creditor who holds assets belonging to the debtor as security for the debt of a third party must, at the request of and within a time limit set by the estate administrator, provide the information on receivables and collateral that should be provided in a claim letter. A creditor who holds a business mortgage over the assets of the debtor as security of a claim against the debtor in bankruptcy or a debt owed by some other debtor shall file the claim as provided in the Finnish Bankruptcy Act 120/2004, as amended, (*Konkurssilaki*). If a claim is denominated in a currency other than euro, a value in euro for the purposes of the bankruptcy proceedings is determined using the exchange rate of the date of commencement of the bankruptcy proceedings. A creditor who wishes to use his or her claim for set-off against a debt owed to the debtor must, when giving notice of the set-off, provide the estate administrator with the same information that would be provided in a claim letter.

Creditors have an equal right to a payment from the funds of the bankruptcy estate in the proportion of the amount of their claims, unless otherwise provided by law. However, the following creditors have precedence over unsecured creditors to receive their claims:

(i) secured creditors and holders of retention rights have priority to the proceeds relating to the relevant asset;

(ii) creditors of the administrative expenses of the bankruptcy estate, creditors with claims on the basis of contracts that the bankruptcy estate (rather than the debtor) has entered into, any liabilities for which the bankruptcy estate is responsible by operation of law and creditors of a debt that has arisen between the commencement and discontinuation of restructuring proceeding; and

(iii) creditors with claims that are secured by a business mortgage will receive prior to other claims a disbursement of 50% of the value of the mortgaged assets.

The rights of the above-mentioned preferential creditors may adversely affect the interests of holders of the Notes. Bankruptcy of the Finnish Guarantor could result in holders of the Notes recovering considerably less than they would have otherwise been entitled to recover under the Note Guarantees.

Finnish law prescribes claims that are to be settled lastly. In practice, the most significant of such claims are the interest accruing on the claim during the period subsequent to the commencement of the bankruptcy, a bond issued with a low priority and a subordinated loan. The Finnish state has no preferential rights regarding taxes and other fiscal charges. The assets of the bankruptcy estate are disposed of in the most advantageous manner so as to maximize the aggregate net proceeds. However, secured creditors that are secured pursuant to a security over movable or immovable property (excluding business mortgage, which requires a separate judgement) may exercise their right to enforce such collateral regardless of the bankruptcy proceedings. The bankruptcy estate may at its own discretion prohibit the sale for a maximum of two months. The bankruptcy estate may sell collateral belonging to the estate only if the creditor protected by the collateral consents to the same or if the court grants a specific permission.

Fraudulent Conveyance Law

Pursuant to the Finnish Act on the Recovery of Assets to Bankruptcy Estate 758/1991, as amended, (*Laki takaisinsaannista konkurssipesään*) (the "Recovery Act"), certain acts performed by a debtor can be revoked if the rights of creditors have been prejudiced by those acts. According to the Finnish Company Reorganization Act and the Finnish Enforcement Code 705/2007, as amended, (*Ulosottokaari*), the grounds for recovery set forth in the Recovery Act are also to be applied in company reorganization and enforcement proceedings.

The bankruptcy estate administrator, the administrator in the company reorganization and certain creditors may seek to recover assets of the debtor in connection with bankruptcy, company reorganization or enforcement proceedings. The administrator or the creditors may, within a specified time, either file an action for recovery against the debtor's counterparty in a separate court proceeding or file an objection. Certain general rules for recovery apply to all transactions between an insolvent debtor (including a debtor who becomes insolvent partially due to the transaction) and the counterparty of the debtor. A transaction concluded within five years prior to the date when the petition for bankruptcy, company reorganization or enforcement is filed with the court or relevant authority (as well as transactions performed after such date) may be recovered if:

(i) the transaction, either by itself or together with other transactions, improperly

  (a) favors a creditor at the expense of other creditors,

(b) places property beyond the reach of other creditors, or

(c) increases debts to the detriment of the creditors;

(ii) the debtor, at the time of the transaction, was, or partly due to the transaction became, insolvent or, in case of a transaction considered to be a gift or a contract with the characteristics of a gift, over-indebted;

(iii) the counterparty of the transaction knew or should have known of the insolvency or over-indebtedness, or the relevance of the transaction to the debtor's economic situation; and

(iv) the counterparty knew or should have known the facts mentioned above in clause (i), on the basis of which the transaction is considered improper.

The grounds for recovery under Section 5 of the Recovery Act, which covers all transactions concluded between the debtor and a counterparty, are thus applicable only if the counterparty had qualified or should have had qualified knowledge of all the issues described above in (i) and (ii). Transactions between the debtor and certain (natural or legal) persons within the debtor's sphere of interest (as defined in the Recovery Act) may be recovered regardless of the date of the transaction. Pursuant to the Recovery Act, certain transactions can, in certain circumstances, be recovered regardless of the good faith of the counterparty and regardless of the solvency of the debtor at the time of the transaction. Such transactions include, among other things:

(i) payments received through enforcement;

(ii) the payment of debts; and

(iii) the granting of security.

Any debt paid later than three months prior to the date when the petition for bankruptcy, company reorganization or enforcement is filed with the court or relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered if:

(i) unusual means of payment have been used;

(ii) the payment was premature; or

(iii) the amount of payment was considerable in comparison to the assets of the debtor.

However, a payment may not be recovered if it, when all circumstances are taken into consideration, may be held as customary. Security given later than three months prior to the date when the petition for bankruptcy, company reorganization or enforcement is filed with the court or the relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered if:

(i) the parties had not agreed upon the security in connection with the granting of the credit; or

(ii) the possession of the security had not been transferred, or any similar act perfecting the security had not been taken without unjustified delay after the granting of the credit.

When a transaction is recovered, the property that has been received from the debtor is returned to the bankruptcy estate or the debtor. The bankruptcy estate or the debtor also returns the compensation that had been paid for the property. If the compensation has been placed beyond the reach of the creditors and the party that paid the compensation knew or should have known that this was the intention of the debtor, there is no obligation to return the compensation. If the property to be returned no longer exists, or is otherwise not returnable, compensation for the value of the property must be made. In addition, should the return of certain property cause inconvenience to the party under such obligation, a court may entitle such party to pay compensation equal to the value of the property instead of returning the property.

The Recovery Act also sets forth an obligation to compensate for any decrease in value of the returnable property. Accordingly, the validity of the Note Guarantees or any payment made thereunder may be challenged and it is possible that such challenge would be successful. If the granting of a Note Guarantee or a payment thereunder is successfully challenged, then the granting of such Note Guarantee could be nullified or the payment recovered. As a

result of such successful challenges, holders of the Notes may not enjoy the benefit of a Note Guarantee, and the value of any consideration that holders of the Notes received with respect to a Note Guarantee could also be subject to recovery from the holders of the Notes.

Limitations

Pursuant to the Finnish Companies Act 624/2006, as amended, (*Osakeyhtiölaki*), a Finnish company may not provide financing, or grant guarantees or security to secure the financing, of the acquisition of its or its parent company's shares (financial assistance). Further, a company can only distribute its assets in ways specified in the Finnish Companies Act. Other transactions that reduce the assets of the company or increase its liabilities without a sound business reason constitute unlawful distribution of assets.

Granting of guarantees and security is subject to the rules applicable to distribution of funds and therefore, requires that the granting of guarantee/security is based on sound business reasons (corporate benefit) and it may not otherwise constitute a violation of applicable mandatory provisions of Finnish corporate law. In addition to the corporate benefit requirement, the granting of the guarantee/security has to be within the limits of the company's business purpose (as set out in its articles of association) and the company may not be insolvent and the granting of security may not result in the company becoming insolvent.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

General

The Notes and the Notes Guarantees 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 securities laws of any other applicable jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and in offshore transactions in reliance on Regulation S.

We have not registered and will not register the Notes or the Notes Guarantees under the Securities Act and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers," commonly referred to as "QIBs," as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S.

We use the terms "offshore transaction" and "United States" with the meanings given to them in Regulation S.

Important Information About the Offering

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer, the Guarantors and the Initial Purchasers as follows:

(i) You understand and acknowledge that the Notes and the Notes Guarantees have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, 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 (iv) and (v) below.

(ii) You are not our "affiliate" (as defined in Rule 144 under the Securities Act) or acting on our behalf and you either:

  (a) are a QIB, within the meaning of Rule 144A, and are aware that any sale of these Notes to you will be made in reliance on Rule 144A, and such acquisition will be for your own account or for the account of another QIB; or

  (b) are purchasing the Notes in an offshore transaction in accordance with Regulation S.

(iii) You acknowledge that neither we, nor any of the Guarantors or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuer and its subsidiaries or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(iv) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale

in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(v) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Rule 144A Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only:

(a) to the Issuer, the Guarantors or any subsidiary thereof;

(b) pursuant to a registration statement that has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales that occur outside the United States in compliance with Regulation S; 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 to compliance with any applicable state securities laws, and any applicable local laws and regulations.

(vi) You acknowledge that the Issuer, the Trustee, the Registrar, the Calculation Agent and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the relevant Notes (i) pursuant to clause (d) or (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to each of them, the Issuer, the Trustee, the Registrar, the Calculation Agent and the Transfer Agent, 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.

(vii) Each purchaser acknowledges that each Rule 144A Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "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 IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")), (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 ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS 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 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 OUTSIDE THE UNITED STATES 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 TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (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 you purchase Rule 144A Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(viii) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes, if then applicable.

(ix) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

(x) You acknowledge that the registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth therein have been complied with.

(xi) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and you agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate and complete, you shall promptly notify us and the Initial Purchasers in writing. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(xii) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or the Initial Purchasers that would result in a public offering of Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer, any of the Guarantors or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of Notes will be subject to the selling restrictions set forth in this section of the offering memorandum and/or in the front of this offering memorandum and "*Plan of Distribution*."

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers was furnished with a copy of this offering memorandum and any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to this offering memorandum was deemed to acknowledge that:

(i) such person was afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(ii) such person did not rely on any of the Initial Purchasers or any person affiliated with any of the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(iii) except as provided pursuant to paragraph (i) above, no person was authorized to give any information or to make any representation concerning the Notes or each Notes Guarantee offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or any of the Initial Purchasers.

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer at Atrium Business Park – Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg.

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, the Issuer will agree to furnish periodic information to holders of the Notes. See "*Description of the Notes—Certain Covenants—Reports*."

Information contained on our website is not incorporated by reference into this offering memorandum and is not part of this offering memorandum.

INDEPENDENT AUDITORS

The consolidated financial statements of the Target as of and for the years ended July 31, 2016 and 2017, included in this offering memorandum, have been audited by Deloitte Statsautoriseret Revisionspartnerselskab, as stated in their reports appearing herein. The consolidated financial statements of the Target as of and for the year ended July 31, 2015, included in this offering memorandum, have been audited by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, as stated in their report appearing herein.

LEGAL MATTERS

The validity of the Notes, the Notes Guarantees and certain other legal matters are being passed upon for us by Kirkland & Ellis International LLP, with respect to matters of United States federal and New York state law and English law, Allen & Overy, *société en commandite simple (inscrite au barreau de Luxembourg*), with respect to matters of Luxembourg law, Accura Advokatpartnerselskab, with respect to matters of Danish law, Advokatfirman Vinge KB, with respect to matters of Swedish law, Advokatfirmaet Wiersholm AS, with respect to matters of Norwegian law and Hannes Snellman Attorneys Ltd, with respect to matters of Finnish law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by White & Case LLP, with respect to matters of United States federal and New York state law, English law, Swedish law and Finnish law, NautaDutilh Avocats Luxembourg S.à r.l., with respect to matters of Luxembourg law, Bruun & Hjejle Advokatpartnerselskab, with respect to matters of Danish law, and Advokatfirmaet Schjødt AS, with respect to matters of Norwegian law.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Luxembourg

The Issuer has been advised by Allen & Overy, *société en commandite simple (inscrite au barreau de Luxembourg*), its Luxembourg counsel, that, although there is no treaty between Luxembourg and the United States regarding the reciprocal enforcement of judgments, a valid final and conclusive judgment against the Issuer with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be recognized and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures set out in Articles 678 et seq. of the Luxembourg Nouveau code de procédure civile being, together with applicable Luxembourg case law:

- the foreign judgment must be enforceable in the country of origin;
- the court of origin must have had jurisdiction both according to its own laws and to the Luxembourg conflict of jurisdictions rules;
- the foreign proceedings must have been regular in light of the laws of the country of origin;
- the rights of defense must not have been violated;
- the foreign court must have applied the law which is designated by the Luxembourg conflict of laws rules, or, at least, the judgment must not contravene the principles underlying these rules;
- the considerations of the foreign judgment as well as the judgment as such must not contravene Luxembourg international public policy; and
- the foreign judgment must not have been rendered as a result of or in connection with an evasion of Luxembourg law ("*fraude à la loi*").

The Issuer has been also advised by Allen & Overy, *société en commandite simple (inscrite au barreau de Luxembourg)*, that 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 if the choice of the foreign law was not made bona fide or if the foreign law was not pleaded and proved or if pleaded and proved, the foreign law was contrary to Luxembourg mandatory provisions (*lois impératives*) 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.

Denmark

The United States and Denmark currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not be recognized or enforceable in Denmark without a review of the merits of the case.

In the predominant situations, it would be necessary to initiate legal proceedings before a Danish court for the purpose of reinvestigating the merits of the original matter decided by the U.S. federal or state courts, however, under such legal proceedings, the judgment of the U.S. federal or state court may serve as evidence.

There is also a doubt that a Danish court would have the requisite power or authority to grant remedies sought in an original action brought in Denmark on the basis of U.S. securities laws violations. Further, certain remedies available under the laws of U.S. jurisdictions, including some remedies available under the U.S. federal securities laws, may not be allowed in Danish courts as contrary to (i) Danish public policy and (ii) the mandatory rules of the laws of any country with which the transaction has a significant connection, including, among others, punitive damages. A Danish court may grant damages only to the extent necessary to compensate for actual economic losses.

Sweden

Pursuant to the provisions of the Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial

matters (the "2012 Brussels Regulation"), a judgment entered against a company incorporated in Sweden (a "Swedish Party") in the courts of a Member State (as defined therein, i.e. all Member States of the European Union) and which is enforceable in such a Member State, will be directly enforceable in Sweden upon the satisfaction of the formal requirements of the 2012 Brussels Regulation without any declaration of enforceability being required. It should be noted, however, that a party may apply for refusal of recognition or refusal of enforcement, as applicable, in accordance with the 2012 Brussels Regulation. Such an application shall be submitted to the relevant district court (*tingsrätt*).

Pursuant to the 2012 Brussels Regulation, if a judgment contains a measure or an order which is not known under the laws of the Member State in which the recognition of the judgment is invoked or in which the enforcement of the judgment, the court settlement or the authentic instrument is sought, that measure or order shall, to the extent possible, be adapted to a measure or order known under the laws of that Member State which has equivalent effects attached to it and which pursues similar aims and interests.

Pursuant to the provisions of the 2007 Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "Lugano Convention"), a judgment entered against a Swedish party in the courts of a Contracting Party (as defined in the Lugano Convention) and which is enforceable in such a Contracting Party, will be enforceable in Sweden if it meets the following requirements: (a) a motion for enforcement has been filed with the relevant district court (Sw. *tingsrätt*) as provided by law and has been granted; (b) that no appeals lie against the judgment entered in the courts of such contracting state; (c) that the courts of such contracting state had jurisdiction; (d) that summons has been duly served on the respondent in the proceedings before the courts of such contracting state; (e) that the judgment is not irreconcilable with a judgment given in a dispute between the same parties in the State in which enforcement is sought; and (f) that the judgment does not contravene fundamental principles of the legal order or the public policy of Sweden.

A judgment entered against a Swedish party in the courts of a state which is not, under the terms of the 2012 Brussels Regulation or the Lugano Convention, a Member State (as defined in the 2012 Brussels Regulation) or a Contracting Party (as defined in the Lugano Convention), for example, the United States, would not be recognized or enforceable in Sweden as a matter of law without a retrial on its merits. Therefore, a final judgment for payment of money rendered by the courts of such state, would not be directly enforceable, either in whole or in part, in Sweden. However, there is Swedish case law to indicate that such judgments:

(a) that are based on contract which expressly acknowledge the jurisdiction of courts outside Sweden;

(b) that were rendered under observance of due process of law;

(c) against which there lies no further right to appeal; and

(d) the recognition of which would not manifestly contravene fundamental principles of the legal order or the public policy of Sweden,

should be acknowledged without retrial on its merits.

In order to enforce any such judgement in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of Sweden. In such an action, a judgment rendered by the courts of such state may be regarded as evidence of, for example, factual circumstances or the content of the relevant foreign law, but the competent Swedish authority may also choose to rehear the dispute *ab initio*. Any legal proceedings in the courts of Sweden will be conducted in Swedish and a court or enforcement authority in Sweden may require, as a further condition for admissibility and/or enforceability, the translation into Swedish of any relevant document. Further assistance from Swedish authorities in the service of process in connection with foreign proceedings might require the observance of certain procedural and other regulations.

Swedish courts may award judgments or give awards in currencies other than the local currency, but the judgment debtor has the right under the laws of Sweden to pay the judgment debt (even though denominated in a foreign currency) in the local currency at the rate of exchange prevailing at the date of payment (however, the judgment creditor may, subject to availability of the foreign currency, convert such local currency into the foreign currency after payment and remove such foreign currency from Sweden), and a choice of currency provisions by the parties to an agreement may not be upheld by Swedish courts to constitute a right to refuse payment in Swedish kronor.

It is not established by Swedish judicial precedent or otherwise by Swedish law that a power of attorney or a mandate of agency, including the appointment of a service of process agent, can be made irrevocable and therefore any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the Swedish Party giving such powers.

Norway

A judgment against the Issuer or any Guarantor in the courts of a state which is not, under the terms of the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "Lugano Convention"), a "contracting state" (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, would not be recognized or enforceable in Norway as a matter of right unless the jurisdiction of such court has been specifically agreed between the parties in a civil matter in accordance with Section 19-16, cfr. Section 4-6, of the Norwegian Dispute Act (*Tvisteloven*) or the recognition and enforcement of such judgments are otherwise accepted under Norwegian law. However, such judgments may be admissible as evidence in the courts of law, executive or other public authorities of Norway and may in such capacity carry persuasive authority depending on the merits of the judgment without a retrial on its merits.

The foregoing could imply, *inter alia*, that a judgment by a U.S. court would not be recognized or enforceable in Norway as a matter of right. A judgment against an Issuer or any Guarantor in the courts of a state which is, under the terms of the Lugano Convention, a "contracting state" (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, and judgments rendered by a court whose jurisdiction have been expressly agreed to and accepted by the party, in writing and in a particular civil matter, in accordance with the Norwegian Dispute Act, and such judgments for which the recognition and enforcement is otherwise accepted under Norwegian law, would be recognized and enforceable in Norway, but only insofar as such recognition and enforcement would not be in breach of mandatory law or contrary to public policy in Norway. Only creditors of a claim may have active judicial standing in a Norwegian court; therefore, a security agent or other representative of the creditors may seek enforcement of a claim but such claim may have to be supported by the actual creditors of such claim.

Finland

We have been advised by our Finnish legal counsel that there is no treaty on the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters between the United States and Finland. Courts in Finland will not automatically recognize and enforce a final judgment rendered by a U.S. court. Under Finnish law, a Finnish title for execution (i.e., a Finnish court judgment) is required for such recognition and enforcement; in seeking a Finnish court judgment or order to such effect, a judgment of a U.S. court will constitute circumstantial evidence of the questions of fact in the case concerned and evidence of the governing law as applied to the matter in dispute.

The application by a Finnish court of foreign law in a matter brought before it is subject to (a) the foreign law not being contrary to such mandatory rules of Finnish law that due to their public nature or general interest would be considered applicable irrespective of the agreed choice of law; and (b) the application of the foreign law not resulting in an outcome contrary to the public policy (*ordre public*) of the Finnish legal system.

As to types of damages awarded, punitive or exemplary damages are unenforceable under Finnish law and a Finnish court may only award damages to the extent that they form compensation for actual losses and damages as proven by the claimant. A feature of the Finnish civil procedure is that the burden of proof with respect to any claims presented lies with the claimant.

A party to legal proceedings in Finland is also ordinarily expected to plead its case primarily on the basis of the evidence in its own possession. U.S. notions of discovery, including the expectation that broadly defined categories of documents and information in the possession of third parties will be readily accessible for use as evidence, are not recognized under Finnish law. The availability of documentation in the possession of counterparties or third parties is very limited. Depositions are also a form of taking evidence unknown to Finnish law. In Finland, witness testimony is usually only taken at a separate oral main hearing (comparable to a U.S. trial) after the preparatory phase of the proceedings.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

The Issuer has applied to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange, in accordance with the rules and regulations of the Authority.

Clearing Information

The Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below.

	ISIN	Common codes
Rule 144A Global Fixed Rate Notes		
Regulation S Global Fixed Rate Notes		
Rule 144A Global Floating Rate Notes		
Regulation S Global Floating Rate Notes		

The Issuer

LSF10 Wolverine Investments S.C.A. is a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg with registered offices at Atrium Business Park – Vitrum, 33, rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B219221.

The Guarantors

Beijer Byggmaterial Aktiebolag is a private limited liability company (Sw. *privat aktiebolag*) incorporated under the laws of Sweden with a registered address at Box 798, 191 27 Sollentuna, Stockholm, Sweden and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) under registration number 556012-5220.

DT Finland Oy is a limited liability company (*osakeyhtiö*) incorporated under the laws of Finland with a registered address at Helsingintie 50, FI-15100 Lahti, Finland and registered with the Finnish Trade Register (*Kaupparekisteri*) under registration number 2043575-7.

DT Holding (Sweden) AB is a private limited liability company (Sw. *privat aktiebolag*) incorporated under the laws of Sweden with a registered address at Box 798, 191 27 Sollentuna, Stockholm, Sweden and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) under registration number 556057-9749.

LSF10 Wolverine Bidco ApS is a private limited liability company (*Anpartsselskab*) incorporated under the laws of Denmark with a registered address at c/o TMF Denmark A/S, Købmagergade 60, 1. tv., 1150 Copenhagen, Denmark and registered with the Central Business Register (*Det centrale virksomhedsregister*) under registration number CVR 39163764.

Neumann Bygg AS is a private limited company (*Aksjeselskap*) incorporated under the laws of Norway with a registered address at Sandviksbodene 58, 5035 Bergen, Norway and registered with the Norwegian Register of Business Enterprises (*Brønnøysundregistrene*) under registration number 877 270 122.

Stark Danmark A/S is a public limited liability company (*Aktieselskab*) incorporated under the laws of Denmark with a registered address at Gladsaxe Møllevej 5, 2860 Søborg, Denmark and registered with the Central Business Register (*Det centrale virksomhedsregister*) under registration number CVR 55828415.

Stark Group A/S is a public limited liability company (*Aktieselskab*) incorporated under the laws of Denmark with a registered address at Gladsaxe Møllevej 5, 2860 Søborg, Denmark and registered with the Central Business Register (*Det centrale virksomhedsregister*) under registration number CVR 27065333.

Approval

The Issuer and the Guarantors have obtained all necessary consents, approvals, authorizations or other orders for the issuance of the Notes, the Notes Guarantees and other documents to be entered into by the Issuer and the Guarantors in connection with the issuance of the Notes. The issuance of the Notes was authorized by the Issuer prior to the Issue Date in accordance with the resolutions validly adopted by the board of directors of the Issuer on the same date.

Significant Change

Except as disclosed in this offering memorandum:

- there has been no material adverse change in our financial position since October 31, 2017; and
- we have not been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts that are material in the context of the issuance of the Notes and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

INDEX TO FINANCIAL STATEMENTS

Stark Group A/S

Unaudited Consolidated Interim Financial Statements for the three months period ended 31 October 2017

Management opinion

The Executive Board and the Supervisory Board have today considered and approved the consolidated interim financial statements for Stark Group A/S for the three months period ended 31 October 2017.

The consolidated interim financial statements of Stark Group A/S and its wholly owned subsidiary undertakings (collectively the 'Group') have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", using the accounting policies of the Group as described in the audited consolidated financial statements for the year ended 31 July 2017.

Copenhagen, 26 February 2018

Executive Board

Søren P. Olesen

Supervisory board

Edward Grosvenor Walker	Søren P. Olesen	Lene Kjærbo Groth

Deloitte.

The independent auditor's review report on the consolidated interim financial statements

To the shareholders of Stark Group A/S

We have reviewed the interim consolidated financial statements of Stark Group A/S for the three months period ended 31 October 2017 which comprise consolidated interim statements of income, comprehensive income, financial position, changes in equity and cash flows and notes, including description of accounting policies.

Management's responsibility for the consolidated interim financial statements

Management is responsible for the preparation of the consolidated interim financial statements that give a true and fair view in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of consolidated interim financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not give a true and fair view of the Group's assets, liabilities and financial position at 31 October 2017 and of its financial performance for the three months period then ended in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU.

Copenhagen, 26.02.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke
State-Authorised
Public Accountant
MNE no 10944

Stark Group A/S

Unaudited Consolidated Interim Income Statement

For the three months ended 31 October

	Notes	2017 Before exceptional items	2017 Exceptional items	2017 Total	2016 Before exceptional items	2016 Exceptional items	2016 Total
		€m	€m	€m	€m	€m	€m
Continuing operations							
Revenue	2	618	—	618	621	—	621
Cost of sales		(464)	(2)	(466)	(471)	—	(471)
Gross Profit/(loss)		**154**	**(2)**	**152**	**150**	**—**	**150**
Operating costs		**(122)**	**(2)**	**(124)**	**(122)**	**—**	**(122)**
Operating profit/(loss)		**32**	**(4)**	**28**	**28**	**—**	**28**
Financial income	3	1	—	1	1	—	1
Financial expenses	4	(2)	—	(2)	(3)	—	(3)
Profit/(loss) before tax		**31**	**(4)**	**27**	**26**	**—**	**26**
Tax for the period	5	(8)	—	(8)	(4)	—	(4)
Profit/(loss) from continuing operations		**23**	**(4)**	**19**	**22**	**—**	**22**
Discontinued operations							
Profit/(loss) from discontinued operations	6	1	(1)	—	(1)	—	(1)
Profit/(loss) for the period		**24**	**(5)**	**19**	**21**	**—**	**21**

Exceptional items are set out in note 7.

Stark Group A/S

Unaudited Consolidated Interim Statement of Comprehensive Income

For the three months ended 31 October

	Notes	2017	2016
		€m	€m
Profit for the period		**19**	**21**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange gain/(loss) on translation of foreign operations		(5)	(5)
Other comprehensive income/(expense) for the period		(5)	(5)
Total comprehensive income for the period		**14**	**16**
Total comprehensive income/(expense) attributable to:			
Continuing operations		14	17
Discontinued operations	6	—	(1)
Total comprehensive income for the period		**14**	**16**

Stark Group A/S

Unaudited Consolidated Interim Statement of Financial Position

As at

	Notes	31 October 2017 Unaudited	31 October 2016 Unaudited	31 July 2017 Audited
		€m	€m	€m
Assets				
Non-current assets				
Other Intangible assets	9	13	14	12
Property, plant and equipment	9	341	420	430
Investment in a joint venture		1	1	1
Deferred tax assets		9	23	9
Trade and other receivables		24	1	1
Total non-current assets		**388**	**459**	**453**
Current assets				
Inventories		253	316	258
Trade and other receivables		333	333	276
Receivables from related parties		102	80	97
Current tax receivable		2	—	13
Cash and cash equivalents	10	100	80	97
Total current assets		**790**	**809**	**741**
Assets held for sale	11	86	7	70
Total assets		**1,264**	**1,275**	**1,264**
Liabilities				
Current liabilities				
Trade and other payables		587	629	601
Payables to related parties		59	56	57
Current tax payable		34	22	29
Borrowings	12	187	5	119
Provisions	13	19	11	23
Retirement benefit obligations		2	1	2
		888	**724**	**831**
Non-current liabilities				
Borrowings	12	—	150	—
Provisions	13	6	14	7
Retirement benefit obligations		47	47	47
Deferred tax		6	21	6
		59	**232**	**60**
Liabilities held for sale	11	**—**	**—**	**70**
Total liabilities		**947**	**956**	**961**
Net assets		**317**	**319**	**303**
Equity				
Share capital		1	1	1
Retained Earnings and Reserves		316	318	302
Total equity		**317**	**319**	**303**

Stark Group A/S

Unaudited Consolidated Interim Statement of Changes in Equity

For the three months ended 31 October

	Share capital	Translation reserve	Retained earnings	Total equity
	€m	€m	€m	€m
At 1 August 2017	**1**	**(5)**	**307**	**303**
Results for the period	—	—	19	19
Other comprehensive income	—	(5)	—	(5)
Comprehensive income	—	(5)	19	14
At 31 October 2017	**1**	**(10)**	**326**	**317**
At 1 August 2016	**1**	**(5)**	**307**	**303**
Results for the period	—	—	21	21
Other comprehensive income	—	(5)	—	(5)
Comprehensive income	—	(5)	21	16
At 31 October 2016	**1**	**(10)**	**328**	**319**

Stark Group A/S

Unaudited Consolidated Interim Cash Flow Statement

For the three months ended 31 October

	Notes	2017	2016
		€m	€m
Profit for the period		19	21
Adjustments for:			
Financial income		(1)	(1)
Financial expenses		2	3
Amortisation, depreciation and impairment of assets		7	8
Tax		8	4
Gain on disposal of property, plant and equipment and assets held for sale		—	(1)
(Increase)/decrease in inventories		3	5
(Increase)/decrease in trade and other receivables		(66)	(40)
(Increase)/decrease in trade and other payables		(16)	(32)
(Increase)/decrease in provisions and other liabilities		(5)	—
		(49)	**(33)**
Interest paid		—	(1)
Tax paid		9	(4)
Net cash generated from operating activities		**(40)**	**(38)**
Cash flows from investing activities			
Acquisition of business (net of cash acquired)	14	—	(5)
Disposals of businesses (net of cash disposed of)	15	(14)	—
Purchases of land, property, plant and equipment		(11)	(6)
Proceeds from sale of land, property, plant and equipment		5	1
Purchase of intangible assets		—	(1)
Net cash used in investing activities		**(20)**	**(11)**
Cash flows from financing activities			
Repayments of internal borrowings		(4)	1
Repayments of borrowings		(80)	—
Net cash (used)/generated from financing activities		**(84)**	**1**
Net cash (used)/generated		(144)	(48)
Effects of exchange rate changes		(1)	—
Net (decrease)/increase in cash, cash equivalents		(145)	(48)
Cash, cash equivalents at the beginning of the period		67	123
Cash, cash equivalents at the end of the period	10	**(78)**	**75**

1. Accounting policies and critical estimates and judgements

Basis of Preparation

The unaudited consolidated interim financial statements include Stark Group A/S (the 'Company') and its wholly owned subsidiary undertakings (collectively, the 'Group').

The consolidated interim financial statements for the three months ended 31 October 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

The unaudited consolidated interim financial statements have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of financial assets that are measured at fair value.

The unaudited consolidated interim financial statements are presented in Euros, which is the presentational currency of the Group.

The accounting policies of the Group are described in the audited consolidated financial statements of the Group for the year ended 31 July 2017 and have been applied consistently in these unaudited consolidated interim financial statements.

Accounting developments and changes

The following standards have been published, but not yet applied:

a) IFRS 9 "Financial Instruments"

b) IFRS 15 "Revenue from Contracts with Customers"

c) IFRS 16 "Leasing"

d) IFRS 17 "Insurance Contracts"

The Directors anticipate that the adoption of IFRS 9, IFRS 15 and IFRS 17 in future periods will have no material impact on the financial statements of the Group, but are still assessing the impact.

IFRS 16 will impact the majority of the Group's operating lease arrangement as each lease will give rise to a right of use asset, which will be depreciated on a straight-line basis, and a lease liability, with the related interest charge. This will replace existing lease balances on the balance sheet and charges to the income statement.

The Group continues to assess the full impact of IFRS 16, however the impact will depend on the transition approach and the contracts in effect at the time of adoption. It is therefore not yet practicable to provide a reliable estimate of the financial impact on the Group's consolidated financial results.

There are no other new accounting standards that have been issued but not adopted in these unaudited consolidated interim financial statements that are expected to have a material impact of the unaudited consolidated interim financial statements.

2. Revenue

Three months to 31 October	2017	2016
	€m	€m
Revenue		
Sale of goods	618	621
Total revenue	**618**	**621**
Geographical markets:		
Denmark	256	257
Sweden	162	153
Norway	43	43
Finland	157	168
Total	**618**	**621**

The Group's business activities are subject to significant seasonal influences. Revenue, operating results and net working capital generally reflect seasonality in the building sector, with the most important trading periods in terms of revenue, operating results and cash flow historically being in the first and fourth financial quarters as a result of increased new build and other activity during warmer periods with longer daylight hours, among other things. In the winter months, the business typically generates less revenue due to lower construction and renovation activity as a result of cold weather, partially offset by an increase in indoor activities such as painting.

3. Finance income

Three months to 31 October	2017	2016
	€m	€m
Interest from group companies	**1**	**1**

4. Finance costs

Financial expenses		
Interest to group companies	(1)	(1)
Foreign exchange loss	—	(1)
Other financial expenses	(1)	(1)
Total financial expenses	**(2)**	**(3)**

5. Tax for the period

The tax charge on ordinary activities for the quarter has been calculated by applying the expected full year rate to the quarterly results with specific adjustments for any items that might distort the rate such as exceptional items.

The effective income tax rate was 14.9% for the quarter ended 31 October 2017 and 28.8% for the quarter ended 31 October 2016.

6. Results for the period from discontinued operations

Three months to 31 October	2017	2016
	€m	€m
Revenue	18	51
Cost of sales	(12)	(32)
Gross profit	**6**	**19**
Expenses	(6)	(20)
Results before tax	**—**	**(1)**
Tax for the period	—	—
Results for the period from discontinued operations	**—**	**(1)**
Cash flows from discontinued operations		
Net cash flow from operations	(7)	(14)
Cash flows from investing activities	2	—
Cash flows from financing activities	(8)	15
Net cash (used)/generated from discontinued operations	**(13)**	**1**

On 10 July 2017, in connection with focusing ongoing operations primarily on business to business customers, an announcement was made with regards to the agreement to divest the DIY brand, Silvan, to Aurelius Group. Silvan is reported as discontinued operations in the periods ended 31 October 2017 and 2016.

7. Exceptional items

Items which are material either because of their size or nature, or which are non-recurring, are presented within their relevant consolidated income statement category, but highlighted separately on the face of the income statement. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance. Items which may be included within the exceptional category include:

1. Profits/(losses) on disposal of businesses,
2. Profits/(losses) on disposal of property,
3. Significant asset impairments,
4. Costs relating to the closure of 30 underperforming branches,
5. Expenditure relating to the restructuring of our head office, and
6. Other particularly significant or unusual items.

An analysis of the amounts presented as exceptional items in these financial statements is given below:

	2017	2016
	€m	€m
Strategic development		
Write off of obsolete inventory	(2)	—
Consulting fees and one-time bonus	(1)	—
Advisor fees relating to sale of Stark Group	(1)	—
Total included in profit before tax	**(4)**	**—**
Tax on exceptional items	—	—
Total included in continuing operations	**(4)**	**—**
Discontinued operations		
Total included in discontinued operations	(1)	—
Total exceptional items	**(5)**	**—**

Under the Group's "Back to Basics" strategy, the Group focused on, among other things, decentralising decision making processes, developing SME customer base, tailoring product assortment to better serve customers and developing the Group's new distribution centre. In connection with these initiatives, the Group incurred costs related to consulting and advisor fees, inventory write-offs, staffing and bonus payments. The Group considers such costs to be exceptional by virtue of their size and nature.

In connection with the sale of Silvan the Group incurred a loss on disposal of €1m (note 6). Such costs are included in discontinued operations.

8. Dividends

No dividends have been paid in the year ending 31 July 2017 or the quarter ended 31 October 2017.

9. Intangible assets and property, plant and equipment

	Software	Land and buildings	Plant and equipment	Assets under construction	Total
	€m	€m	€m	€m	€m
Net book value					
At 31 July 2017	**12**	**387**	**29**	**14**	**442**
Additions	—	5	1	5	11
Disposals	—	(1)	—	(1)	(2)
Transfers	2	—	—	(2)	—
Depreciation and amortisation	(1)	(4)	(2)	—	(7)
Reclassified as held for sale	—	(88)	—	—	(88)
Exchange rate adjustment	—	(2)	—	—	(2)
At 31 October 2017	**13**	**297**	**28**	**16**	**354**
At 1 August 2016	**14**	**377**	**42**	**8**	**441**
Additions	1	2	2	2	7
Disposals	—	(1)	—	—	(1)
Transfers	—	1	1	(2)	—
Depreciation and amortisation	—	(4)	(4)	—	(8)
Reclassified as held for sale	—	(2)	—	—	(2)
Exchange rate adjustment	(1)	(2)	—	—	(3)
At 31 October 2016	**14**	**371**	**41**	**8**	**434**

10. Cash and cash equivalents

	31 October 2017	31 October 2016	31 July 2017
	€m	€m	€m
Cash and cash equivalents	100	80	97
Bank overdrafts	(178)	(5)	(30)
Total cash, cash equivalents and bank overdrafts	**(78)**	**75**	**67**

11. Assets and liabilities held for sale

	31 October 2017	31 October 2016	31 July 2017
	€m	€m	€m
Inventories	**—**	**—**	49
Trade and other receivables	**—**	**—**	9
Properties awaiting disposal	86	7	5
Property, plant and equipment	—	—	7
Total	**86**	**7**	**70**
Liabilities held for sale			
Trade and other payables	—	—	68
Provisions	—	—	2
Total	**—**	**—**	**70**

The assets and liabilities held for sale at 31 July 2017, relate principally to the disposal of Silvan (see note 15).

12. Borrowings

	31 October 2017	31 October 2016	31 July 2017
	€m	€m	€m
Current			
Bank overdrafts	178	5	30
Secured bank loans	9	—	89
Total	**187**	**5**	**119**
Non-current			
Secured bank loans	—	150	—
Total	**—**	**150**	**—**
Total borrowings	**187**	**155**	**119**
Maturity of loans:			
Within 1 year	187	5	119
After 5 years	—	150	—
Total borrowings	**187**	**155**	**119**

Bank loans relate to Danish mortgages with fixed interest rates. The weighted average annual interest rate on the loans was 1.7% for the quarters ended 31 October 2017 and 2016.

The secured long term bank loans were repaid in full on 30 September 2017. The bank loans were secured against the Group's freehold properties.

13. Provisions

	Environmental and Legal	Restructuring	Other	Total
	€m	€m	€m	€m
At 31 July 2017	**4**	**11**	**15**	**30**
Utilised in the period	—	(3)	(1)	(4)
Charge/(credit) for the period	(1)	—	—	(1)
At 31 October 2017	**3**	**8**	**14**	**25**
At 31 July 2016	**4**	**4**	**17**	**25**
At 31 October 2016	**4**	**4**	**17**	**25**

14. Acquisition of business

The Group has not made any acquisitions in the quarter ended 31 October 2017.

In the three months to 31 October 2016, the Group acquired 100% interest in two Swedish businesses Mölnlycke Trä AB and Berners Tunga Fordon Fastighet AB ("Sundsvall") for total consideration of €6m.

15. Disposals of businesses

On 31 August 2017, the Group disposed of the Silvan business resulting in a total loss on the disposal of €1m.

	2017
	€m
Loss on disposal	
Total consideration	19
Net assets disposed of	(16)
Costs of disposal	(4)
Loss on disposal	**(1)**
Net cash inflow/(outflow)	
Cash consideration received	2
Cash disposed	(14)
Disposal costs paid	(2)
Net cash outflow	**(14)**

There were no disposals of businesses in the three months to 31 October 2016.

16. Financial instruments

The carrying amount of financial instruments by category as defined by IAS 39 "Financial Instruments: Recognition and Measurement" is as follows:

	31 October 2017	31 October 2016	31 July 2017
	€m	€m	€m
Financial assets			
Financial assets at fair value through profit and loss	—	—	—
Trade and other receivables	333	333	277
Less: prepayment and accrued income	(6)	(5)	(6)
Net trade and other receivables	327	329	271
Receivables from related parties (note 17)	102	80	97
Loans and receivables	**430**	**409**	**368**
Financial liabilities			
Trade and other payables	587	628	601
Less: Tax and social security	(33)	(21)	(36)
Less: Payroll accruals	(32)	(35)	(33)
Net trade and other payables (current)	522	573	532
Payables to related parties (note 17)	59	56	57
Bank loans and overdrafts (note 12)	187	155	119
Financial liabilities at amortised costs	**768**	**784**	**708**

17. Related party transactions

The Group's related parties comprise Ferguson plc and its subsidiaries and the Company's Board of Directors, Executive Board and senior employees and their immediate family members. Related parties also include companies where before mentioned persons have significant interests.

Transactions with related parties

Transactions with Ferguson plc include provision of certain central support services. The Group also participates in the Ferguson plc share based payment arrangements.

In addition, Wolseley Finance (Switzerland) AG a subsidiary of Ferguson plc, granted loans to the Group and the Group participates in the Ferguson plc group's cash pooling arrangements. Interest on loans and deposits held within the cash pool are calculated in accordance with the respective loan agreements and Ferguson plc group cash polling agreements. Interest income and expenses in relation to the cash pooling arrangements and the related party loans are disclosed in notes 3 and 4.

During the three months period to 31 October 2017 and 2016 the Group entities entered the following trading transactions with related parties that are not members of the Group:

Three months period to 31 October	2017	2016
	€m	€m
Services from related parties		
Ferguson group management fees	2	—
GSTS Group IT costs	1	1
Group insurance costs	—	—
Group share based payments	—	—
Total transactions	**3**	**1**

The following balances were outstanding with at the end of the reporting period:

	31 October 2017	31 October 2016	31 July 2017
	€m	€m	€m
Amounts receivable from related parties—current			
Wolseley Nordic Holdings AB	81	79	88
Wolseley Holdings Denmark A/S	4	—	—
Stark Group Holdings A/S	13	1	9
Other related parties	7	—	—
Total receivables	**102**	**80**	**97**
Amounts payable to related parties—current			
Wolseley Finance (Switzerland) AG	59	56	57
Total receivables	**59**	**56**	**57**

Management participates in an ordinary share program and a share option program for the ultimate parent company, Ferguson plc. The cost of these awards is not material.

18. Subsequent events

On 10 November 2017, Ferguson plc entered into an agreement to sell Stark Group A/S to LSF10 Wolverine Bidco ApS (a company incorporated under the laws of Denmark with a registered office at Bredgade 6, 1, 1260 Copenhagen K, Denmark) for proceeds of €1.025bn on a debt-free and cash-free basis. LSF10 Wolverine Bidco ApS is an entity indirectly owned by Lone Star Fund X, the recently established opportunity fund organised by the principals of Lone Star, a leading private equity firm. This sale is expected to complete in Spring of 2018.

Additionally, and also subsequent to July 31, 2017, properties with a net book value of €86m have been transferred out of the Stark Group A/S to other Ferguson plc group entities as they do not form part of the sale of the Group LSF10 Wolverine Bidco ApS.

Stark Group A/S

Consolidated Financial Statements for the years ended 31 July 2015, 2016 and 2017

Management opinion

The Executive Board and Supervisory Board have today considered and approved the consolidated financial statements for Stark Group A/S for the financial years ended 31 July 2015, 2016 and 2017.

The consolidated financial statements of Stark Group A/S and its wholly owned subsidiary undertakings (collectively the 'Group') have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU.

In our opinion, the consolidated financial statements give a true and fair value of the financial position of the Group as at 31 July 2015, 31 July 2016 and 31 July 2017, and of the results of the Group's operations and the Group's cash flows for the financial years 2014/15, 2015/16 and 2016/17.

Copenhagen, 26 February 2018

Executive Board

Søren P. Olesen

Supervisory Board

Edward Grosvenor Walker	Søren P. Olesen	Lene Kjærbo Groth

Independent Auditor's Report covering 2014/15

To the Shareholders of Stark Group A/S

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Stark Group A/S and its wholly owned subsidiary undertakings (collectively, the 'Group') financial position at 31 July 2015 and of the results of the Group's operations and cash flows for the financial year 1 August 2014 to 31 July 2015 in accordance with International Financial Reporting Standards as adopted by the European Union.

We have audited the consolidated financial statements of Group for the financial year 1 August 2014 to 31 July 2015, which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and notes, including a summary of significant accounting policies, for the Group.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 26 February 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant

Martin Lunden
State Authorised Public Accountant

Deloitte.

Independent auditor's report covering the years 2015/16 and 2016/17
To the shareholders of Stark Group A/S

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position at 31 July 2016 and 31 July 2017, and of the results of their operations and cash flows for the financial years 1 August 2015 to 31 July 2016 and 1 August 2016 to 31 July 2017, respectively, in accordance with International Financial Reporting Standards as adopted by the EU.

We have audited the consolidated financial statements of Stark Group A/S for the financial years 1 August 2015 to 31 July 2016 and 1 August 2016 to 31 July 2017, respectively, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Management's responsibilities for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures in the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 26 February 2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Kim Takata Mücke
State-Authorised
Public Accountant
mne10944

Stark Group A/S

Consolidated Income Statement

For the year ended 31 July

	Notes	2015 Before exceptional items	2015 Exceptional items	2015 Total	2016 Before exceptional items	2016 Exceptional items	2016 Total	2017 Before exceptional items	2017 Exceptional items	2017 Total
		€m	€m	€m	€m	€m	€m	€m	€m	€m
Continuing operations										
Revenue	2	2,246	—	2,246	2,250	—	2,250	2,214	—	2,214
Cost of sales		(1,683)	—	(1,683)	(1,695)	—	(1,695)	(1,673)	(10)	(1,683)
Gross profit		**563**	**—**	**563**	**555**	**—**	**555**	**541**	**(10)**	**531**
Operating costs:										
Amortisation of intangible assets acquired in a business combination	3	—	—	—	(1)	—	(1)	—	—	—
Other		(480)	2	(478)	(484)	4	(480)	(476)	(42)	(518)
Operating costs		**(480)**	**2**	**(478)**	**(485)**	**4**	**(481)**	**(476)**	**(42)**	**(518)**
Operating profit		**83**	**2**	**85**	**70**	**4**	**74**	**65**	**(52)**	**13**
Financial income	4	6	—	6	4	—	4	3	—	3
Financial expenses	5	(10)	—	(10)	(8)	—	(8)	(7)	—	(7)
Profit before tax		**79**	**2**	**81**	**66**	**4**	**70**	**61**	**(52)**	**9**
Tax for the year	6	(23)	—	(23)	(27)	—	(27)	(9)	4	(5)
Profit from continuing operations		**56**	**2**	**58**	**39**	**4**	**43**	**52**	**(48)**	**4**
Discontinued operations										
Profit/(loss) from discontinued operations	7	7	(4)	3	4	—	4	(1)	(4)	(5)
Profit/(loss) for the year		**63**	**(2)**	**61**	**43**	**4**	**47**	**51**	**(52)**	**(1)**

Exceptional items are set out in Note 8.

Stark Group A/S

Consolidated Statement of Comprehensive Income

For the year ended 31 July

	Notes	2015	2016	2017
		€m	€m	€m
Profit/(loss) for the year		**61**	**47**	**(1)**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange gain/(loss) on translation of foreign operations		—	(5)	—
Items that will not be reclassified to profit or loss:				
Actuarial (loss)/gain on retirement benefit plans	18	(4)	(3)	2
Tax on actuarial (loss)/gain on retirement benefit plan		1	1	(1)
Other comprehensive income/(expense) for the year		**(3)**	**(7)**	**1**
Total comprehensive income for the year		**58**	**40**	**—**
Total comprehensive income/(expense) attributable to:				
Continuing operations		57	35	1
Discontinued operations		1	5	(1)
Total comprehensive income for the year		**58**	**40**	**—**

Stark Group A/S

Consolidated Statement of Financial Position

As at

	Notes	1 August 2014	31 July 2015	31 July 2016	31 July 2017
		€m	€m	€m	€m
Assets					
Non-current assets					
Other Intangible assets	9	6	9	14	12
Property, plant and equipment	10	413	409	427	430
Investment in a joint venture		—	—	1	1
Deferred tax assets	11	7	29	23	9
Trade and other receivables	13	1	1	1	1
Receivables from related parties	27	93	84	—	—
Total non-current assets		**520**	**532**	**466**	**453**
Current assets					
Inventories	12	312	306	322	258
Trade and other receivables	13	281	300	294	276
Receivables from related parties	27	78	67	84	97
Current tax receivable		12	3	—	13
Cash and cash equivalents	14	357	192	143	97
Total current assets		**1,040**	**868**	**843**	**741**
Assets held for sale	15	7	13	5	70
Total assets		**1,567**	**1,413**	**1,314**	**1,264**
Liabilities					
Current liabilities					
Trade and other payables		645	663	666	601
Payables to related parties	27	—	6	58	57
Current tax payable		14	15	22	29
Borrowings	16	403	167	20	119
Provisions	17	16	20	11	23
Retirement benefit obligations	18	1	1	1	2
		1,079	**872**	**778**	**831**
Non-current liabilities					
Payables to related parties	27	63	57	—	—
Borrowings	16	152	150	150	—
Provisions	17	26	10	14	7
Retirement benefit obligations	18	42	45	48	47
Deferred tax liabilities	11	—	16	21	6
		283	**278**	**233**	**60**
Liabilities held for sale	15	**—**	**—**	**—**	**70**
Total liabilities		**1,362**	**1,150**	**1,011**	**961**
Net assets		**205**	**263**	**303**	**303**
Equity					
Share capital	19	1	1	1	1
Retained earnings and Reserves		204	262	302	302
Total equity		**205**	**263**	**303**	**303**

Stark Group A/S

Consolidated Statement of Changes in Equity

	Share capital	Translation reserve	Retained earnings	Total equity
	€m	€m	€m	€m
At 1 August 2014	**1**	**—**	**204**	**205**
Profit for the year	—	—	61	61
Other comprehensive income/(expense)	—	—	(3)	(3)
Comprehensive income/(expense)	**—**	**—**	**58**	**58**
At 31 July 2015	**1**	**—**	**262**	**263**
Profit for the year	—	—	47	47
Other comprehensive income/(expense)	—	(5)	(2)	(7)
Comprehensive income/(expense)	—	(5)	45	40
At 31 July 2016	**1**	**(5)**	**307**	**303**
Profit for the year	—	—	(1)	(1)
Other comprehensive income/(expense)	—	—	1	1
Comprehensive income/(expense)	—	—	—	—
At 31 July 2017	**1**	**(5)**	**307**	**303**

Stark Group A/S

Consolidated Cash Flow Statement

For the year ended 31 July

	Notes	2015	2016	2017
		€m	€m	€m
Profit for the year		61	47	(1)
Adjustments for:				
Financial income		(6)	(4)	(3)
Financial expenses		10	8	7
Amortisation and depreciation of assets		28	31	29
Tax		24	27	5
Loss/(gain) on disposal and closure of businesses and revaluation on disposal groups		1	(1)	1
(Gain)/loss on disposal of property, plant and equipment and assets held for sale		6	(2)	12
Decrease/(increase) in inventories		5	(20)	15
Decrease/(increase) in trade and other receivables		(20)	2	10
(Decrease)/increase in trade and other payables		37	4	(2)
(Decrease)/increase in provisions and other liabilities		(13)	(7)	8
		133	**85**	**81**
Interest received		6	4	3
Interest paid		(10)	(8)	(7)
Tax paid		(18)	(7)	(15)
Net cash generated from operating activities		**111**	**74**	**62**
Cash flows from investing activities				
Acquisition of business (net of cash acquired)	21	(4)	(1)	(7)
Disposals of businesses (net of cash disposed of)	22	2	4	—
Purchases of land, property, plant and equipment		(43)	(43)	(53)
Proceeds from sale of land, property, plant and equipment		3	11	9
Purchase of intangible assets		(4)	(8)	(2)
Net cash used in investing activities		**(46)**	**(37)**	**(53)**
Cash flows from financing activities				
Repayments of related party borrowings		18	60	(4)
Repayment of other borrowings		(95)	—	(62)
Net cash (used in)/generated from financing activities		**(77)**	**60**	**(66)**
Net cash (used)/generated		(12)	97	(57)
Effects of exchange rate changes		(9)	1	1
Net (decrease)/increase in cash, cash equivalents		(21)	98	(56)
Cash, cash equivalents at the beginning of the year		46	25	123
Cash, cash equivalents at the end of the year	14	**25**	**123**	**67**

1. Accounting policies and critical estimates and judgements

Corporate information

The consolidated financial statements of Stark Group A/S for the years ended 31 July 2017, 2016 and 2015 were authorised for issue in accordance with a resolution of the directors on 26 February 2018.

Stark Group A/S is a private company incorporated in 2003 and registered in Denmark.

The consolidated financial statements include Stark Group A/S (the 'Company') and its wholly owned subsidiary undertakings (collectively, the 'Group') listed in Note 29.

The Group is the largest distributor of building materials in the Nordic region with number one national market positions in Denmark and Sweden. It consists of five businesses, operating a total of 256 branches across four countries, supported by five distribution centres. The businesses predominantly serve residential RMI and new construction markets and operates through its strong brands STARK, Neumann Bygg and Beijer Byggmaterial.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, including interpretations issued by the International Accounting Standards Board ('IASB') and its committees.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of certain financial assets that are measured at fair value.

The consolidated financial statements are presented in Euros, which is the presentational currency of the Group.

First time adoption of IFRS

For the period since its incorporation in 2003 to the year ended 31 July 2005 the Group prepared consolidated financial statements under the Danish Financial Statements Act. For the financial year ended 31 July 2006 the Group transitioned to IFRS and prepared consolidated financial statements under IFRS as issued by the IASB. However, the Group stopped preparing consolidated financial statements in the subsequent financial year, following the Group's acquisition by Ferguson Plc ('Ferguson') in October 2006, as these were no longer required. Since its acquisition by Ferguson, the Group's IFRS financial information was prepared and consolidated into the IFRS financial statements of Ferguson Plc, the Group's ultimate parent and for a few years for DT Group Holding A/S, the Group's intermediate parent.

The Group has taken the option available under IFRS 1.4A that allows the Group to apply the transition rules under IFRS 1 even though the Group had already transitioned to IFRS in a previous period. Refer to note 29 for information on how the Group has re- adopted IFRS.

Accounting developments and changes

The following standards have been published, but not yet applied:

a) IFRS 9 *"Financial Instruments"*

b) IFRS 15 *"Revenue from Contracts with Customers"*

c) IFRS 16 *"Leasing"*

d) IFRS 17 *"Insurance Contracts"*

The Directors anticipate that the adoption of IFRS 9, IFRS 15 and IFRS 17 in future periods will have no material impact on the financial statements of the Group, but are still assessing the impact.

IFRS 16 will impact the majority of the Group's operating lease arrangement as each lease will give rise to a right of use asset, which will be depreciated on a straight-line basis, and a lease liability, with the related interest charge. This will replace existing lease balances on the balance sheet and charges to the income statement.

The Group continues to assess the full impact of IFRS 16, however the impact will depend on the transition approach and the contracts in effect at the time of adoption. It is therefore not yet practicable to provide a reliable estimate of the financial impact on the Group's consolidated financial results.

No other issued standard or interpretation would have a material impact on the consolidated financial statements.

Critical accounting estimates and judgements

In applying the Group's accounting policies, various transactions and balances are assessed using estimates and assumptions. Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. Should these estimates or assumptions prove incorrect there may be an impact on the following year's financial statements. The Group believes that the estimates and assumptions that have been applied in these consolidated financial statements would not give rise to a material impact within the next financial year. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Management has made significant estimates and judgements in the following areas:

1) The Group enters into agreements with many of its vendors that provide rebates. Many of these agreements apply to purchases in a calendar year rather than the Group's financial year, and under certain agreements the rebate rises as a proportion of purchases as higher quantities or values of purchases are made. The Group adjusts the cost of purchases to reflect estimated rebates receivable, which can depend on the projected volume, value and mix of purchases from a vendor through to the end of the qualifying period. Actual rebates receivable from vendors may differ materially from the estimates on which the cost of purchases is based.

2) Provisions are made against slow-moving, obsolete and damaged inventories for which the net realisable value is estimated to be less than the cost. The risk of obsolescence of slow-moving inventory is assessed by comparing the level of inventory held to future sales projected on the basis of historical experience. The actual realisable value of inventory may differ materially from the estimated value on which the provision is based. The Group held provisions in respect of inventory balances at 1 August 2014 amounting to €33 million, €28 million at 31 July 2015, €26 million at 31 July 2016 and €22 million at 31 July 2017.

3) Provision is made for bad debt losses in the respect of the Groups' trade and other receivables, which are estimated to occur if a customer subsequently is not able to pay. If the customer's financial condition were to deteriorate, and thus are not able to handle the payments, it may be necessary to make further write down in future periods. In connection with the assessment of whether the Group's provisions for bad and doubtful debts is sufficient, management analyses accounts receivable, including historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms and also takes account of the extent to which protection is provided through credit insurance arrangements.

4) Provisions for legal claims, environmental restoration and onerous leases are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Such provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money.

Group accounting policies

A summary of the principal accounting policies applied by the Group in the preparation of the consolidated financial statements is set out below. The accounting policies have been applied consistently throughout the current and preceding year.

Consolidation

The consolidated financial statements includes the results of the Company, its subsidiary undertakings and its share of the results of its joint venture drawn up to 31 July 2017.

The trading results of business operations are included in profit from continuing operations from the date of acquisition or up to the date of sale, or the date of reclassification to discontinued operations.

Intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated on consolidation, with the exception of gains/losses required under relevant IFRS accounting standards.

Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement category to assist in the understanding of the trading and financial results of the Group.

Examples of such items that are considered for designation as exceptional items include, but are not limited to:

1. Restructuring expenses

2. Expenses relating to the integration of an acquired business

3. Gains/losses on disposal of businesses

4. Acquisition or divestment related costs principally relating to professional fees

5. Costs arising as a result of material and non-recurring regulatory and litigation matters.

Discontinued operations

When the Group has disposed of or intends to dispose of a business component that represents a separate major line of business or geographical area of operations it classifies such operations as discontinued. The post-tax profit or loss of the discontinued operations and gain or loss on disposal is shown as a single line on the face of the income statement, separate from the other results of the Group.

Business combinations

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Acquisition related costs are expensed.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, negative goodwill, the difference is recognised directly in the income statement.

If the fair value of the identifiable assets, liabilities or contingent liabilities subsequently differ from the values calculated at the time of the acquisition, adjustments are made, including goodwill, until 12 months after the date of acquisition and comparatives are adjusted as necessary. Subsequently, goodwill is not adjusted. Changes in estimates of contingent consideration are generally recognised in the income statement.

Joint ventures

A joint venture arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of the control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The result and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method.

Foreign currencies

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the enterprises operates (the "functional currency"). The Consolidated Financial Statements are presented in Euros which is the presentational currency of the Group.

Transactions in foreign currencies are translated to the functional currency using the exchange rate at transaction date. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency at the rate prevailing on the balance sheet date. All differences are taken to the Group income statement.

The assets and liabilities of foreign subsidiaries denominated in foreign currencies are translated into Euros at exchange rates prevailing at the date of the Group balance sheet; profits and losses are translated at average exchange rates for the relevant accounting periods. Exchange differences arising are recognised in the consolidated statement of comprehensive income and are included in the Group's translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue

Revenue comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the significant risks and rewards of ownership of the goods have transferred to the buyer and the amount of revenue can be measured reliably.

Revenue is recorded net of returns, discounts/offers and value added taxes. Revenue is reported by business segments and geographical areas.

Cost of sales

Cost of sales includes costs for the goods sold and consumed in order to obtain net sales for the year.

The Group enters into arrangements with certain vendors providing for purchase rebates. These purchase rebates are accrued as earned and are recorded initially as a reduction in inventory resulting in a reduction in cost of sales when the related product is sold.

Taxation

The tax expense included in the Group income statement consists of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the balance sheet date. Tax expense is recognised in the consolidated income statement except to the extent that it relates to items recognised in the consolidated statement of comprehensive income or directly in the consolidated statement of changes in equity, in which case it is recognised in the consolidated statement of comprehensive income or directly in the consolidated statement of changes in equity, respectively.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to the consolidated statement of changes in equity or the consolidated statement of comprehensive income, in which case the deferred tax is also recognised in equity, or other comprehensive income, respectively.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Tax receivables and liabilities are offset to the extent that there are legal right of set-off, and items are expected to be settled net or simultaneously.

Intangible assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Computer software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Costs include software licences, consulting costs attributable to the development, design and implementation of the computer software and internal costs directly attributable to the development, design and implementation of the computer software. Costs in respect of training and data conversion are expensed as incurred.

Software costs are amortised over their estimated useful lives of 3 — 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest expenses on loans raised for financing the construction of property, plant, machinery and equipment and which are related to the period of construction are recognised in the income statement.

Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Office buildings	50 years
Commercial buildings and office premises in connection herewith	25 years
Plant and equipment	3 — 10 years

Land and property assets under construction are not depreciated.

At balance sheet date, an assessment is made of the residual values, useful life left and amortisation pattern. Changes are accounted as changes in accounting estimates.

Gains and losses on disposals or retirements of a fixed asset are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are on inception recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Assets and disposal groups held for sale

Assets are classified as held for sale if their carrying amount will be recovered by sale rather than by continuing use in the business.

Where a group of assets and their directly associated liabilities are to be disposed of in a single transaction, such disposal groups are also classified as held for sale. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition, and management must be committed to and have initiated a plan to sell the asset or disposal group which, when initiated, was expected to result in a completed sale within 12 months. Assets or disposal groups that are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets that are classified as held for sale are not depreciated.

Impairment of assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation or depreciation and are tested for impairment annually and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation or depreciation and assets under construction are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The value in use is in most cases based on the discounted present value of the future cash flows expected to arise from the cash generating unit to which the asset relates, or from the individual asset or asset group.

Inventories

Inventories, which comprise goods purchased for resale, are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method. The cost of goods purchased for resale includes import and custom duties, transport and handling costs, freight and packing costs and other attributable costs less supplier rebates. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Provisions are made against slow-moving, obsolete and damaged inventories for which the net realisable value is estimated to be less than the cost. The risk of obsolescence of slow-moving inventory is assessed by comparing the level of inventory held to estimated future sales on the basis of historical experience.

Financial instruments

Financial assets and financial liabilities are recognised on the Group balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group's financial instruments comprise trade and other receivables (including amounts owed by related parties), cash and cash equivalents, trade and other payables (including amounts owed to related parties) and borrowings.

Trade receivables

Trade receivables are non-interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet to the extent that there is no legal right of offset and/or no practice of net settlement with cash balances. Cash, which is not freely available to the Group, is disclosed as restricted cash.

Borrowings

Interest-bearing bank loans from credit institutions and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Group income statement over the period of the borrowings on an effective interest basis.

Trade payables

Trade payables are non-interest-bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when, in consequence of an event that occurred before or on the balance sheet date, the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for onerous leases are recognised when the Group believes that the unavoidable costs of meeting or exiting the lease obligations exceed the economic benefits expected to be received under the lease.

Post-employment obligations

Contributions to defined contribution pension plans and other post-retirement benefits are charged to the income statement as incurred.

For defined benefit plans, obligations are measured at discounted present value (using the projected unit credit method) whilst plan assets are recorded at fair value. The operating and financing costs of such plans are recognised separately in the Group income statement; service costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the Group statement of comprehensive income. Payments to defined contribution schemes are recognised as an expense as they fall due.

Where a plan is in surplus, the asset recognised is limited to the present value of any amount which the Group expects to recover by way of refunds or a reduction in future contributions.

Share-based payments

Share-based incentives are provided to employees under the Ferguson executive share option, long-term incentive, employee share purchase and ordinary share plan schemes. The Group recognises a compensation cost in respect of these schemes that is based on the fair value of the awards, measured using Binomial and Monte Carlo valuation methodologies.

The options and shares are issued by the ultimate parent company, Ferguson plc, and the Group is charged annually for their share of the expenses relating to the current year, which is calculated according to IFRS 2 *"Share-based Payments"*. The value of the charge is adjusted to reflect expected and actual levels of vesting. No liability is recognised in these Consolidated Financial Statements.

2. Revenue

	2015	2016	2017
	€m	€m	€m
Sale of goods	2,246	2,250	2,214
Total revenue	**2,246**	**2,250**	**2,214**
Geographical markets:			
Denmark	897	913	911
Sweden	558	580	561
Norway	169	149	154
Finland	612	597	588
Estonia	10	11	—
Total	**2,246**	**2,250**	**2,214**

3. Operating profit

Amounts charged/(credited) in arriving at operating profit include:

	2015	2016	2017
	€m	€m	€m
Impairment of trade and other receivables	6	6	4
Depreciation of property, plant and equipment (*see below)*	24	25	24
Amortisation of intangible assets (*see below*)	1	3	4
Employee benefits expenses *(see below)*	295	299	316
Operating lease expenses	28	29	25
Amounts included in cost of goods sold in respect to inventories	1,695	1,704	1,695
Employee benefits expenses			
Salary and wages	246	251	290
Pensions — defined contribution plan	20	20	17
Pensions — defined benefit plan	2	—	2
Other expenses for social security	25	26	5
Share based payments	2	2	2
Total staff costs (continuing)	**295**	**299**	**316**
Total staff costs (discontinuing)	**40**	**41**	**41**
Total staff costs for the year	**335**	**340**	**357**

	2015 Number	2016 Number	2017 Number
Average number of fulltime employees (continuing)	5,197	5,014	4,890
Average number of fulltime employees (discontinuing)	824	834	800
Number of employees at the end of the financial year (continuing)	5,419	5,099	4,840
Number of employees at the end of the financial year (discontinuing)	874	875	806

Depreciation and amortisation

Depreciation and amortisation related to discontinued operations amounted to €3m in 2015, €3m in 2016 and €1m in 2017.

4. Financial income

	2015	2016	2017
	€m	€m	€m
Interest from group companies	4	3	2
Foreign exchange gain	1	—	—
Other financial income	1	1	1
Total financial income	**6**	**4**	**3**

5. Financial expenses

Interest to group companies	3	2	2
Other financial expenses	7	6	5
Total financial expenses	**10**	**8**	**7**

6. Tax for the year

	2015	2016	2017
	€m	€m	€m
Current tax	26	12	7
Deferred tax	(9)	12	(2)
Adjustment of current tax regarding previous years	1	3	(1)
Adjustment of deferred tax regarding previous years	5	—	1
Total income tax charge for the year	**23**	**27**	**5**
Tax on items (charged)/credited to the statement of other comprehensive income:			
Deferred tax charge/(credit) on actuarial gain/loss on retirement benefits	(1)	(1)	1
Total tax on items (charged)/credited to other comprehensive income	**(1)**	**(1)**	**1**
Tax reconciliation:	%	%	%
Danish corporation tax rate	23.50	22.00	22.00
Non-deductible and non-taxable items	(0.8)	6.8	74.4
Adjustments relating to prior years	7.4	4.7	0.5
Other adjustments	(1.7)	0.4	0.5
Tax rate on profit before tax	**28.4**	**33.9**	**97.4**

Tax payable on balance sheet includes both accrued income tax under the Danish joint taxation and the local national income tax payable in the foreign companies that are part of the Group.

Non-deductible and non-taxable items include the impact of exceptional charges, which are not deductible for tax purposes.

7. Results for the year from discontinued operations

	2015	2016	2017
	€m	€m	€m
Net sales	226	224	219
Cost of sales	(141)	(140)	(139)
Gross profit	**85**	**84**	**80**
Expenses	(81)	(79)	(81)
Profit/(loss) before tax	**4**	**5**	**(1)**
Tax for the year	(1)	(1)	—
Profit/(loss) for the year from discontinued operations	**3**	**4**	**(1)**
Cash flows from discontinued operations			
Net cash flow from operations	4	4	10
Cash flows from investing activities	(4)	(3)	—
Cash flows from financing activities	(6)	24	(11)
Net cash (used)/generated from discontinued operations	**(6)**	**25**	**(1)**

During 2017 the Group decided to change its strategy to focus on primarily on business to business customers and announced its decision to divest the DIY brand, Silvan. On 10 July 2017, an announcement was made with regard to the agreement to divest Silvan to Aurelius Group, which was completed on 1 August 2017. Silvan is reported as discontinued operations in the years ended 31 July 2017, 2016 and 2015.

Discontinued operations in the years ended 31 July 2016 and 31 July 2015 also include costs relating to the Cheapy chain, a Swedish discount chain which was divested in April 2014, and Oscar Peschard, a small Norwegian branch which was divested in July 2014.

8. Exceptional items

Items which are material either because of their size or nature, and which are non-recurring, are presented within their relevant consolidated income statement category, but highlighted separately on the face of the consolidated income statement. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance. Items which may be included within the exceptional category include:

1. Gains/(losses) on disposal of businesses,
2. Gains/(losses) on disposal of property,
3. Significant asset impairments,
4. Costs relating to the closure of 30 underperforming branches,
5. Expenditure relating to the restructuring of our head office, and
6. Other particularly significant or unusual items.

An analysis of the amounts presented as exceptional items in these financial statements is given below:

	2015	2016	2017
	€m	€m	€m
Closure of 30 branches:			
Redundancy costs	—	—	(16)
Write off of obsolete inventory	—	—	(10)
Loss on disposal of closed branch, Beijer	—	—	(3)
Infrastructure costs	—	—	(1)
Total costs attributed to closure of branches	—	—	(30)
Loss on disposal of Sanvold business	—	—	(1)
Strategic development	—	—	(6)
Advisor fees relating to sale of Stark Group	—	—	(1)
Restructuring			(5)
Gain/(loss) on disposal of property, plant and equipment	—	1	(8)
Gain on disposal of businesses	2	3	—
Other	—	—	(1)
Total included in profit before tax	**2**	**4**	**(52)**
Tax on exceptional items	—	—	4
Total included in continuing operations	**2**	**4**	**(48)**
Discontinued operations			
Total included in discontinued operations	(4)	—	(4)
Total exceptional items	**(2)**	**4**	**(52)**

On 11 January 2017, the Group announced the closure of 30 branches. The total cost of this restructuring including redundancy payments to affected employees, consulting fees, the write off of inventory, the loss on disposal of property, plant and equipment, and the rental, maintenance and other infrastructure costs of maintaining the closed branches, is considered exceptional by virtue of its size and nature.

On 2 March 2017, the Group disposed of its Sanvold business.

In the development of our Nordic strategy of decentralisation of decision making, a focus on SME customers and the development of our new distribution centre, the Group incurred consulting and advisor costs, which are considered exceptional by virtue of their size and nature.

Restructuring represents consulting and other advisor costs incurred in relation to restructuring our head office and STARK Finland which the Group consider to be non-recurring.

The gain/(loss) on disposal of property, plant and equipment relates to the gain on sale of Cheapy in Sweden during the year ended July 31, 2016, and the loss on disposal of property, plant and equipment in Denmark.

The gain on disposal of businesses represents adjustments to provisions in respect of prior year disposals by STARK Finland.

In connection with the sale of Silvan, the Group incurred non-recurring transaction and other advisor costs. Such costs are included in discontinued operations.

9. Other Intangible assets

	Software	Customer relationships	Total
	€m	€m	€m
Cost			
At 1 August 2014	**13**	**—**	**13**
Additions	3	1	**4**
At 31 July 2015	**16**	**1**	**17**
Additions	8	—	**8**
Transfers	—	—	**—**
At 31 July 2016	**24**	**1**	**25**
Additions	2	—	**2**
Disposals	(8)	—	**(8)**
At 31 July 2017	**18**	**1**	**19**
Amortisation and impairment			
At 1 August 2014	**(7)**	—	**(7)**
Amortisation for the year	(1)	—	**(1)**
At 31 July 2015	**(8)**	—	**(8)**
Amortisation for the year	(2)	(1)	**(3)**
At 31 July 2016	**(10)**	**(1)**	**(11)**
Amortisation for the year	(4)	—	**(4)**
Disposals	8	—	**8**
At 31 July 2017	**(6)**	**(1)**	**(7)**
Carrying amount at:			
1 August 2014	6	—	**6**
31 July 2015	8	1	**9**
31 July 2016	14	—	**14**
31 July 2017	12	—	**12**

10. Property, plant and equipment

	Land and buildings	Plant and equipment	Assets under construction	Total
	€m	€m	€m	€m
Cost				
At 1 August 2014	**629**	**96**	**4**	**729**
Additions	22	10	11	43
Business acquisitions	1	—	—	1
Disposals	(1)	(10)	—	(11)
Transfers	2	6	(8)	—
Reclassified as held for sale	(15)	—	—	(15)
Exchange rate adjustment	(6)	(1)	—	(7)
At 31 July 2015	**632**	**101**	**7**	**740**
Additions	25	10	13	48
Disposals	1	(13)	—	(12)
Disposal of businesses	—	(1)	—	(1)
Transfers	2	10	(12)	—
Reclassified as held for sale	(3)	—	—	(3)
Exchange rate adjustment	(1)	—	—	(1)
At 31 July 2016	**656**	**107**	**8**	**771**
Additions	20	14	19	53
Business acquisitions	2	—	—	2
Disposals	(3)	(26)	(1)	(30)
Transfers	6	6	(12)	—
Reclassified as held for sale	—	(36)	—	(36)
At 31 July 2017	**681**	**65**	**14**	**760**
Depreciation and impairment				
At 1 August 2014	**(253)**	**(63)**	**—**	**(316)**
Depreciation charge for the year	(15)	(12)	—	(27)
Disposals	1	8	—	9
Reclassified as held for sale	1	—	—	1
Exchange rate adjustment	1	1	—	2
At 31 July 2015	**(265)**	**(66)**	**—**	**(331)**
Depreciation charge for the year	(15)	(13)	—	(28)
Disposals	—	13	—	13
Exchange rate adjustment	1	1	—	2
At 31 July 2016	**(279)**	**(65)**	**—**	**(344)**
Depreciation charge for the year	(15)	(10)	—	(25)
Disposals	—	12	—	12
Reclassified as held for sale	—	27	—	27
At 31 July 2017	**(294)**	**(36)**	**—**	**(330)**
Carrying values				
01 August 2014	376	33	4	413
31 July 2015	367	35	7	409
31 July 2016	377	42	8	427
31 July 2017	387	29	14	430

Disposals of property, plant and equipment in 2017 resulted in exceptional losses of €8m. (see note 8)

During the years, the Group performed a review of the recoverable amount of branches and the related buildings. The impairment assessment carried out as at 1 August 2014 and as at 31 July 2015, 2016 and 2017 did not lead to recognition of impairment losses.

Freehold land and buildings have been pledged to secure borrowings of the Group (see note 16).

11. Deferred tax assets and liabilities

	2014	2015	2016	2017
	€m	€m	€m	€m
Deferred tax assets	7	29	23	9
Deferred tax liabilities	—	(16)	(21)	(6)
Total (non-current)	**7**	**13**	**2**	**3**

	2015	2016	2017
	€m	€m	€m
Deferred tax relates to:			
Intangible assets	(2)	(3)	(3)
Property, plant and equipment	(12)	(11)	(13)
Receivables	1	1	—
Inventory	3	3	3
Other liabilities	23	12	16
Total	**13**	**2**	**3**

	2015	2016	2017
	€m	€m	€m
Movements in deferred tax balances:			
At 1 August	7	13	2
Adjustment of deferred tax regarding previous years	(6)	—	1
Additions relating to business acquisitions	1	—	(1)
Tax for the year	10	(12)	2
Other adjustments	1	1	(1)
At 31 July	**13**	**2**	**3**

The Group has an unrecognized tax loss of €21 million at 31 July 2015, 2016 and 2017 related to an entity specific loss without expiry. The Group has not recognised the deferred tax assets arising from the loss because it is not probable that future taxable profit will be available against which the Group can use the benefits in the foreseeable future.

The Group expects it to be probable that future taxable profit will be available against which the Group can use the benefits from the deferred tax asset from timing differences.

12. Inventories

	2014	2015	2016	2017
	€m	€m	€m	€m
Trading goods	345	334	348	280
Provision for excess and obsolete goods	(33)	(28)	(26)	(22)
Total inventories	**312**	**306**	**322**	**258**

13. Trade and other receivables

	2014	2015	2016	2017
	€m	€m	€m	€m
Trade receivables, gross	257	273	270	259
Provision for impairment	(14)	(15)	(15)	(10)
Net trade receivables	243	258	255	249
Other receivables	24	27	25	11
Prepayments and accrued income	15	16	15	17
Total	**282**	**301**	**295**	**277**
Of this, due after more than 1 year	1	1	1	1

	2015	2016	2017
	€m	€m	€m
Movements in the provision for impairment of trade receivables are as follows:			
At 1 August	(14)	(15)	(15)
Net charge for the year	(6)	(6)	(4)
Write-offs in the year	5	6	9
At 31 July	**(15)**	**(15)**	**(10)**

Trade receivables have been aged with respect to the payment terms specified in the terms and conditions established with customers as follows:

	2014	2015	2016	2017
	€m	€m	€m	€m
Amounts not yet due	208	216	205	210
Past due not more than one month	29	30	42	34
Past due more than one month and less than three months	6	7	6	5
Past due more than three months and less than six months	—	2	1	—
Past due more than six months	—	3	1	—
At 31st July	**243**	**258**	**255**	**249**

14. Cash and cash equivalents

	2014	2015	2016	2017
	€m	€m	€m	€m
Cash and cash equivalents	357	192	143	97
Bank overdrafts	(311)	(167)	(20)	(30)
Cash, cash equivalents and bank overdrafts (cash flow statement)	**46**	**25**	**123**	**67**

For purposes of the cash flow statement, cash and cash equivalents includes bank overdrafts.

15. Assets and liabilities held for sale

	2014	2015	2016	2017
	€m	€m	€m	€m
Inventories	—	—	—	49
Trade and other receivables	—	—	—	9
Properties awaiting disposal	7	13	5	5
Property, plant and equipment	—	—	—	7
Total assets held for sale	**7**	**13**	**5**	**70**
Liabilities held for sale				
Trade and other payables	—	—	—	68
Provisions	—	—	—	2
Total	**—**	**—**	**—**	**70**

The assets and liabilities held for sale in 2017 relate to the disposal of Silvan and properties identified for sale. Assets held for sale in 2014, 2015 and 2016 relate to properties.

16. Borrowings

	2014	2015	2016	2017
	€m	€m	€m	€m
Current				
Bank overdrafts	311	167	20	30
Secured bank loans	92	—	—	89
	403	**167**	**20**	**119**
Non-current				
Secured bank loans	152	150	150	—
Non-current	152	**150**	**150**	**—**
Total borrowings	**555**	**317**	**170**	**119**
Maturity of loans:				
Within 1 year	403	167	20	119
Between 1 and 5 years	—	**—**	150	—
After 5 years	152	150	—	—
	555	**317**	**170**	**119**

Bank loans relate to Danish mortgages with fixed interest rates. The weighted average annual interest rate on the loans was 1.7% in 2015, 2016 and 2017.

The secured long term bank loans were repaid in full on 30 September 2017. The bank loans were secured against the Group's freehold properties.

17. Provisions

	Environmental and legal	Restructuring	Other provisions	Total
	€m	€m	€m	€m
At 1 August 2014	7	15	20	42
Utilised in the year	—	(7)	(2)	(9)
Charge/(credit) for the year	—	(1)	(2)	(3)
At 31 July 2015	**7**	**7**	**16**	**30**
Utilised during the year	(2)	(2)	(3)	(7)
Charge/(credit) for the year	(1)	—	1	—
Exchange rate adjustment	—	(1)	3	2
At 31 July 2016	**4**	**4**	**17**	**25**
Utilised during the year	(1)	(14)	(2)	(17)
Charge for the year	1	22	1	24
Reclassified as held for sale	—	—	(2)	(2)
Transfers within provisions	—	(1)	1	—
At 31st July 2017	**4**	**11**	**15**	**30**
Maturity of provisions are expected to be:				
As 31 July 2015				
Within 1 year	5	7	8	20
Within 1 year and 5 years	2	—	8	10
Total other provisions	**7**	**7**	**16**	**30**
As 31 July 2016				
Within 1 year	3	4	4	11
Between 1 year and 5 years	1	—	13	14
Total other provisions	**4**	**4**	**17**	**25**
As 31 July 2017				
Within 1 year	3	11	9	23
Between 1 year and 5 years	1	—	6	7
Total other provisions	**4**	**11**	**15**	**30**

Restructuring provisions include provisions for staff redundancy costs and onerous lease obligations from closed branches. In determining the provision for onerous leases, the cash flows have been discounted on a pre-tax basis using appropriate government bond rates. The weighted average maturity of these obligations is approximately three years. Restructuring provisions primarily relates to the business unit in Finland.

Other provisions include warranty and separation costs relating to businesses disposed of, rental commitments on vacant premises and dilapidations on leased properties. The weighted average maturity of these obligations is approximately three years.

18. Retirement benefit obligations

The Group has entered into pensions plans with a considerable number of the Group's employees. The Group has both defined contributions plans and defined benefit plans.

Defined contribution plans

The Group finances the plans by paying premiums to an independent insurance company that is responsible for the pension obligations. Once the pension contributions to the defined contribution plans have been paid, the Group has no further pension obligation to current or retired employees.

Defined benefit plans

The Group operates defined benefit plans with employees of the Group's subsidiaries in Sweden and Norway.

	2014	2015	2016	2017
	€m	€m	€m	€m
Financial impact of plans				
As disclosed in the balance sheet				
Current liability	(1)	(1)	(1)	(2)
Non-current liability	(42)	(45)	(48)	(47)
Total benefit obligations	**(43)**	**(46)**	**(49)**	**(49)**

	2015	2016	2017
	€m	€m	€m
Analysis of balance sheet liability			
Fair value of plan assets	9	9	9
Present value of defined benefit obligation	(55)	(58)	(58)
Net deficit recognised in balance sheet	**(46)**	**(49)**	**(49)**
Analysis of total expenses recognised in income statement:			
Current service cost	(2)	(2)	(2)
Past service cost and gain from settlements	—	2	—
Charged to operating costs	**(2)**	**—**	**(2)**
Interest in pension liabilities	(1)	(2)	(1)
(Credited) to finance costs	**(1)**	**(2)**	**(1)**
Total expense recognised in income statement	**(3)**	**(2)**	**(3)**
Analysis of amount recognised in the statement of comprehensive income:			
Actuarial (loss)/gain	(4)	(3)	2
Taxation	1	1	(1)
Total amount recognised in the statement of comprehensive income	**(3)**	**(2)**	**1**

	2015	2016	2017
	€m	€m	€m
Fair value of plan assets			
At 1 August	9	9	9
Employer's contributions	1	1	—
Currency translation	(1)	(1)	—
At 31st July	**9**	**9**	**9**
Actual return on plan assets	**—**	**—**	**—**

Plan assets are held in an insurance policy held with an independent insurance company.

	2015	2016	2017
	€m	€m	€m
Present value of defined benefit obligation:			
At 1 August	(53)	(56)	(58)
Current service cost	(2)	(2)	(2)
Past service costs	—	2	—
Interest cost	(1)	(2)	(1)
Benefit payments	2	2	1
Re-measurement loss/(gain)	(4)	(3)	2
Currency translation	3	1	—
At 31 July	**(55)**	**(58)**	**(58)**

Analysis of present value of defined benefit obligation:

Amounts arising from wholly unfunded plans	(44)	(47)	(48)
Amounts arising from plans that are wholly or partly funded	(11)	(11)	(10)
At 31 July	**(55)**	**(58)**	**(58)**

The actuarial calculations at the balance sheet date are based on the following assumptions:

	2015	2016	2017
Discount rate	2.95%	2.41%	2.71%
Rate of inflation	2.00%	1.75%	1.84%
Increases to pensions in payment	1.89%	1.70%	1.68%
Increase in salary	2.89%	2.66%	2.87%
Current pensioners (at age 65) — male	22	22	22
Current pensioners (at age 65) — female	24	24	24
Future pensioners (at age 65) — male	24	24	24
Future pensioners (at age 65) — female	26	26	26

Sensitivity analysis

The Group considers that the most sensitive assumptions are the discount rate, inflation and life expectancy.

The table below shows the impact of the sensitivities on the Group's defined benefit plan net liability:

		2015		2016		2017	
	Change	€m	% impact	€m	% impact	€m	% impact
Discount rate	+0.25%	(2)	(4%)	(2)	(4%)	(2)	(4%)
	(0.25%)	3	4%	3	4%	3	4%
Inflation	+0.25%	(2)	(4%)	(2)	(4%)	(2)	(4%)
	(0.25%)	2	4%	2	4%	2	4%
Life expectancy	+1 year	3	5%	2	4%	2	4%

19. Share capital

The Company's share capital consists of 10,403,718 issued shares of DKK 1 nominal value. There has been no change in the share capital during the periods presented.

20. Share based payments.

Shares and share options are issued by the ultimate parent company, Ferguson plc, and Stark Group A/S are annually charged the share of the costs, calculated in accordance with IFRS, which relates to the same year.

	2015	2016	2017
	€m	€m	€m
Long Term Incentive Plan (LTIP)	—	—	—
Ordinary share plans (OSP)	1	1	1
International Share Save Plan (ISP)	1	1	1
Total	**2**	**2**	**2**

	2015 Number	2016 Number	2017 Number
Outstanding at 1 August	581,815	520,043	477,354
Granted	124,993	73,690	102,066
Options exercised or shares vested	(146,084)	(76,641)	(157,071)
Expired	(40,681)	(39,738)	(44,309)
Outstanding at 31 July	**520,043**	**477,354**	**378,040**
Exercisable at 31 July	66,677	76,977	204,298
	€	€	€
Weighted average fair value per share/option granted during the year	**22.43**	**29.05**	**44.08**

21. Acquisition of businesses

In 2015, the Group acquired 100% of the business of Hobro Ny Traelast A/S for a total of consideration €3m.

In June 2016, the Group purchased a 50% interest in the shares of Bra Byggare from Villaägarna, the Swedish Homeowners Association for €1m. Bra Byggare is an intermediate service helping consumers find reliable builders and will be run as a stand-alone entity.

In 2017, the Group acquired 100% interest in two Swedish businesses Mölnlycke Trä AB and Berners Tunga Fordon Fastighet AB for a total consiedration of €6m.

The net cash outflows in respect of purchase of businesses:

	2015	2016	2017
	€m	€m	€m
Purchase consideration	(3)	(1)	(6)
Debt acquired	(1)	—	(1)
Net cash outflow in respect of purchase of businesses	**(4)**	**(1)**	**(7)**

22. Disposals of businesses

In the year ended 31 July 2015, the Group disposed of the Helatukku Finland OY business. A total loss on disposal of €1m was recognised in 2015.

In the year ended 31 July 2016, the Group disposed of the Helatukku Finland OY and Puukeskus AS (Estonia) businesses. A total gain on disposal of €1m was recognised in 2016.

In the year ended 31 July 2017, the Group disposed of the HR Sandvold business. The Group recognised a total loss on the disposal of €1million.

	2015	2016	2017
	€m	€m	€m
(Loss)/gain on disposal			
Cash consideration received	2	4	—
Net assets disposed of	(3)	(3)	(1)
(Loss)/gain on disposal	**(1)**	**1**	**(1)**

23. Operating leases

The Group leases property and equipment under operating leases. The lease terms are typically for terms of between 1 and 5 years, with the possibility of renewal or purchase at the end of the year. Some leases include contingent rent, but the amounts are not material for the group.

Future minimum lease payments under non-cancellable operating leases for the following periods are:

	2015	2016	2017
	€m	€m	€m
Due within one year	27	31	30
Due in one to five years	57	65	56
Due after 5 years	25	24	16
Total minimum lease commitments	**109**	**120**	**102**

24. Contingent liabilities

The Group is involved in various legal proceedings. The outcome of the pending lawsuits is not expected to have material significance on the Group's the financial position.

Danish Group companies are jointly and severally liable for the tax on the jointly taxed incomes of the Stark Group. The total amount of corporation tax payable is disclosed in the Annual report of Stark Group Holdings A/S, which is the management company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

25. Financial instruments, risk management policies

The Group's risk management policy

As a result of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. The Group's financial management is exclusively aimed at the management of financial risks related to finance. Thus, it is the Group's policy not to engage in speculation in financial risks.

Policies for managing each of these risks are regularly reviewed and are summarised below:

Capital risk management

The Group's sources of funding currently comprise cash flows generated by operations, loans from group companies under the control of Ferguson plc and borrowings from banks and other financial institutions. In order to maintain or adjust the capital structure, the Group has historically paid dividends to its shareholders or sold assets to reduce debt.

Liquidity risk

The Group maintains a policy of ensuring sufficient borrowing headroom to finance all investment and capital expenditure included in its strategic plan, with an additional contingent safety margin.

The mandate requires the achievement of a competitive return and high liquidity as regards the placement of excess liquidity. In order to achieve effective management of the Group's cash, use is made of cash pooling.

The Group's liquidity reserves consist of cash.

Currency risks

The extent of the Group's currency risks is limited by the fact that the costs of wages and purchases of supplies are largely incurred in the same currency as that in which sales are invoiced. Currency risks arise primarily in connection with international purchases and sales of goods in foreign currencies.

It is the Group's policy to limit the impact of exchange rate changes on the results and the Group's financial position. This is primarily done through currency overdrafts and derivative financial instruments, primarily forward exchange contracts as may be appropriate. The Group does not engage in speculative currency transactions. The group did not enter in to any forward currency contracts during the financial year ended 31 July 2017 (2016: None and 2015: None).

Interest rate risk

The Group is due to its operating, investing and financing exposed to changes in interest rates.

The interest rate profile of the Group's net debt is set out in the following tables:

	Float	Fixed	Total
2015			
Pounds sterling	1	—	1
US dollars	1	—	1
EUR, DKK & SEK	23	(150)	(127)
Total	**25**	**(150)**	**(125)**
2016			
Pounds sterling	(5)	—	(5)
US dollars	1	—	1
EUR, DKK & SEK	124	(150)	(26)
Other currencies	3	—	3
Total	**123**	**(150)**	**(27)**
2017			
Pounds sterling	(2)	—	(2)
US dollars	0	—	0
EUR, DKK & SEK	63	(89)	(26)
Other currencies	6	—	6
Total	**67**	**(89)**	**(22)**

Fixed rate borrowings at 31 July 2015, 2016 and 2017 carried a weighted average interest rate of 3.3 per cent fixed for a weighted average duration of 17.3 years for 2015, 16.3 years for 2016 and 1 year for 2017.

Credit risk

The counterparty risk is reduced by only entering into money market deposits with selected financial counterparties that have a satisfactory credit quality. Furthermore, maximum credit limits for each financial counterparty applies.

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks means that all major customers and other partners are credit rated continuously.

The Group's credit risk related to accounts receivable and cash. The maximum credit risk related to financial assets corresponds to the balance sheet values recognized.

The Group is insured through the ultimate parent Ferguson Plc, which is insured externally with a high deductible. The Ferguson Plc group has an insurance programme with a lower deductible. Every year a premium allocation is decided for each BU based on the past year's insurance claims and charged to the Group.

Customer insurance

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks ensures that all major customers and other partners are credit rated regularly. Significant outstanding and overdue balances are reviewed on a regular basis and resulting actions are put in place on a timely basis. In some cases, protection is provided through credit insurance arrangements.

26. Financial instruments

The carrying amount of financial instruments by category as defined by IAS 39 "Financial Instruments: Recognition and Measurement" is as follows:

	2015	2016	2017
	€m	€m	€m
Financial assets			
Financial assets at fair value through profit and loss	—	—	—
Trade and other receivables	301	295	277
Less: prepayment and accrued income	(4)	(4)	(6)
Net trade and other receivables	297	291	271
Receivables from related parties (note 27)	151	84	97
Loans and receivables	**448**	**375**	**368**
Financial liabilities			
Trade and other payables	663	666	601
Less: Tax and social security	(39)	(30)	(36)
Less: Payroll accruals	(31)	(32)	(33)
Net trade and other payables (current)	593	604	532
Payables to related parties (note 27)	63	58	57
Bank loans and overdrafts (note 16)	317	170	119
Financial liabilities at amortised cost	**973**	**832**	**708**

Maturity of the financial liabilities is as follows:

	Trade and other payables	Debt	Interest on debt	Total
	€m	€m	€m	€m
2015				
Due in less than one year	(593)	—	—	(593)
Due in over five years	—	(150)	(3)	(153)
Total	**(593)**	**(150)**	**(3)**	**(746)**
2016				
Due in less than one year	(604)	—	—	(604)
Due in over five years	—	(150)	(3)	(153)
Total	**(604)**	**(150)**	**(3)**	**(757)**
2017				
Due in less than one year	**(582)**	**(89)**	**(2)**	**(673)**

27. Related party transactions

The Group's ultimate parent undertaking is Ferguson plc, a company incorporated in Jersey under the Companies (Jersey) Law 1991 and headquartered in Switzerland. The Group's related parties comprise Ferguson plc and its

subsidiaries and the Company's Executive Board, Supervisory Board and senior employees and their immediate family members. Related parties also include companies where before mentioned persons have significant interests.

Transactions with related parties

Transactions with Ferguson plc relate mainly to provision of certain central support services. The Group also participates in the Ferguson Plc share based payment arrangements.

In addition, Wolseley Finance (Switzerland) AG a subsidiary of Ferguson plc, granted loans to the Group and the Group participates in the Ferguson Plc group's cash pooling arrangements. Interest on loans and deposits held within the cash pool are calculated in accordance with respective loan agreements and Ferguson Plc group cash pooling agreements. Interest income and expenses in relation to the cash pooling arrangement and the related party loans are disclosed in notes 4 and 5.

During the years, the Group entities entered the following transactions with related parties that are not members of the Group:

	2015	2016	2017
	€m	€m	€m
Services from related parties			
Ferguson group management fees	4	4	5
GSTS Group IT costs	3	4	4
Group insurance costs	3	2	2
Group share based payments (note 20)	2	2	2
Total transactions	**12**	**12**	**13**

These charges are based on a number of utilization measures and Management believes that the methods used to allocate expenses to the Stark Group are reasonable.

Additionally, Stark Group Holdings A/S, the immediate parent to Stark Group A/S serves as the local tax administrator for the local Danish joint tax group.

The following balances with related parties were outstanding with at the end of the reporting period:

	2015	2016	2017
	€m	€m	€m
Amounts receivable from related parties			
Wolseley Nordic Holdings Ab	84	84	88
Wolseley Limited	67	—	—
Stark Group Holding A/S	—	—	9
Total receivables at 31 July	**151**	**84**	**97**
Maturity are specified as follows:			
Within 1 year	67	84	84
Between 1 and 5 years	84	—	—
Later than 5 years	—	—	—
At 31 July	**151**	**84**	**84**
Amounts payable to related parties			
Wolseley Finance (Switzerland) AG	63	58	57
Total payables at 31 July	**63**	**58**	**57**
Maturity are specified as follows:			
Within 1 year	6	58	57
Between 1 and 5 years	57	—	—
Later than 5 years	—	—	—
At 31 July	**63**	**58**	**57**

Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

	2015	2016	2017
	€m	€m	€m
Total remuneration to the executive management: Salary	1	2	1

Executive management salary includes termination benefits amounting to €1m for the year ended 31 July 2016 and €0.5m for the year ended 31 July 2017.

Management participates in an ordinary share program and a share option program for the ultimate parent company, Ferguson plc and the Group's defined benefit pension plans. The cost of these benefits is not material.

28. List of Group companies

Name	Registered office	Voting and ownership share
Subsidiaries:		
DT Finland Oy	Finland	100%
Starkki Property Oy	Finland	100%
DT Holding (Sweden) AB	Sweden	100%
Beijer Byggmaterial AB	Sweden	100%
Beijer Byggmaterial I Uppsala AB	Sweden	100%
KB Huggjärnet 6	Sweden	100%
KB Näringen 8:4	Sweden	100%
Neumann Bygg AS	Norway	100%
Sandvold AS	Norway	100%
Stark Danmark A/S	Denmark	100%
Electro Energy A/S	Denmark	100%
Hobro Ny Trælast A/S	Denmark	100%
Stark Føroyar PF	Faroe Islands	100%
Stark Kalaallit Nunaat A/S	Greenland	100%
Bra Byggare AB	Sweden	50%
Parent:		
Stark Group A/S	Denmark	

29. First time adoption of IFRS

For the period since its incorporation in 2003 to the year ended 31 July 2005 the Group prepared consolidated financial statements under the Danish Financial Statements Act. For the financial year ended 31 July 2006 the Group transitioned to IFRS and prepared consolidated financial statements under IFRS as issued by the IASB. However, the Group stopped preparing consolidated financial statements in the subsequent financial year, following the Group's acquisition by Ferguson Plc ('Ferguson') in October 2006, as these were no longer required. Since its acquisition by Ferguson, the Group's IFRS financial information was prepared and consolidated into the IFRS financial statements of Ferguson Plc, the Group's ultimate parent and for a few years for DT Group Holding A/S, the Group's intermediate parent.

The Group's date of transition to IFRS is 1 August 2014.

The Group's IFRS accounting policies as described in note 1 have been applied in preparing the financial statements for the year ended 31 July 2017 with two years comparatives for the years ended 31 July 2016 and 2015, and the opening statement of financial position as at 1 August 2014.

The Group has applied IFRS 1 *First Time Adoption of International Financial Reporting Standards* (Revised 2008) ("IFRS 1) in preparing these first IFRS financial statements. As the Group did not prepare consolidated financial

statements under the Danish Financial Statements Act in the most recent previous financial year, no reconciliation of equity, comprehensive income or cash flows has been presented. As discussed in note 1, the Group prepared consolidated financial statements in accordance with IFRS in 2006. When applying IFRS 1, the Group has assumed re-adoption of Danish GAAP in accordance with the then current provisions requiring full retrospective adoption of Danish GAAP. This has resulted in reinstatement of goodwill as reported in the 2006 IFRS consolidated financial to cost less cumulative amortisation. Management has determined that the useful life of goodwill under Danish GAAP is equal to 10 years resulting in full amortisation of goodwill as of 1 August 2014.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain IFRS. The Group has applied the mandatory exceptions and certain optional exemptions as set out below;

The Group has applied the following exemptions:

1. IFRS 3 *Business Combinations* has not been applied to acquisitions of subsidiaries, which are considered businesses for IFRS, or of interests in associates and joint ventures that occurred before 1 August 2014. Use of this exemption means that the carrying amounts according to the Danish Financial Statements Act of assets and liabilities, which are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of IFRS recognition requirements.

2. Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 August 2014.

3. IFRS 2 *Share-based Payment* has not been applied to equity instruments granted before 1 January 2011. For cash-settled share based payment transactions, the Group has not applied IFRS 2 to liabilities that were settled before 1 January 2011.

4. The Group has applied the transitional provision in *IFRIC 4 Determining whether an Arrangement Contains a Lease* and has assessed all arrangements based upon the conditions in place as at the date of transition.

Estimates

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions as at the date of transition to IFRS and as of 31 July 2015, 2016 and 2017.

30. Subsequent events

On 10 November 2017, Ferguson Group entered into an agreement to sell Stark Group A/S to a direct subsidiary of LSF 10 Wolverine Investments S.C.A., a corporate partnership limited by shares and incorporated in Luxembourg for proceeds of €1.025bn on a debt-free and cash-free basis. LSF 10 Wolverine S.C.A. is an entity indirectly owned by Lone Star Fund X, the recently established opportunity fund organised by the principals of Lone Star, a leading private equity firm. This sale is expected to complete in Spring of 2018.

Additionally, and also subsequent to July 31, 2017, properties with a net book value of €86m have been transferred out of the Stark Group A/S to other Ferguson Group entities as they do not form part of the sale of the Group to Lone Star.

As set out in note 7, on 10 July 2017 an agreement was reached to sell Silvan to Aurelius Group. The sale of Silvan concluded on 31 August 2017 for a consideration of €19m.

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€515,000,000 Senior Secured Notes
(in a combination of fixed and floating rate notes)

€ % Fixed Rate Senior Secured Notes due 2024

€ Floating Rate Senior Secured Notes due 2024

OFFERING MEMORANDUM

, 2018

Global Coordinator and Physical Bookrunner

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