Important notice

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS PURCHASING THE SECURITIES IN OFFSHORE TRANSACTIONS OUTSIDE OF THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") (AND ONLY TO INVESTORS WHO, IF RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), ARE QUALIFIED INVESTORS UNDER ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC, AS AMENDED (THE "**PROSPECTUS DIRECTIVE**") AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH MEMBER STATE OF THE EEA).

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

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

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

Confirmation of your representation: In order to be eligible to view this preliminary Offering Memorandum or make an investment decision with respect to the securities, you must be a non-U.S. person (within the meaning of Regulation S under the U.S. Securities Act) located outside the United States. In addition, investors resident in a Member State of the EEA must be a qualified investor (within the meaning of the Prospectus Directive and any relevant implementing measure in the relevant Member State of the EEA). This preliminary Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this preliminary Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers set forth in the attached preliminary Offering Memorandum (the "**Initial Purchasers**") that (1) you and any customers you represent are (a) not a U.S. person and (b) 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, any state of the United States or the District of Columbia; "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and (iii) if you are resident in a Member State of the EEA, you are a qualified investor (within the meaning of the Prospectus Directive and any relevant implementing measure in each Member State of the EEA) and (2) that you consent to delivery of such preliminary Offering Memorandum by electronic transmission.

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 lawfully may be 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. You may not transmit the attached preliminary Offering Memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person, except with the consent of the Initial Purchasers. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function of your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that offerings be made by a licensed broker or dealer and an Initial Purchaser or any affiliate of an Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to have been made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

Any securities to be issued will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Notwithstanding the foregoing, prior to the expiration of a 40-day distribution compliance period (as defined under Regulation S under the U.S. Securities Act) commencing on the issue date, the securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption (other than Regulation S under the U.S. Securities Act) from the registration requirements of the U.S. Securities Act.

This preliminary Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, the Issuer, their affiliates or any person who controls any Initial Purchaser, the Issuer 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 distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

This preliminary Offering Memorandum is being distributed for information purposes only and is subject to completion and amendment (which may be material) without notice. This preliminary Offering Memorandum shall not and is not intended to constitute or contain any offer of invitation to sell or the solicitation of any offer to buy and may not be used as or in connection with any offer or invitation to sell or a solicitation to buy any of the Notes.

SUBJECT TO COMPLETION, DATED MAY 2, 2017

PRELIMINARY OFFERING MEMORANDUM
STRICTLY CONFIDENTIAL

NOT FOR GENERAL CIRCULATION
IN THE UNITED STATES

NORICAN A/S

€340.0 million % Senior Secured Notes due 2023

Norican A/S, a public limited liability company organized under the laws of Denmark (the "**Issuer**"), is offering €340.0 million in aggregate principal amount of its % senior secured notes due 2023 (the "**Notes**"). The Issuer will issue the Notes in connection with the refinancing of certain indebtedness, including the refinancing of shareholder loans borrowed in connection with the acquisition on April 28, 2017 (the "**Acquisition**") by a subsidiary of the Issuer of all the outstanding share capital of Light Metal Casting Solutions Group GmbH ("**LMCS**" and together with its subsidiaries, the "**LMCS Group**").

The Issuer will pay interest on the Notes semi-annually in arrears on and in each year, commencing on , 2017. The Notes will mature on , 2023. Prior to November , 2019, the Issuer may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the applicable "make-whole" premium, as described in this offering memorandum (the "**Offering Memorandum**"). In addition, at any time prior to November , 2019, the Issuer may redeem at its option up to 40% of the Notes with the proceeds from certain equity offerings at a redemption price set forth under "*Description of the Notes—Optional Redemption*," plus accrued and unpaid interest and additional amounts, if any, so long as at least 50% of the original principal amount of the Notes (including any additional Notes) remains outstanding. Prior to November , 2019, the Issuer may in any calendar year redeem up to 10% of the original principal amount of the Notes (including any additional Notes) at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. At any time on or after November , 2019, the Issuer may redeem all or a portion of the Notes at the redemption prices specified herein. The Issuer may also redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. In addition, in connection with certain tender offers for the Notes, 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 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 of Notes. See "*Description of the Notes—Optional Redemption.*" In addition, in the event of certain events defined as a change of control or in connection with assets sales, the Issuer may be required to make an offer to purchase the Notes. However, a change of control will not be deemed to have occurred if a certain consolidated net leverage ratio is not exceeded in connection with an event that otherwise would constitute a change of control.

The Notes will be general senior secured obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer's existing and future senior indebtedness that is not subordinated in right of payment to the Notes, including the obligations of the Issuer under the Revolving Credit Facility (as defined below) and certain hedging obligations, and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes will be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness. The Notes will be guaranteed (collectively, the "**Notes Guarantees**" and each, a "**Notes Guarantee**") (i) on the Issue Date by (A) Norican Global A/S (the "**Parent Guarantor**") and (B) Norican Holdings ApS ("**Norican Holdings**"), Norican Group ApS, Castalloy, Inc., DISA Holding AG, DISA Holding A/S, DISA Holding II A/S, DISA Industrie AG, DISA Industries A/S, DISA Industries, Inc., DISA Holding LLC, WG Global, LLC, WGH Holding Corp., WGH UK Holdings Limited, WGH UK Limited, Wheelabrator Czech s.r.o., Wheelabrator Group GmbH, Wheelabrator Group, Inc., Wheelabrator Group Holding GmbH, Wheelabrator Group Limited and Wheelabrator Technologies (UK) Limited (collectively, the "**Norican Guarantors**") and (ii) on the earlier of (A) the date that such entity guarantees the Revolving Credit Facility and (B) the 120th day from the Acquisition Closing Date, by LMCS, Light Metal Casting Equipment GmbH, SWO Holding GmbH, Striko Westofen GmbH, Italpresse Industrie S.r.l. and Gauss Automazione S.r.l. (collectively, the "**LMCS Guarantors**" and, together with the Parent Guarantor and the Norican Guarantors, the "**Notes Guarantors**"), in each case on a senior secured basis. The Notes will also be structurally subordinated to any existing or future indebtedness of the Subsidiaries of the Parent Guarantor that are not Notes Guarantors (including prior to the earlier of (i) the date that such entity guarantees the Revolving Credit Facility and (ii) the 120th day from the Acquisition Closing Date, each of the LMCS Guarantors), including obligations to trade creditors. The Notes Guarantors also guarantee the Revolving Credit Facility and certain hedging obligations on a senior secured basis.

The Notes and the Notes Guarantees will be secured on a first-priority basis (i) on the Issue Date by first-priority pledges of the shares of the Issuer, Norican Holdings, Norican Group ApS, DISA Holding A/S, DISA Holding II A/S and DISA Industries A/S and a first-priority security interest over the intra-group receivables. between the Issuer, Norican Holdings and Norican Group ApS (the "**Issue Date Collateral**"), (ii) on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue Date, by first-priority security interests over the shares of the Norican Guarantors not yet pledged as Issue Date Collateral and certain assets of the Issuer and the Norican Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**Norican Collateral**") and (iii) on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Closing Date, by first-priority security interests over the shares of the LMCS Guarantors and certain assets of the LMCS Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**LMCS Collateral**" and, together with the Issue Date Collateral and the Norican Collateral, the "**Collateral**"). See "*Summary—The Offering—Security.*" The validity and enforceability of the Notes Guarantees and the security interests and the liability of each Notes Guarantor under a Notes Guarantee and/or a security interest will be subject to certain contractual limitations due to legal restrictions on the granting of guarantees and security interests in certain jurisdictions. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests.*" The Notes Guarantees will be subject to the terms of the Intercreditor Agreement (as defined herein). See "*Description of other indebtedness—Intercreditor Agreement*" and "*Description of the Notes—Security.*" Under the terms of the Intercreditor Agreement, in the event of an enforcement of the Collateral, holders of the Notes will receive proceeds from such enforcement only after the lenders under the Revolving Credit Facility and counterparties to certain hedging agreements have been repaid in full. In addition, the Notes Guarantees and the security interests in the Collateral may be released under certain circumstances. Subject to the applicable terms of the Indenture (as defined herein) and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness.

The Notes will be in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on the issue date by one or more global notes, which will be delivered through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream**"), on or about , 2017 (the "**Issue Date**"). This Offering Memorandum includes information on the terms of the Notes and the Notes Guarantees, including redemption and repurchase prices, covenants, events of default and transfer restrictions.

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

Investing in the Notes involves a high degree of risk. See "*Risk factors*" beginning on page 40.

Issue Price: % plus accrued interest from the Issue Date

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction, and 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. This Offering is being made to non-U.S. persons in connection with offshore transactions in reliance on Regulation S under the U.S. Securities Act. See "*Plan of distribution*" and "*Notice to investors*" for further details about eligible offerees and resale restrictions.

Joint Global Coordinators and Joint Physical Bookrunners

J.P. Morgan **SEB**

The date of this Offering Memorandum is , 2017.

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In making your investment decision, you should rely only on the information contained in this Offering Memorandum. None of J.P. Morgan Securities plc or Skandinaviska Enskilda Banken AB (publ) (the "Initial Purchasers"), the Issuer or the Notes Guarantors has authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. None of the Issuer, the Notes Guarantors or the Initial Purchasers is offering to sell the Notes in any jurisdiction where offers and sales are 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 cover of this Offering Memorandum. The Issuer and its subsidiaries' business or financial position and other information contained in this Offering Memorandum may change after that date.

Important information about this Offering Memorandum

The Issuer has prepared this Offering Memorandum based on its own information or information it has obtained from sources believed to be reliable. Summaries of documents contained in this Offering Memorandum may not be complete. The Issuer will make copies of certain documents described under "*Listing and general information—Listing information*" available to you at its offices upon request. Neither the Issuer nor any of the Initial Purchasers represents that the information herein is complete. The information in this Offering Memorandum is current only as of the date on the cover, and the Issuer and its subsidiaries' business or financial condition, along with other information in this Offering Memorandum, may change after that date. You should consult your own legal, tax and business advisors regarding an investment in any Notes. Information in this Offering Memorandum is not legal, tax or business advice.

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. None of the Issuer, the Initial Purchasers or any of their respective representatives has authorized anyone to provide you with any different information. You must not rely upon unauthorized information or representations.

The Issuer is offering the Notes in reliance on an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under "*Notice to investors*." You may be required to bear the financial risk of an investment in such Notes for an indefinite period. Neither the Issuer nor any of the Initial Purchasers is making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is unlawful. The Issuer is not making any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither the Issuer nor the Initial Purchasers shall have any responsibility therefor.

This Offering Memorandum is not an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Neither the U.S. Securities and Exchange Commission, any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The Initial Purchasers make no representations or warranty, express or implied, as to 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 future. The Issuer, and not the Initial Purchasers, has ultimate authority over the information contained in this Offering Memorandum and whether and how to communicate the information contained herein. The Initial Purchasers do not undertake to review the financial condition or affairs of the Issuer or any Notes Guarantor during the life of the Notes or to advise any investor or prospective investor in the Notes of any information coming to the attention of any Initial Purchaser. By receiving this Offering Memorandum, you acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer has made all reasonable inquiries and confirms to the best of its knowledge, information and belief that the information contained in this Offering Memorandum with regard to itself and 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 that the Issuer is not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

The Issuer has prepared this Offering Memorandum solely for use in connection with the offer of the Notes to non-U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) outside the United States under Regulation S under the U.S. Securities Act. This Offering Memorandum is strictly confidential and may not be copied or reproduced in whole or in part. You agree that you will hold the information contained in this Offering Memorandum and the transactions contemplated hereby in confidence. You may not distribute this Offering Memorandum to any person, other than a person retained to advise you in connection with the purchase of any Notes. Delivery of this Offering Memorandum to anyone other than any such person retained to advise you is unauthorized, and any reproduction of this Offering Memorandum, in whole or in part, is prohibited. By accepting delivery of this Offering Memorandum, you agree to these restrictions. Please see "*Notice to investors*."

The Issuer and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

The information contained under the caption "*Currency presentation and exchange rate information*" includes extracts from information and data publicly released by official and other sources. While the Issuer accepts responsibility for accurately summarizing the information concerning currency presentation and exchange rate information, the Issuer accepts no further responsibility in respect of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled "*Book-entry, delivery and form*," is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear and 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 Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "*Notice to investors*."

Application has been made to The International Stock Exchange Authority Limited for the listing of and permission to deal in the Notes on the Official List of The International Stock Exchange (the "**Exchange**") and we have submitted this Offering Memorandum to the competent authority in connection with the listing application. In the course of any review by the competent authority, we may be requested to make changes to the financial and other information included in this Offering Memorandum in producing listing particulars for such listing. 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. We may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained, and settlement of the Notes is not conditioned on obtaining this listing. Any investor or potential investor in the European Economic Area (the "**EEA**") should not base any investment decision relating to the Notes on the information contained in this Offering Memorandum after publication of the listing particulars and should refer instead to those listing particulars.

Stabilization

IN CONNECTION WITH THE OFFERING, J.P. MORGAN SECURITIES PLC (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 IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

Important information about selling and jurisdictional restrictions

United States

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under "*Notice to investors*." None of the Notes or the Notes Guarantees have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offering is being made only to non-U.S. persons in offshore transactions (each as defined in Regulation S). The Notes may not be offered, sold or delivered (i) as part of an Initial Purchaser's distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the latest closing date, within the United States or to, or for the account or benefit of, U.S. persons, and each dealer to which Notes have been sold during the 40-day distribution compliance period will be sent a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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 the Prospectus Directive (as defined below), from the requirement to produce a prospectus for offers of the Notes. In relation to each Member State of the European Economic Area ("**EEA**") which 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 of Notes to the public in that Relevant Member State may be made other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, *provided* that no such offer of Notes shall require us or any Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do 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.

For the purposes of this section, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

This Offering Memorandum is being distributed only to and is directed only at: (a) 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**"), (b) high net worth bodies corporate and any other person falling within Article 49(2)(a) to (d) of the Order, (c) persons outside the United Kingdom and (d) 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").

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.

Czech Republic

No prospectus within the meaning of the Czech Act No. 256/2004 Coll., on Conducting Business in the Capital Markets, as amended (the "**Capital Markets Act**") has been, or is expected to be, approved by, or notified to, the Czech National Bank and published in the Czech Republic in connection with the Notes in accordance with Czech law to allow the public offering of the Notes in the Czech Republic. Therefore, the Notes may not be offered, advertised or sold in the Czech Republic other than (i) to any legal entity which is a qualified investor within the meaning of the Capital Markets Act, (ii) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of the Capital Markets Act), as permitted under the Capital Markets Act, or (iii) pursuant to any other applicable exemption under Czech law. This Offering Memorandum is strictly for private use and the offer is only being made solely to the recipients to whom this Offering Memorandum is personally addressed and does not constitute an offer or advertisement to the public in the Czech Republic.

Denmark

This Offering Memorandum has not been filed with or approved by the Danish Financial Supervisory Authority 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 Chapter 6 or

Chapter 12 of the Danish Act on Trading in Securities and Executive Orders issued pursuant thereto as amended from time to time.

France

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des Marchés Financiers* (the French financial markets authority) (the "**AMF**") and therefore has not been and will not be submitted to the AMF for prior approval or otherwise and does not require a prospectus to be submitted for approval to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France pursuant to article L. 411-2-II of the French Code *monétaire et financier* to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in and in accordance with L. 411-1, L. 411-2, D. 411-1, D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Code *monétaire et financier*. Prospective investors are informed that (a) this Offering Memorandum has not been and will not be submitted for clearance to the AMF, (b) qualified investors (*investisseurs qualifiés*) and any restricted circle of investors (*cercle restreint d'investisseurs*) referred to in article L. 411-2-II-2 of the French Code *monétaire et financier* may only participate in the Offering for their own account, as provided under articles L. 411-2-II-2, D. 411-1, D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Code *monétaire et financier* and (c) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with applicable laws and regulations, in particular those relating to an offer to the public (*offre au public de titres financiers*) (which are embodied in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code *monétaire et financier*).

Germany

The Offering is not a public offering in the Federal Republic of Germany. The Notes may only be offered, sold and acquired in the Federal Republic of Germany in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, the Commission Regulation No (EC) 809/2004 of April 29, 2004, as amended, and any other laws applicable in Germany governing the issue, offering and sale of securities. This Offering Memorandum has not been approved under the German Securities Prospectus Act or the Prospectus Directive for purposes of a public offer of the Notes and accordingly the Notes may not be, and are not, offered or advertised publicly or by public promotion in the Federal Republic of Germany (and no application has been made to permit such offering). Therefore, this Offering Memorandum is strictly for private use and the Offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The Notes may be offered in the Federal Republic of Germany based on an exemption—concerning qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 no. 6 of the German Securities Prospectus Act—from the requirement to publish an approved securities prospectus under the German Securities Prospectus Act, and the Notes will only be available to, and this Offering Memorandum and any other offering materials relating to the Notes are only directed at such qualified investors. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. The Issuer has not filed and does not intend to file a securities prospectus with the German Federal Financial

Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") or obtain a notification to BaFin from another competent authority of a member state of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17(3) of the German Securities Prospectus Act.

Republic of Italy

No action has been or will be taken that could allow an offering of the Notes to the public in the Republic of Italy within the meaning of Article 1, paragraph 1, letter t) of Legislative Decree No. 58 of February 24, 1998, as subsequently integrated and amended ("**Financial Services Act**"). Accordingly, the Notes may not be offered, sold or delivered directly or indirectly in the Republic of Italy, and neither this Offering Memorandum nor any other offering circular, prospectus, form of application, advertisement, other offering material or other information relating to the Issuer, the Notes Guarantors, or the Notes may be issued, distributed or published in the Republic of Italy, except:

(i) to qualified investors (*i.e. investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-*ter*, first paragraph *letter b)* of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently integrated and amended ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as subsequently integrated and amended) and Legislative Decree No. 385 of September 1, 1993, as subsequently integrated and amended (the "**Banking Act**"); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as subsequently integrated and amended, pursuant to which the Bank of Italy may request information on the securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or any other applicable requirement or limitation which may be imposed from time to time by CONSOB or other competent authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.

Sweden

This is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lagen* (1991:980) *om handel med finansiella instrument*). Neither the Swedish Financial Supervisory Authority nor any other Swedish public body has examined, approved or registered this document. 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.

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

Available information

We are not currently, and we will not be, subject to the periodic reporting and other information requirements of the U.S. Exchange Act. Pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See "*Description of the Notes—Certain covenants—Reports*."

Industry and market data

We operate in the metallic parts formation and metallic parts preparation industries, for which it is difficult to obtain precise industry and market information. Unless otherwise indicated, statements in this Offering Memorandum regarding the industry and market environment, market developments, growth rates, industry and market trends and the competitive situation (including market share and market position) in the industry, markets and segments in which we operate are based primarily on our own estimates. This Offering Memorandum also includes estimated market share and industry data that we derived from various third party sources, as well as our own internal estimates and industry knowledge. The third party providers of market and industry data relating to our business include reports publicly made available by:

- Machine Tools A Global Strategic Business Report, September 2011
- Thin Layer Deposition Equipment: A Global Strategic Business Report, 2011
- The Metallic Abrasives Industry, 3rd Edition, 2012
- Stratecast Inc A Global Analysis of Casting Production and Competitive Intelligence Information, 2013
- Shot-Blasting Global Study, 4th Edition, 2014
- The 2016 World Forecasts of Metal Honing or Lapping Machines Export Supplies, 2015
- The World Market for Casting Machines Used in Metallurgy or Metal Foundries: A 2016 Global Trade Perspective, 2015
- Technavio, Global Non-ferrous Casting Market, December 2015
- Technavio, January 2016
- Technavio, Global Steel Casting Market, January 2016
- Technavio, Global Foundry Equipment, February 2016
- BMI Research, March 2017
- Airline monitor, February 2017
- The 2018-2023 World Outlook for Iron Foundries, 2017
- The 2018-2023 World Outlook for Machine Tools, 2017
- The 2018-2023 World Outlook for Die Casting, 2017
- Global Insight, February 2017

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no guarantee, representation or warranty (either expressly or implied) of the accuracy or completeness of such data or changes to such data following publication thereof. We believe that these industry publications, surveys and forecasts are reliable, but neither we nor the Initial Purchasers have independently verified them or make any representation or warranty as to or their accuracy or completeness. We and the Initial Purchasers 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 data on which our estimates are based. In particular, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is by nature forward-looking and speculative. To the extent these industry publications, surveys and forecasts are accurate and complete, we believe we have correctly extracted and reproduced the information from such sources. Third party sources explicitly disclaim any liability for any loss or damage, howsoever caused, arising from any errors, omissions or reliance on any information or views contained in their reports.

In addition, in many cases, statements in this Offering Memorandum regarding our industry and our position in the industry reflect estimates made by us of market data, and information (including estimates of our market share and market position) derived from such data, that cannot be obtained from publications by market research institutes or from other independent sources. Such information is based on our experience, the evaluation of industry information, our determination of our addressable markets and our own investigation of market conditions, including, estimates of our installed base and that of our competitors. Comparisons between our reported financial or operational information and that of other industry participants using this information may not fully reflect the actual market share or position in the market, as such information may not be defined consistently or reported for all industry participants as we define or report such information in this Offering Memorandum. We believe that our estimates of market data may help investors to better understand the industry we operate in and our position within it. We cannot assure you that any of the assumptions on which we have based our information and estimates are accurate or correctly reflect our position in the industry and our end markets, and our own estimates have not been checked or verified externally. We nevertheless assume that our own market observations are reliable. Neither we nor the Initial Purchasers give any 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 future studies conducted by market research institutes or other independent sources.

While we are not aware of any misstatements regarding the industry or similar data presented herein, our estimates involve certain assumptions, risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk factors*" in this Offering Memorandum. Neither we nor the Initial Purchasers can assure you that any of these statements are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources, and we cannot guarantee their accuracy.

We do not intend, and do not assume any obligations, to update industry or market data set forth in this Offering Memorandum, except as required by law. Finally, trends in the industry and the markets in which we operate may change. As a result, investors and prospective investors should be aware that data in this Offering Memorandum and estimates based on that data may be an unreliable indicator of future results.

Patents and trademarks

The Norican Group owns or has rights to a large number of active patents and trademarks across various jurisdictions which are managed out of the U.S. and Denmark. As of December 31, 2016, the Norican Group held 126 active patents for DISA® and 198 active patents for Wheelabrator®. We use the trademark "Wheelabrator" which is owned by Wheelabrator Technologies Inc. and licensed to us under a non-exclusive trademark license agreement dated December 2, 1996. We are unable to use the name "Wheelabrator" in respect of parts preparation subsidiaries incorporated after December 2, 1996 and three other companies currently have rights to use the Wheelabrator name under other licenses with Wheelabrator Technologies Inc. All other brand names, trademarks or service marks referred to in this Offering Memorandum are our property or the property of their respective owners.

The LMCS Group owns or has rights to 18 patents (including four patents pending) and 40 trademarks, in both its Italpresse and StrikoWestofen businesses.

Certain definitions

Unless otherwise required by the context or explicitly stated, the following definitions shall apply throughout the document.

"Acquisition"	The Acquisition as defined in "*Summary—The Acquisition*."
"Acquisition Agreement" . .	The agreement on the sale and transfer of all shares in LMCS by Norican Group ApS, as purchaser, and the Issuer, as purchaser's guarantor, dated as of February 21, 2017. See "*Summary—The Acquisition*."
"Altor Acquisition"	The acquisition by the Issuer of all the issued share capital of Norican Holdings on February 26, 2015.
"Clearstream"	Clearstream Banking, *société anonyme.*
"Collateral"	Collectively, the Issue Date Collateral, the Norican Collateral and the LMCS Collateral, as further described in "*Description of the Notes—Security*." The validity and enforcement of the Collateral is subject to certain restrictions under applicable laws. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."
"Combined Group," "we," "us" or **"our"**	The Parent Guarantor and its subsidiaries after giving effect to the Acquisition.
"EC"	European Commission.
"EEA"	European Economic Area.
"EU"	European Union.
"euro," "EUR" or **"€"**	Euro, the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.
"Euroclear"	Euroclear Bank SA/NV.
"Existing Revolving Credit Facility"	The revolving credit facility under the Existing Senior Facilities Agreement.
"Existing Senior Facilities" .	The Existing Term Loan A Facility, the Existing Term Loan B Facility and the Existing Revolving Credit Facility.
"Existing Senior Facilities Agreement"	The amendment and restatement agreement to a senior facilities agreement dated February 24, 2008, among, *inter alios*, Norican A/S, as original borrower, and Nordea Bank Danmark A/S as agent, providing for multi-currency term and revolving credit facilities.
"Existing Term Loan A Facility"	The term facility A under the Existing Senior Facilities Agreement.
"Existing Term Loan B Facility"	The term facility B under the Existing Senior Facilities Agreement.

"German GAAP"	Generally accepted accounting principles in Germany.
"IFRS"	International Financial Reporting Standards, as adopted by the EU.
"Indenture"	The indenture governing the Notes to be dated as of the Issue Date among, *inter alios*, the Issuer and the Trustee.
"Indian rupee"	The Indian Rupee, the lawful currency of India.
"Initial Purchasers"	J.P. Morgan Securities plc and Skandinaviska Enskilda Banken AB (publ).
"Intercreditor Agreement"	The agreement to be entered into on or prior to the Issue Date by and among, *inter alios*, the lenders and the facility agent under the Revolving Credit Facility and the Security Agent, and to which the Trustee will accede on the Issue Date.
"Issue Date"	The date of original issuance of the Notes.
"Issue Date Collateral"	First-priority pledges of the shares of the Issuer, Norican Holdings, Norican Group ApS, DISA Holding A/S, DISA Holding II A/S and DISA Industries A/S and a first-priority security interest over the intra-group receivables between the Issuer, Norican Holdings and Norican Group ApS.
"Issuer"	Norican A/S, a public limited liability company organized under the laws of Denmark, having its registered office at Højager 8, DK-2630 Taastrup, Denmark.
"LMCS"	Light Metal Casting Solutions Group GmbH (formerly known as Light Metal Casting Group GmbH).
"LMCS Collateral"	First-priority security interests over the shares of the LMCS Guarantors and certain assets of the LMCS Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies), which will secure the Notes on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Closing Date.
"LMCS Group"	LMCS and its subsidiaries.
"LMCS Guarantors"	Collectively, LMCS, Light Metal Casting Equipment GmbH, SWO Holding GmbH, Striko Westofen GmbH, Italpresse Industrie S.r.l. and Gauss Automazione S.r.l., which will provide a Notes Guarantee on the earlier of (A) the date that such entity guarantees the Revolving Credit Facility and (B) the 120th day from the Acquisition Closing Date.
"Member State"	A member state of the European Economic Area.
"Norican Collateral"	First-priority security interests over the shares of the Norican Guarantors not yet pledged as Issue Date Collateral and certain assets of the Issuer and the Norican Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies), which will secure the Notes on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue Date.

"Norican Group"	The Parent Guarantor and its subsidiaries after the Altor Acquisition but prior to the Acquisition, and Norican Holdings and its subsidiaries prior to the Altor Acquisition.
"Norican Guarantors"	Collectively, Norican Holdings, Norican Group ApS, Castalloy, Inc., DISA Holding AG, DISA Holding A/S, DISA Holding II A/S, DISA Industrie AG, DISA Industries A/S, DISA Industries, Inc., DISA Holding LLC, WG Global, LLC, WGH Holding Corp., WGH UK Holdings Limited, WGH UK Limited, Wheelabrator Czech s.r.o., Wheelabrator Group GmbH, Wheelabrator Group, Inc., Wheelabrator Group Holding GmbH, Wheelabrator Group Limited and Wheelabrator Technologies (UK) Limited which will provide a Notes Guarantee on the Issue Date.
"Norican Holdings"	Norican Holdings ApS, a subsidiary of the Issuer.
"Notes"	€340.0 million in aggregate principal amount of the Issuer's % senior secured notes due 2023 offered hereby.
"Notes Guarantees"	The guarantees of the Notes to be issued by the Notes Guarantors.
"Notes Guarantors"	Collectively, the Parent Guarantor, the Norican Guarantors and the LMCS Guarantors.
"Offering"	This offering of the Notes pursuant to this Offering Memorandum.
"Parent Guarantor"	Norican Global A/S.
"Pro Forma Basis"	Having given effect to the Transactions as of the first day of the relevant period in question, in each case as described under "*Pro Forma Consolidated Financial Information*."
"Revolving Credit Facility" .	The revolving credit facility under the Revolving Credit Facility Agreement, which is described in more detail in "*Description of other indebtedness—Revolving Credit Facility*."
"Revolving Credit Facility Agreement"	The multi-currency revolving credit facility agreement to be entered into on or before the Issue Date among Norican Group ApS, as original borrower, and Skandinaviska Enskilda Banken AB (publ), as lender and arranger, pursuant to which the Revolving Credit Facility will be made available.
"SEC"	The United States Securities and Exchange Commission.
"Security Agent"	U.S. Bank Trustees Limited, as security agent with respect to the Collateral.
"Security Documents"	The security documents as further described under "*Description of the Notes—Security*."
"Transactions"	Means the Acquisition and the Refinancing (including this Offering), as further described in "*Summary—The Transactions*."
"Trustee"	U.S. Bank Trustees Limited, as trustee for the holders of the Notes.
"U.S." or **"United States"** . .	United States of America.
"U.S. dollars," "USD," "dollars" or **"$"**	U.S. dollars, the lawful currency of the United States of America.
"U.S. Exchange Act"	The United States Securities Exchange Act of 1934, as amended.
"U.S. GAAP"	Generally accepted accounting principles in the United States.
"U.S. Securities Act"	The United States Securities Act of 1933, as amended.

Presentation of financial information and other data

Presentation of financial information

We present in this Offering Memorandum certain historical information for (i) Norican Global A/S (the "**Parent Guarantor**"), (ii) Norican Holdings ApS ("**Norican Holdings**") and (iii) Light Metal Casting Solutions Group GmbH ("**LMCS**").

Such information includes certain audited financial statements, certain non-GAAP financial information and other information, each as set forth below. For an overview of the entities in the Combined Group, see "*Summary—Summary corporate structure*."

Historical financial information

The historical financial data as of and for the periods ended December 31, 2014, 2015 and 2016 presented in this Offering Memorandum has been extracted from the historical financial statements listed below.

The Norican Group's historical financial information

- The audited consolidated financial statements and the parent financial statements of the Parent Guarantor as of and for the year ended December 31, 2016, prepared in accordance with IFRS, including the auditors' report thereon (the "**Parent Guarantor 2016 Audited Financial Statements**").

- The audited consolidated financial statements and the parent financial statements of the Parent Guarantor as of and for the period from December 11, 2014, to December 31, 2015, prepared in accordance with IFRS, including the auditors' report thereon (the "**Parent Guarantor 2015 Audited Financial Statements**"). December 11, 2014 was the date on which the Parent Guarantor was formed. Prior to the date of the Altor Acquisition on February 26, 2015, the Parent Guarantor did not have any business operations or material assets or liabilities other than those incurred in connection with its incorporation and the Altor Acquisition.

- On February 26, 2015, the Issuer acquired all of the issued share capital of Norican Holdings (the "**Altor Acquisition**"), the entity at which consolidated results of operations were previously presented for the Norican Group. In order to provide a comparable basis of analysis, results of operations for the period from January 1, 2015 to December 31, 2015 (the "**Parent Guarantor 2015 Supplementary Pro Forma Results of Operations**"), which is the normal annual reporting period for the Norican Group, were presented in the Parent Guarantor 2015 Audited Financial Statements. The Parent Guarantor 2015 Supplementary Pro Forma Results of Operations were prepared on the basis of the accounting principles of the Parent Guarantor and IFRS and include an adjustment for amortization of intangibles corresponding to the purchase price allocation adjustments resulting from the Altor Acquisition.

- The audited consolidated financial statements of Norican Holdings as of and for the year ended December 31, 2014, prepared in accordance with IFRS, including the auditors' report thereon (the "**Norican Holdings 2014 Audited Financial Statements,**" and together with the Parent Guarantor 2016 Audited Financial Statements and the Parent Guarantor 2015 Audited Financial Statements, the "**Norican Group Financial Statements**"). Norican Holdings was the entity at which consolidated results of operations were presented for the Norican Group prior to the Altor Acquisition and represents the predecessor entity to the Parent Guarantor. The balance sheet and the income statement as of and for the year ended December 31, 2014 do not separately present non-controlling interest or income attributable to non-controlling interest, and so the presentation of equity and net income are not comparable to the other periods presented in respect of the Norican Group.

The LMCS Group's historical financial information

- The audited consolidated financial statements of LMCS as of and for the year ended December 31, 2016, prepared in accordance with German GAAP, including the auditors' report thereon (the "**LMCS 2016 Audited Financial Statements**").
- The audited consolidated financial statements of LMCS as of and for the period from March 6, 2015 and ending December 31, 2015, prepared in accordance with German GAAP, including the auditors' report thereon (the "**LMCS 2015 Stub Period Audited Financial Statements**" and together with the LMCS 2016 Audited Financial Statements, the "**LMCS Group Financial Statements**"). The LMCS Group was formed by the combination of the StrikoWestofen GmbH group of companies and the Italpresse Industrie S.r.l. group of companies into LMCS on March 6, 2015. As a result, no consolidated financial statements for the LMCS Group exist in respect of any period prior to March 6, 2015, and so the results of operations presented in the LMCS 2015 Stub Period Audited Financial Statements are not comparable to those presented in the LMCS 2016 Audited Financial Statements.

Preparation of historical financial information

The preparation of financial statements in conformity with IFRS, in respect of the Norican Group Financial Statements, or German GAAP, in respect of the LMCS Group Financial Statements, requires the use of certain critical accounting estimates. It also requires 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 Norican Group Financial Statements and the LMCS Group Financial Statements, respectively.

Pro forma financial information

We also present in this Offering Memorandum certain unaudited pro forma consolidated financial information (the "**Pro Forma Consolidated Financial Information**") including:

- the unaudited pro forma consolidated income statements of the Combined Group for the year ended December 31, 2016 (the "**Pro Forma Consolidated Income Statement**"); and
- the unaudited pro forma consolidated balance sheet of the Combined Group as of December 31, 2016 (the "**Pro Forma Consolidated Balance Sheet**").

The Pro Forma Consolidated Financial Information combines, as of and for the periods presented, the information contained in the Parent Guarantor 2016 Audited Financial Statements and the LMCS 2016 Audited Financial Statements subject to certain adjustments and assumptions as described in "*Pro Forma Consolidated Financial Information*." The Pro Forma Consolidated Financial Information is presented to illustrate the expected effects of the Transactions on the Combined Group's historical financial position and results of operations, as if all of such transactions had occurred on January 1, 2016, for the Pro Forma Consolidated Income Statement and as at December 31, 2016 for the Pro Forma Consolidated Balance Sheet.

The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. The Pro Forma Consolidated Financial Information is presented for informational purposes only and is not intended to represent or be indicative of the financial condition or results of operations that we would have reported had the transactions described above actually occurred during the periods and as of the dates presented, and the Pro Forma Consolidated Financial Information does not purport to project the results of operations or financial condition for any future period. The Pro Forma Consolidated Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards. Neither the assumptions underlying the pro forma adjustments nor the resulting Pro Forma Consolidated Financial Information have been audited or reviewed. See "*Pro Forma Consolidated Financial Information*" for the basis of preparation of the Pro Forma Consolidated Financial Information.

The financial information set forth in this Offering Memorandum should be read in conjunction with "*The Norican Group's management's discussion and analysis of financial condition and results of operations*," "*The LMCS Group's management's discussion and analysis of financial condition and results of operations*," and the Financial Statements included elsewhere in this Offering Memorandum.

Other financial information

This Offering Memorandum includes certain financial information and related data on an as adjusted basis to give effect to the Transactions, including financial data adjusted to reflect the effect of the Transactions on the Parent Guarantor's debt and capitalization as if the Transactions had occurred on December 31, 2016, and on the Parent Guarantor's interest expense as if the Transactions had occurred on January 1, 2016. The as adjusted financial information has been prepared for illustrative purposes only and does not represent what the Parent Guarantor's debt would have been had the Transactions occurred on December 31, 2016, or what the Parent Guarantor's interest expense would have been had the Transactions occurred on January 1, 2016, nor does it purport to project the Parent Guarantor's debt or interest expense at any future date.

In addition, this Offering Memorandum also includes certain financial information in respect of the Norican Group for the years ended December 31, 2009, 2010, 2011, 2012 and 2013. This information has been derived from the audited historical consolidated financial statements of Norican Holdings not otherwise included in this Offering Memorandum and has been presented for illustrative purposes only.

The other financial information included elsewhere in this Offering Memorandum is not intended to comply with the SEC's reporting requirements.

IFRS differs in various significant respects from U.S. GAAP and German GAAP. In making an investment decision, you should rely upon your own examination of the terms of the Offering and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS, on one hand, and U.S. GAAP and German GAAP, on the other hand, and how those differences could affect the financial information contained in this Offering Memorandum.

Non-GAAP measures

We have included certain non-GAAP financial measures in this Offering Memorandum that are not recognized by IFRS or German GAAP and that may not be permitted to appear on the face of the financial statements or in the footnotes thereto. Set forth below are the primary non-GAAP financial measures used in this Offering Memorandum, including certain EBITDA-based measures. Each of the EBITDA-based measures presented in this Offering Memorandum differs from the definition of "Consolidated Adjusted EBITDA" that is contained in the Indenture.

Each of these non-GAAP measures is disclosed and reconciled to its closest comparable IFRS measure under "*Summary—Summary consolidated financial and other information*."

Non-GAAP measures in respect of Pro Forma Consolidated Financial Information

- **Pro forma EBITDA:** we define pro forma EBITDA as pro forma net income plus pro forma income tax expense, pro forma net finance costs, pro forma depreciation and pro forma amortization in respect of the Combined Group on a Pro Forma Basis. For more information see "*Pro Forma Consolidated Financial Information*" and footnote (3) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

- **Pro forma reported EBITDA:** we define pro forma reported EBITDA as pro forma net income plus pro forma income tax expense, pro forma net finance costs, pro forma depreciation and pro forma amortization, pro forma restructuring charges, pro forma foreign exchange, pro forma transaction costs and pro forma other non-operating expenses, in respect of the Combined Group on a Pro Forma Basis. For more information see "*Pro Forma Consolidated Financial Information*" and footnote (3) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

- **Pro forma reported EBITDA margin:** we define pro forma reported EBITDA margin as pro forma reported EBITDA divided by pro forma revenue.

- **Pro forma adjusted EBITDA:** we define pro forma adjusted EBITDA as pro forma reported EBITDA as further adjusted to reflect the run-rate effect of certain cost synergies which we expect to realize within 12-30 months of the Acquisition. See footnote (3) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

- **Pro forma adjusted EBITDA margin:** we define pro forma adjusted EBITDA margin as pro forma adjusted EBITDA divided by pro forma revenue.

- **Pro forma tangible capital expenditures:** we define pro forma tangible capital expenditures as additions for the year ended December 31, 2016 to pro forma property, plant and equipment. See footnote (6) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

- **Pro forma net trade working capital:** we define pro forma net trade working capital as pro forma trade and other receivables, plus pro forma inventory, less pro forma deferred revenue. See footnote (7) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

- **Pro forma change in net trade working capital:** we define pro forma change in net trade working capital as the difference in net trade working capital at December 31, 2016 compared to January 1, 2016.

- **Pro forma free cash flow:** we define pro forma free cash flow as pro forma adjusted EBITDA, less pro forma tangible capital expenditures and plus or minus pro forma change in net trade working capital. See footnote (8) to "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016—Pro forma other financial information and operating data*."

Non-GAAP measures in respect of the Norican Group

- **EBITDA:** we define EBITDA of the Norican Group as net income plus income tax expense, net finance costs, depreciation and amortization, in each case, of the Norican Group. See footnote (1) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group*."

- **Reported EBITDA:** we define reported EBITDA of the Norican Group as net income plus income tax expense, finance costs, depreciation and amortization, restructuring charges, foreign exchange, transaction costs and other non-operating expenses, in each case, of the Norican Group. See footnote (1) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in* *accordance with IFRS—Other financial data and operating information of the Norican Group*."

- **Reported EBITDA margin:** we define reported EBITDA margin of the Norican Group as reported EBITDA of the Norican Group, divided by revenue of the Norican Group.

- **Tangible capital expenditures:** we define tangible capital expenditures of the Norican Group as additions during the period to property, plant and equipment. Amounts in respect of 2014 represent additions January 1, 2014 to December 31, 2014, in respect of Norican Holdings and its subsidiaries. Amounts in respect of 2015 represent additions to property, plant and equipment from January 1, 2015 to December 31, 2015, in respect of the Parent Guarantor and its subsidiaries. Amounts in respect of 2016 represent additions to property, plant and equipment from January 1, 2016 to December 31, 2016, in respect of the Parent Guarantor and its subsidiaries. See footnote (2) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group*."

- **Net trade working capital:** we define net trade working capital of the Norican Group as trade and other receivables, plus inventory, less trade and other payables, less deferred revenue, in each case of the Norican Group. See footnote (3) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group*."

- **Change in net trade working capital:** we define change in net trade working capital of the Norican Group as the difference in net trade working capital of the Norican Group on the last day of the applicable period, compared to the first day of the applicable period.

- **Free cash flow:** we define free cash flow of the Norican Group as reported EBITDA, less tangible capital expenditures and plus or minus change in net trade working capital of the Norican Group. See footnote (4) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group*."

- **Order backlog:** we define order backlog in respect of the Norican Group as amounts due under signed contracts for equipment for which we have generally received a deposit.

Non-German GAAP measures in respect of the LMCS Group

- **EBITDA:** we define EBITDA of the LMCS Group as consolidated net income, plus income tax and other taxes, net interest and similar expenses and depreciation and amortization of intangible and tangible fixed assets, in each case of the LMCS Group. See footnote (1) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of LMCS on the basis of German GAAP—Other financial data and operating information of LMCS*."

- **EBITDA margin:** we define EBITDA margin of the LMCS Group as EBITDA of the LMCS Group, divided by revenue of the LMCS Group.

- **Tangible capital expenditures:** we define tangible capital expenditures of the LMCS Group as expenditure for fixed asset investments.

- **Net trade working capital:** we define net trade working capital of the LMCS Group as inventories, plus trade receivables, less trade liabilities, less customer advances. See footnote (4) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of LMCS on the basis of German GAAP—Other financial data and operating information of LMCS*."

- **Change in net trade working capital:** we define change in net trade working capital of the LMCS Group as the difference in net trade working capital of the LMCS Group on the last day of the applicable period, compared to the first day of the applicable period.
- **Free cash flow:** we define free cash flow of the LMCS Group as EBITDA, less tangible capital expenditures and plus or minus change in net trade working capital of the LMCS Group. See footnote (5) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of LMCS on the basis of German GAAP—Other financial data and operating information of LMCS.*"
- **Order backlog:** we define order backlog in respect of the LMCS Group as the order book at the beginning of the period, plus order intake during the period, less sales during the period, with immaterial reconciliation differences due to sales of aftermarket parts and services.

We also use these non-GAAP measures in formulating certain credit statistics presented in this Offering Memorandum, including leverage and interest cover ratios and cash conversion (which is defined as the relevant free cash flow, divided by the relevant EBITDA).

This Offering Memorandum also contains certain cost synergy estimates relating, among others, to cost reductions and other cost benefits expected to arise from the Acquisition. The estimates herein present the expected future impact of the Transactions and the integration of the LMCS Group into the business of the Norican Group. Such estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the cost synergy estimates.

The amounts included in these non-GAAP measures have been derived from the Pro Forma Consolidated Financial Information for the Combined Group, the Norican Group Financial Statements and the LMCS Group Financial Statements, these non-GAAP measures are not financial measures calculated in accordance with IFRS.

We present non-GAAP measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

We present non-GAAP measures for information purposes only. These measures do not represent the results we would have achieved had the Transactions for which an adjustment is made occurred at the dates indicated. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future, or that similar items will not be incurred in the future. The calculations for non-GAAP measures are based on various assumptions, management estimates and certain information derived from unaudited management accounts. These amounts have not been and, in certain cases, cannot be, audited, reviewed or verified by an independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision.

EBITDA-based measures

EBITDA-based measures represent EBITDA before additional specific items that are thought to hinder comparability to the core performance of the business either year on year or with other businesses. We believe, therefore, that the EBITDA-based measures and related ratios provides useful information to potential investors on how successfully we operate our core business and enhances the ability of our potential investors to evaluate our performance against our competitors. These metrics provide information about the profitability and margins of our business.

EBITDA-based measures eliminate potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operation against which to relieve taxable profits), the cost and age of property, plant and equipment (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affectively relative amortization expense). The reported EBITDA-based measures further exclude other items because they are individually or collectively material items, such as restructuring charges and transaction costs, that are not considered to be representative of the performance of our business during the periods under review.

EBITDA-based measures have limitations as analytical tools. Some of these limitations are:

- EBITDA-based measures do not reflect the applicable entity's or group's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDA-based measures do not reflect changes in, or cash requirements for, the applicable entity's or group's working capital needs;
- EBITDA-based measures do not reflect the significant interest expense, income taxes, or the cash requirements necessary to service interest or principal payments, on the applicable entity's or group's debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA-based measures do not reflect any cash requirements for such replacements;
- EBITDA-based measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate EBITDA-based measures differently than we do, limiting their usefulness as a comparative measure.

Because of these limitations, as well as further limitations discussed above, the non-GAAP measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. We compensate for these limitations by relying primarily on the Norican Group's IFRS results and using non-GAAP measures only supplementally.

Free cash flow-based measures

Free cash flow-based measures, including net trade working capital and tangible capital expenditure, reflects another way of viewing our liquidity that, when viewed with our IFRS or German GAAP results, provides a more complete understanding of factors and trends affecting our cash flows. We use free cash flow, and ratios based on it, to conduct and evaluate our business because, although it is similar to cash flow from operations, we believe it is a more indicative measure of cash flows since capital expenditures are a necessary component of ongoing operations. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments made on capital lease obligations or cash payments for business acquisitions or restructurings. Therefore, we believe it is important to view free cash flow as a complement to our consolidated statements of cash flows.

For a quantitative reconciliation of free cash flow to net cash provided by/used in operations, see footnote (4) to "*Summary—Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group*".

Order backlog

Order backlog is used in addition to and in conjunction with results presented in accordance with IFRS and German GAAP and backlog should not be relied upon to the exclusion of IFRS or German GAAP financial measures. Order backlog gives us visibility over our revenue generation and facilitates management of our cost base. We believe order backlog is a useful indicatory regarding the future revenue of our Company resulting from already recognized orders.

Order backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Factors that could affect the realization of our order backlog as future revenue or cash flows include cancellations, scope of work adjustments, force majeure, legal impediments and our customers' default. There is no standard system for compiling and calculating order backlog information that applies across companies. Accordingly, our order backlog may not be comparable with order backlog measures reported by other companies.

We may not be able to realize the full amount of revenue projected in our order backlog due to events substantially beyond our control and, if realized, there can be no assurance that any such revenue will result in profit. Because order backlog is inherently uncertain, you should not rely on our reported order backlog as an indication of our future sales or results of operations or as a substitute to deferred revenue recognized under IFRS and German GAAP.

Differences between IFRS and German GAAP

The Norican Group Financial Statements have been prepared in accordance with IFRS. The LMCS Group Financial Statements have been prepared in accordance with German GAAP. We intend to continue to prepare the consolidated financial statements of the Combined Group in the future in accordance with IFRS.

There are significant differences between German GAAP and IFRS. For this reason, the Norican Group Financial Statements and the information extracted or derived therefrom are not directly comparable to the LMCS Group's Financial Statements or the information extracted or derived therefrom. The effect of such differences might be material. See "*The LMCS Group's management's discussion and analysis of financial condition and results of operations—Differences between German GAAP and IFRS*." In this Offering Memorandum, certain information extracted or derived from the LMCS Group's Financial Statements is adjusted in the footnotes to the Pro Forma Consolidated Financial Information from German GAAP to IFRS; however, these adjustments are based on management estimates, and should not be relied upon when making an investment decision.

Operating information

Except as otherwise indicated, in this Offering Memorandum the amounts or percentages, as the case may be, of our estimated installed base, geographic breakdown of revenue, the number of our employees, order backlog, market shares and other commercial data points are based on management estimates and are unaudited. Actual amounts and percentages may differ from the amounts and percentages presented based on such management estimates.

We present in this Offering Memorandum certain operational data relating to our geographical break-down of revenue and to our estimated installed base of machines in current use worldwide. This information is not audited and is based on management records, which are not integrated into the financial reporting systems of the Norican Group or the LMCS Group. While we believe this operating data is accurate, you are cautioned not to rely on such data and not to draw broad conclusions about this data since it does not come directly from our financial reporting system, and will not match data from our financial reporting system due to, for example, exchange rate fluctuations in the case of the geographical breakdown of revenue, which are accounted for differently in our management records and in our consolidated financial reporting systems.

In making these calculations, we make a number of assumptions, as well as in relation to geographical locations where data is not available, number of machines per customer, amount of abrasive used per hour by machines in general, average running times of machines and average life of a machine. Management believes that these assumptions are made on a reasonable basis. However, such judgments, estimates, assumptions and other factors are inherently uncertain and subject to significant business, economic, competitive, regulatory and other uncertainties and contingencies.

In addition, in carrying out our analyses, we rely on data contained in independent third party reports, which management believes to be reliable. However, management cannot verify the accuracy thereof.

You are strongly cautioned that the way in which we calculate and present our estimated installed base is not a historical indication of the actual number of machines installed by us or in operation at any given time. You should also exercise caution in comparing installed base figures as calculated by us and presented herein to similarly titled measures reported by other companies as those companies may calculate such measures using different assumptions and estimates.

Rounding

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

Currency presentation and exchange rate information

The following table sets forth for the periods indicated, the period high, period low, period average and period-end Bloomberg Composite Rates expressed in U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for a partial month, means the average of the daily Bloomberg Composite Rate during that month, or partial month, as the case may be.

	High	Low	Average	Period End
				(U.S. dollars per €1.00)
Year ended December 31:				
2013	1.3804	1.2772	1.3283	1.3789
2014	1.3925	1.2100	1.3283	1.2100
2015	1.2010	1.0492	1.1096	1.0866
2016	1.1527	1.0384	1.1069	1.0547
2017 (through April 27, 2017)	1.0949	1.0427	1.0663	1.0876
Month:				
January 2017	1.0784	1.0427	1.0637	1.0784
February 2017	1.0788	1.0544	1.0640	1.0608
March 2017	1.0864	1.0506	1.0687	1.0656
April 2017 (through April 27, 2017)	1.1527	1.0384	1.0926	1.0886

Source: Bloomberg

The Norican Group's and the LMCS Group's functional and presentational currency is the euro. The above rate may differ from the actual rates used in the preparation of the Norican Group's financial information, the LMCS Group's financial information and other financial information appearing in this Offering Memorandum. The inclusion of these exchange rates is not meant to suggest that the U.S. dollar amounts actually represent such euro amounts or that such amounts have been or could have been converted into euros at any particular rate, if at all.

Forward-looking statements

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

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Memorandum. You should not place undue reliance on these forward-looking statements.

In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- cyclicality of our customers' end-markets and changes in global economic conditions and economic conditions in regions where we have a high concentration of sales;
- competition in our industry and a threat of our competitors commencing a leasing operation;
- risks related to currency mismatches and fluctuations in exchange and interest rates;
- reliance on demand in the automotive sector;
- evolving customer requirements for metallic parts formation and parts preparation products and the investment required for the development of new products;
- a decrease in the demand for aluminum products;
- dependence on suppliers, independent agents and other third parties in a number of jurisdictions;
- volatility in prices for, and the availability of, energy resources used in our manufacturing and assembly processes;
- fluctuations in prices of raw materials and energy;
- dependence by certain lines of our business on a limited number of significant customers;
- risks related to the loss of key members of our management team or other key employees;
- risks related to changes in agreements or breakdown of relations with our employees and increases in employment costs;
- risks of industrial accidents;

- compliance with additional or stricter environmental rules and regulations;
- risks related to incurring substantial environmental liabilities;
- risks related to obtaining and maintaining permits, licenses, certifications and authorizations;
- claims in respect of illnesses caused by exposure to asbestos;
- claims in respect of illnesses caused by exposure to silica-containing dust;
- adverse results in, and expenses associated with, material litigation;
- reputational damage and economic difficulties as a result of violations of competition and antitrust laws;
- liabilities and costs associated with our intellectual property;
- reliance on trade secret protection and confidentiality and license agreements with our employees and independent agents;
- liabilities and costs associated with acquisitions of inventions of our employees;
- interruptions in operations at our facilities;
- risks related to events beyond our control;
- security threats to our IT systems;
- insufficiency of our insurance coverage;
- highly complex and variable tax regimes in the jurisdictions in which we operate;
- regulatory challenges to our intercompany transfer pricing policies and any resulting changes to our effective tax rate;
- threats to, or loss of, our investment grants and subsidies;
- exposure to export control rules and regulations in foreign countries;
- risks inherent to international business;
- risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate;
- default of counterparties in respect of money owed to us;
- reliance of our business on our ability to provide performance bonds;
- risks related to failure to maintain high quality standards for our products;
- risks related to damages to our reputation and costs related to maintaining our reputation;
- risks related to our order backlog not being necessarily indicative of our future sales or results of operations;
- significant losses from our current and future fixed-price (or lump sum) contracts;
- risks related to failure to maintain an effective system of internal controls over financial reporting;
- risks related to requirements to provide additional funding to our pension benefit schemes;
- risks related to restrictions on the utilization of our tax loss carry forwards;
- risks related to the need to write down goodwill;

- risks related to fluctuation in our working capital requirements and cash flows;
- risks associated with any future acquisitions of businesses or divestments of business units that we may undertake as part of our strategy;
- risks related to the fact that our strategies may not succeed including our ability to increase aftermarket sales of the LMCS Group;
- risks related to the Acquisition;
- risks related to our indebtedness;
- risks related to our structure; and
- risks related to the Notes, the Notes Guarantees and the Collateral.

These risks and others described under "*Risk factors*" are not exhaustive. We urge you to read the sections of this Offering Memorandum entitled "*Risk factors*," "*The Norican Group's management's discussion and analysis of financial condition and results of operations*," "*The LMCS Group's management's discussion and analysis of financial condition and results of operations,*" "*Industry and market overview*" and "*Business of the Combined Group,*" for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not occur. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update or revise any forward-looking statements or risk factors, whether as a result of new information, future events or developments or otherwise. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Summary

This overview highlights certain information about the Issuer and the Offering contained in this Offering Memorandum. This overview is not complete and does not contain all of the information that you should consider before investing in the Notes. The following overview should be read in conjunction with, and the following overview is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum, including the financial statements contained herein and the related notes thereto. You should read carefully the Offering Memorandum in its entirety to understand the business of the Combined Group, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the sections entitled "Risk factors," "The Norican Group's management's discussion and analysis of financial condition and results of operations," "The LMCS Group's management's discussion and analysis of financial condition and results of operations," "Industry and market overview," "Business of the Combined Group" and "Description of the Notes."

Our company

We are one of the world's leading providers of technology and services for metallic parts enhancement. We provide equipment, parts, technology and services to our customers globally, enabling them to mold, melt, cast, clean, strengthen or polish their metallic parts. Our businesses have the ability to supply and service global clients locally, and our constituent businesses bring more than 100 years of operational experience and customer contacts to bear. For the year ended December 31, 2016, on a Pro Forma Basis, the Combined Group had pro forma revenues of €556.4 million, pro forma net income of €35.8 million, pro forma adjusted EBITDA of €73.5 million and pro forma adjusted EBITDA margin of 13.2%.

On April 28, 2017, we completed our acquisition of the LMCS Group, a leading group of companies in the non-ferrous, light metal casting industry with a global presence and a lean production model. The LMCS Group includes the StrikoWestofen, Italpresse and Gauss Automazione businesses. We expect the acquisition of the LMCS Group to further enhance the scale and diversification of our group and provide the opportunity to realize meaningful synergies, in particular by bringing the LMCS Group onto the Norican Group's operating model and apply a greater focus on aftermarket sales of the LMCS Group to bring them in line with the strategy of the Norican Group, using the Norican Group's global sales and services network. The Acquisition also provides the Norican Group with exposure to the high-growth cast aluminum market. In addition, we expect the Combined Group to benefit from the market-leading technological know-how of the LMCS Group.

We had an estimated 40,000 machines installed at over 10,000 customer sites in approximately 100 countries (which we refer to as our "installed base") as of December 31, 2016. We believe that our installed base of equipment is the largest globally, in our industry (estimated to be double the size of our nearest direct competitor). Together with our global industry sales and service network, our installed base provides us with a significant advantage over our competitors, as it enables us to capture higher margin aftermarket sales of parts and services (including replacement parts and consumables, equipment upgrades and maintenance and other service programs) and thereby enhances our profitability and the stability of our cash flows. We are at the forefront of technological innovation in our industry, and we focus on our customers' needs to lower their overall costs per produced part, to increase uptime and throughput and lower operating costs.

The Combined Group is made up of the following leading technology brands:

- DISA, the world's #2 technology provider (equipment, parts and services) to the ferrous molding industry and the world's #1 player in the vertical molding segment;

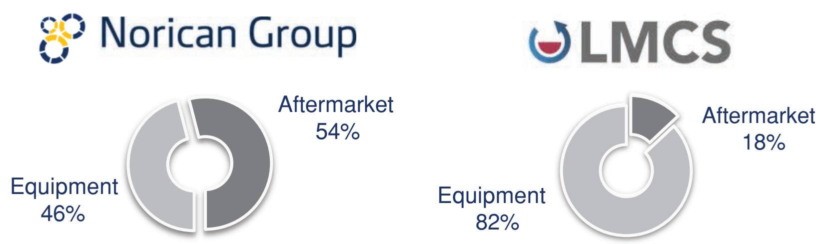
- Wheelabrator, the world's #1 technology provider of wheelblast and airblast technology (equipment, parts and services) in the cleaning, strengthening and polishing segment of the metallic parts preparation market;
- StrikoWestofen, the world's #1 technology provider in the light metal (primarily aluminum) melting and dosing furnace market, with a growing position in heat treatment; and
- Italpresse / Gauss Automazione, Europe's #2 technology provider in the light metal (primarily aluminum) high pressure die casting market and the world's #2 technology provider of automated cell production in the low pressure die and gravity casting market.

We operate in the parts formation and parts preparation segments of the metallic parts enhancement value chain, and we believe we are the number one or number two market participant in each of the niche markets in which we operate.

- Parts formation: Primary parts formation is the process of forming metallic parts from molten metal through either casting or molding manufacturing processes. Secondary parts formation refers to follow-on manufacturing processes, including machining, forging, bending, cutting and stamping, that are required to complete the product's dimensional specifications. We deliver a complete range of equipment, parts and services, which we market under our DISA brand to primarily ferrous (iron-based) foundry customers in the primary parts formation industries and to non-ferrous, light metal (primarily aluminum) parts formation industries through StrikoWestofen, Italpresse and Gauss. The size of the global parts formation market has been estimated at €56 billion (*Source*: Management estimates; The 2018-2023 World Outlook for Machine Tools, 2017). The parts formation market can be sub-divided into the following segments (with the corresponding estimated percentage of the parts formation market): (i) cutting (56%), (ii) special formation (17%), (iii) non-aluminum metal forming (21%), (iv) aluminum forming (4%) and (v) molding (2%). We estimate the addressable market for our DISA business to be approximately 50% of the molding segment of the parts formation market, an addressable market of approximately €0.6 billion, and the addressable market for StrikoWestofen, Italpresse and Gauss is the aluminum forming segment of the parts formation market, an addressable market we estimate as approximately €2 billion.
- Parts preparation: Parts preparation consists of the manufacturing processes which make a formed metallic part suitable in terms of finish, strength and hardness for its ultimate use. A subset of this market segment is cleaning, strengthening and polishing technology, which includes the manufacturing processes for changing a metallic part's surface condition through the direct contact of an abrasive media to clean, strengthen or polish that part. Our products span a range of surface preparation technologies (including wheelblast, airblast and mass finishing) through our Wheelabrator-branded equipment, parts, technology and services and are provided to various industries manufacturing metallic parts throughout the world. We estimate the size of the global parts preparation market at €9 billion (*Source*: Management estimates; The Metallic Abrasives Industry, 4th Edition, 2014). The parts preparation market consists of: (i) the precision surface technology segment and (ii) the cleaning, strengthening and polishing technology segment. We estimate that the precision surface technology segment represents approximately 69% of the parts preparation market, while the cleaning, strengthening and polishing technology segment represents approximately 31% of the parts preparation market. We estimate Wheelabrator's addressable market to be approximately 50% (or €1.5 billion) of the cleaning, strengthening and polishing technology market. We do not consider the abrasive media to be part of our addressable market.

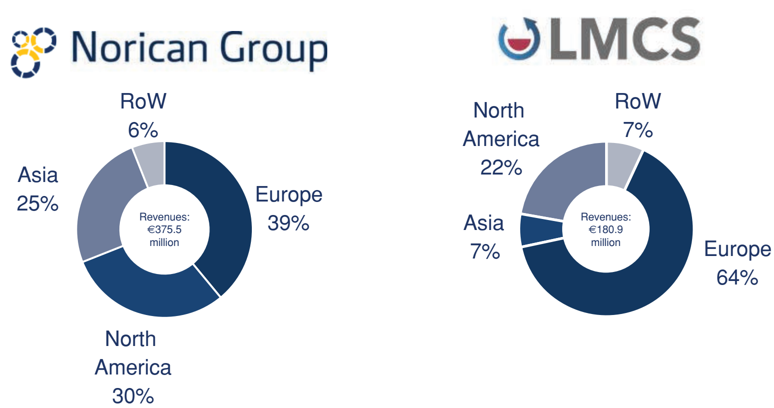
Our parts formation and parts preparation operations have an equipment sales component and an aftermarket sales component (consisting of replacement or wear parts and associated services). For the year ended December 31, 2016, aftermarket sales accounted for 54% of the revenues for the Norican Group. We believe, based on our experience in the market, and public reporting by certain of our capital goods peers, that our percentage of aftermarket sales compares favorably to such capital goods peers. By increasing our equipment sales, we help grow our installed base. By leveraging our installed base, we, in turn, help grow our aftermarket sales. Our aftermarket sales have a higher margin than our equipment sales and tend to remain more stable than our equipment sales through economic cycles, providing us with steady source of revenues over 10-20 years. As a result, we enter into equipment sales with the intention to secure aftermarket parts sales and services, and consciously compete for aftermarket even if we are not the original supplier. The Norican Group has established an integrated global technology and supply chain, with global product innovation centers located in the United States and Europe, shared supply centers strategically located around the world and a centralized, integrated technology platform which optimizes order fulfillment and gives us a clear insight into aftermarket potential for each equipment order. We see a significant opportunity to increase aftermarket revenue in the LMCS Group, which, for the year ended December 31, 2016, generated 18% of its sales from aftermarket sales, as part of integrating the LMCS Group into the Norican platform.

The following charts illustrate our revenue split by aftermarket sales and equipment sales for the Norican Group and the LMCS Group for the year ended December 31, 2016:



Our business model is to provide local sales and services to a diverse set of customers around the globe, with a significant presence in mature, transitioning and emerging markets. In developed, industrialized markets (including North America, Europe and Japan), our revenue is weighted toward servicing our large installed equipment base by providing aftermarket parts and services. In developing markets (including China, India, Brazil, Russia, Eastern Europe and Mexico), our revenue is directed toward equipment sales, though, as these markets mature, we expect the share of aftermarket parts and services to eventually exceed the share of equipment sales.

The following charts represent the geographic sales split of the Norican Group (based on the enterprise resource planning systems of the Norican Group and primarily based on the destination to which goods are shipped) and the LMCS Group (based on management estimates primarily based on the invoice address) for the year ended December 31, 2016:



We leverage our experience and technology platforms built up over decades in our developed markets to help establish both product offerings and local manufacturing capabilities in our developing markets. Our parts preparation business serves customers in the aerospace, medical, defense, automotive, steel fabrication, foundry/forge, infrastructure and construction, energy, shipyard, rail and consumer goods sectors whereas our parts formation business primarily serves foundries which have end markets that include the automotive and consumer goods sectors.

Our competitive strengths

Clear leader in niche markets, with the competitive advantage of the largest installed base of equipment across the globe

With an estimated 40,000 machines installed in over 10,000 customer sites in approximately 100 countries as of December 31, 2016, we believe we have the largest installed equipment base globally among our direct competitors in the metallic parts enhancement market, with our installed base estimated to be twice as large as that of our nearest direct competitor. The Combined Group is made up of the following leading technology brands:

- DISA, the world's #2 technology provider (equipment, parts and services) to the ferrous molding industry and the world's #1 player in the vertical molding segment;
- Wheelabrator, the world's #1 technology provider of wheelblast and airblast technology (equipment, parts and services) in the cleaning, strengthening and polishing segment of the metallic parts preparation market;
- StrikoWestofen, the world's #1 technology provider in the light metal (primarily aluminum) melting and dosing furnace market, with a growing position in heat treatment; and
- Italpresse / Gauss, Europe's #2 technology provider in the light metal (primarily aluminum) high pressure die casting market and the world's #2 technology provider of automated cell production in the low pressure die and gravity casting market.

Our large installed base, the result of more than 100 years of experience, reputation and customer relationships, demonstrates our strength in our markets and makes our business model difficult for competitors to replicate. We believe any such attempt to replicate our footprint would take decades and require a significant amount of upfront capital expenditures. We leverage our large installed base to drive attractive, higher margin aftermarket revenue, which also improves our resilience through economic cycles. Further, we believe that the broad geographic coverage of our installed base provides us with important geographical diversity for our revenues and hedges our exposure to any single country or region. Our longstanding track record and customer relationships also assist with new equipment sales.

Global sales network and service coverage which provides us with regional advantages and positions us for growth

We believe the breadth and depth of our sales and service network is one of our key competitive advantages as our proximity to our clients drives aftermarket revenue and gives us visibility of trends in demand. We are one of the world's leading providers of technology and services relating to metallic parts formation and parts preparation equipment, with the ability to supply and service clients locally across the world. We operate our sales and service networks in 50 locations in North America, Europe and Asia. In addition, we also have agreements with 74 sales agencies in 76 countries. Our broad sales network and service coverage area give us the ability to supply and service global clients at each of their local sites anywhere in the world. Our expansive local presence is critical to our customers as we are able to react to their aftermarket needs quickly. Our global network and local relationships also allows us to quickly adapt to changing customer demands with responsive innovation and designs.

This local service is critical for our aftermarket parts and services business as it allows us to minimize our reaction time, build strong relationships with local customers and to quickly adapt to changing local customer demands. We focus on providing a standard and consistent lean methodology throughout the entire Combined Group and across our whole network. To that end, we are working to optimize costs by matching the supply and production of our equipment and aftermarket sales with the jurisdiction from which the demand originates, giving us a regional and local advantage over our competitors who operate on a smaller scale out of fewer locations. Our large sales and service network allows us to capture revenue from both the equipment market segment and the aftermarket segment globally, and it provides us with an advantage over many of our smaller competitors who operate within smaller networks.

We see significant upside arising from bringing the LMCS Group onto our combined sales and services network, which we believe will allow the LMCS Group to benefit from our already-global sales and service network, our large installed base and our relationships around the world.

Strong track record and pipeline of technological innovation

We have a strong track record and pipeline of technological innovation. We have driven sector innovation by focusing on our customers' needs to lower their overall costs per produced part, increase uptime and throughput and lower operating costs. Based on our longstanding experience in the parts preparation and part formation sectors, our technology platform enables us to provide our customers with both standard and application-specific solutions, supported by aftermarket parts availability and application-specific services. We collaborate across our global network, using local sales and service coverage partnered with our global product innovation centers, to design and produce equipment that is tailored to customers' specific requirements. This collaborative approach increases the speed of customer feedback, enables a fast market response time and allows us to be quick to market with innovation. For example, using local feedback and global design innovation, we developed and designed a machine for a customer in China who required a machine solution which did not then exist in our product portfolio. This resulted in the sale of 41 such machines, 28 of which are in operation today. The result is a customer relationship built on technological innovation and facilitated by our regional and local sales and services.

By combining our DISA and Wheelabrator product range, we can offer complete solutions for mainly ferrous foundries: we can provide the molding machines, the sand plant, the core solutions and the dust filters through our DISA branded products, and we can provide wheelblast technology with our Wheelabrator-branded products. Our product portfolio lends itself to developing similar complete solutions for light metal, such as Italpresse-branded die casting technology paired with our Wheelabrator-branded products for surface preparation. We have established a global network of technicians and service engineers to support customers' changing requirements and to provide application-specific services to any customer throughout the world, including through innovative remote access diagnostics technology. We believe that being able to provide products and services to the precise needs of our customers helps us win equipment orders, maintain, and grow, our customer base, and contributes to customer retention in our aftermarket business. This overall approach allows us to reinforce our market share in both the equipment and the aftermarket markets, while maintaining our profit margin in aftermarket sales.

Globally integrated operating platform and shared supply chain to improve customer service and profitability

Our customers are located worldwide, and the Norican Group organizes its operations so that its global technologies can be delivered where and when our customers demand. We have created a standard operating platform in order to increase customer service levels, provide operational flexibility to meet shifting demand and to increase productivity by employing consistent procedures across our business.

We manage the Norican Group on the basis of regional sales and service organizations acting on behalf of the global product groups, both of which are supported by our shared services and supply chain organization. Each organizational element is tied together through a common view of the customer (our internal CRM system), a common Product Development software tool (BlueStar), a common underlying ERP system (Dynamics AX4) and a centralized accounting and financial reporting platform (Hyperion Financial Management). This provides the entire organization with a common operating platform for the business. The anticipated Acquisition synergy benefits are predicated upon the successful integration of the LMCS businesses with this existing operating platform.

Our global and regional sales and service organization is responsible for all aftermarket activities acquire-the-order and fulfill-the-order activity within their designated geographical area of responsibility. They work with the global supply chain team in setting and meeting local customer satisfaction levels. Additionally, the regional sales and service organization also owns the development of all leads for equipment orders within their region, either through a direct sales force or working with third party agents. During this process, the regional sales and service teams work closely with the Global Product Groups' Centers for Product Innovation ("**CPI**") to analyze business opportunities from both a technical and commercial perspective. When the customer places an equipment order it is normally with one of the CPIs. Each CPI has the responsibility for managing product innovation and development for a narrow range of technology, as well as application and design control of their products through BlueStar. The CPI is also responsible for managing the equipment order on behalf of the customer. Since BlueStar is a shared application, the CPI only has to release the equipment drawing and associated bill of material to any of the available Norican supply chain manufacturing sites. The supply chain then fulfills the order, delivering the equipment to a point of the customer's choosing. The CPI then completes the start-up and commissioning activity and ensures customer sign off on the delivery. The CPI's choice of internal manufacturing site is driven by contractual delivery times, specific customer preferences (e.g., "Made in America") and the need to maximize our profitability. We intend to integrate the LMCS Group onto this existing Norican operating platform, and this makes up a significant portion of the estimated synergies expected to be realized in connection with the Acquisition.

Well-positioned to benefit from attractive end market dynamics

The niche markets in which we operate support our growth outlook. The automotive sector is the largest contributor to the overall demand for cast parts for the Combined Group, and global vehicle demand has been forecast by Global Foundry Equipment, February 2016, to increase by 4.2% per annum from 2016 to 2020. In addition, growth in foundry spending has been estimated to increase by 6.0% per annum over the same period by Technavio, aided in particular by government-driven consolidation in the Chinese foundry market which is expected to increase the addressable market for the Norican Group's molding products as outdated equipment is replaced. For the LMCS Group, the automotive industry in particular is undergoing a structural shift in the use of aluminum in cars (primarily as a replacement for steel components) due to two reinforcing market drivers: (i) restrictive governmental carbon dioxide targets requiring increased use of lightweight materials, with the shift pioneered by premium western OEMs and migrating further to mass market OEMs and (ii) continued consumer demand for increased automobile fuel efficiency, in particular through the growing demand for electric vehicles. We believe these dynamics benefit us as growth in our addressable end markets creates opportunities for us.

Resilient business model with recurring and diversified revenue streams from a consistent customer base

The focus of the Norican Group's business model is to grow our installed base through equipment sales and to monetize the resulting larger installed base through aftermarket sales. We evaluate potential orders on a net present value basis, taking into account both the upfront equipment order and the potential for aftermarket sales. In a typical equipment transaction, the Norican Group would acquire the equipment order, fulfill the equipment order and then seek to position the Norican Group for service and parts orders. Working capital management is a priority and Norican Group emphasizes cash flow positive equipment orders throughout the production cycle with down payment and milestone payment requirements, generally receiving 90% of the consideration for equipment orders before the product is shipped.

The Norican Group's equipment segment is technology focused and typically has a selling cycle (that is, the time from inquiry to order) of four months to two years, with expected equipment replacement every 10-30 years. The Norican Group's aftermarket segment is regionally focused and has a typical selling cycle of one to eight weeks. This cycle can take longer when we are not the original equipment supplier. We believe that the benefit of this emphasis on aftermarket sales and service at every step in the equipment life cycle is evidenced by such sales accounting for 54% of the Norican Group's revenues for the year ended December 31, 2016. With reference to certain other capital goods peers (at an estimated 40% for the same period) as further support, we see significant opportunity to increase the aftermarket revenue of the LMCS Group above the 18% it represented for the year ended December 31, 2016.

Our revenue streams are supported by our geographic diversity, our large installed base and our diversified customer base. We provide products and services to over 10,000 customers and to more than 30 end-user markets across a broad spectrum of sectors including automotive, transportation, steel processing, construction and power generation. For the Combined Group for the year ended December 31, 2016, no single customer accounted for more than 5% of the Combined Group's revenue, and our top ten customers accounted for less than 20%. We believe that this diversification reduces business volatility and our exposure to any single country, industry or customer. In addition to our diversified customer base, we also deliver a diversified range of products, with expertise and industry leadership in high volume melting, dosing, casting and molding for metallic parts formation and cleaning, strengthening and polishing solutions for metallic parts preparation.

Our track record and reputation attracts a wide range of customers, from local manufacturers to the Global 1000. We believe that our reputation, developed as a result of our operational history of more than 100 years, forms the basis of a competitive strength. Given the importance that customers in the metallic parts formation and parts preparation industry place on a supplier's track record, we believe we are more likely to be selected by customers as opposed to a new entrant or lesser known market participant. This helps drive our competitiveness in both the equipment sales and the aftermarket and positions us for further growth as the share of aftermarket sales increases in developing and emerging economies to approach a level we are already experiencing in mature economies. Furthermore, customer retention for aftermarket sales is supported by the small part it reflects of the total cost of ownership for our customers versus the significant downside risk of potential resulting production downtime following a switch to another supplier. We believe that approximately 70% to 80% of our installed base is serviced in the aftermarket by us.

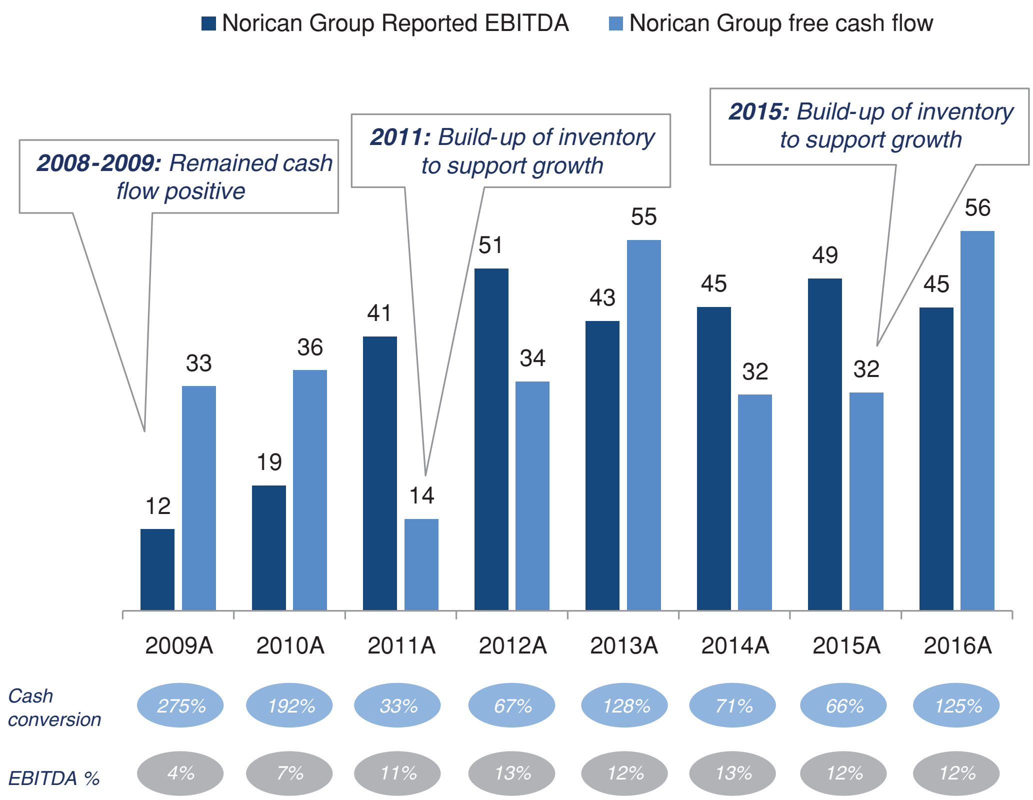
Asset light, flexible business model with visible revenue generation and stable cash flow generation

We are largely an assembly business without capital intensive manufacturing sites or expensive machinery (other than our three small foundries which make wear parts for internal use and for the aftermarket). Most of the capital employed in our operations is working capital, so there is a structural flywheel effect within the balance sheet if our order book declines. The tangible capital expenditures of the Norican Group ranged between 0.8% and 1.2% as a percentage of revenue for the years ended December 31, 2014 through December 31, 2016. As a result, the Norican Group benefits from a high level of cash conversion: 71.2%, 65.7% and 125.1% for the years ended December 31, 2014, 2015 and 2016, respectively, and pro forma cash conversion for the Combined Group as of December 31, 2016, of 94%.

The Norican Group's shared supply chain provides us with a flexible cost structure and is based upon two overarching objectives: (i) optimizing our gross profit margin through a disciplined "make-versus-buy" decision framework; and (ii) continually improving our business model by decreasing the fixed cost share of our total costs. Within our shared supply chain facilities, and supported by a common IT infrastructure across all sites, we have established clear procurement procedures for both the make-to-order and make-to-stock aspects of our order fulfillment. Within these procedures, our sites will analyze whether it is more cost effective to outsource certain tasks on a project to an external contractor, or whether our network can undertake the task at a lower cost.

Our order backlog gives us a high degree of visibility over our revenue generation and utilization of our cost base. As of December 31, 2016, the Norican Group had an order backlog of €102.6 million, equal to nearly seven months of revenue from the Norican Group's equipment sales for the year ended December 31, 2016. The LMCS Group as of December 31, 2016, had an order backlog of €92.3 million, equal to more than seven months of revenue from the LMCS Group's equipment sales for the year ended December 31, 2016. The Combined Group benefits from having a flexible workforce, which we proactively manage relative to the backlog of orders that we have outstanding. Since payroll is one of the largest cost items in our business, we ensure that we manage our number of employees according to the amount of business that we have booked and anticipate booking. The addition of LMCS Group reinforces this point, following from an emphasis on outsourcing to independent contractors.

We believe the result of our asset light and flexible business model based on a large and geographically diverse installed base, which underpins our aftermarket business, combined with our structural cash flow flywheel built into the balance sheet, matched with our flexible cost base and revenue visibility results in robust and stable cash flow generation. The resilience of this model is demonstrated during the global financial crisis of 2008-2009 and the European debt crisis of 2012-2013, when Norican remained significantly cash flow positive. The following table shows the free cash flow, cash conversion and reported EBITDA margin of the Norican Group for the years ended December 31, 2009 to 2016:*



* *For definitions of Reported EBITDA, free cash flow and cash conversion, please refer to "Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group."*

Global and highly experienced management team with a strong track record and strong sponsor support

We have a highly experienced management team. Our CEO, CFO, COO and three Global Product Group presidents have a combined total of over 95 years of experience in our industry. Our management team has extensive experience across our industry and has a strong track record in optimizing our business model in recent years. In particular, the CEO and CFO have been with predecessor businesses since 2003, and the rest of our corporate team has an average of over 15 years of experience at our company or its predecessors. Our management team drives our global innovation, coordinates our global sales, ensures common product quality and technology application and establishes our line of business supply chain. Our management team is internationally diverse which we believe provides us with the local knowledge and experience to operate successfully in many different markets. The management team has delivered results under volatile and varied macroeconomic conditions, including the global economic downturn of the last ten years. Following the merger of DISA and Wheelabrator in 2008, our management team conducted an integration process with the goal of identifying and realizing cost savings and synergies. The integration process provided a detailed roadmap with numerous measures in five key areas of the business. Our focus on the elimination of fixed costs and the streamlining of the considerable overlap between DISA and Wheelabrator contributed to the successful integration process, demonstrated by an expansion of our EBITDA margin from 2008 to 2012 by approximately three percentage points in a business with similar scope and mix of business (2008 being measured on a pro forma basis after giving effect to the combination of DISA and Wheelabrator despite headwinds resulting from pricing pressure in the aftermath of the global financial crisis).

In addition, we benefit from the market expertise, business relationships, knowledge and experience of our Sponsor, Altor Fund Manager AB (in its capacity as manager to Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB). The Sponsor is a pre-eminent investment organization with its primary focus in the Nordic region. Other investments made by the Sponsor and the previous Sponsor funds in the industrials space include Haarslev, Meyn, PIAB and Aalborg Industries.

Our strategies

Expand market reach and leverage the Norican Group's operating platform by successfully integrating the LMCS Group onto the Norican Group's platform

We are undertaking the Acquisition to further enhance the Norican Group's leadership in the metallic parts formation sector and to create opportunities for economies of scale and diversification for the Combined Group. Under the supervision of our management team, the integration of DISA and Wheelabrator was successfully completed in 2011, and we will work to deliver the same type of results in connection with the Acquisition. Using the lessons learned from the successful DISA and Wheelabrator integration, we intend to bring the LMCS Group onto the Combined Group's global operating platform which integrates and automates key processes from order processing through to invoicing. We believe the presence of an integrated global operating platform will help unlock operating synergies not available to the Norican Group or the LMCS Group on a stand-alone basis.

The Acquisition provides the Combined Group with exposure to the high-growth cast aluminum market, which is supported by the two macro-trends in the automotive sector of reduced carbon dioxide emissions and consumer demand for greater fuel efficiency. These trends are driving the increased use of aluminum in cars (primarily as a replacement for steel components) worldwide, as is the potential for increased electrification of vehicles. The Acquisition also offers the opportunity to diversify into non-ferrous offerings and exposes us to new customers. In addition, we believe that the Norican Group will benefit from the LMCS Group's lean production model, workforce management techniques, market leading technologies and pipeline of innovation. We believe that significant upside exists to increase the LMCS Group's aftermarket sales to bring them in line with those of the overall Norican Group by integrating the LMCS Group into the Norican Group's regional sales and service platform. In connection with this, we target cost synergies as a result of the Acquisition in a number of areas, including the consolidation of regional and aftermarket structures, joint marketing savings, aggregated sourcing savings, combined footprint consolidation and certain other cost savings. We also aim for revenue integration synergies in the two broad categories of cross-selling of Norican Group products (in particular, Wheelabrator-branded products) to existing LMCS Group accounts and increased aftermarket revenue generation within the LMCS Group's installed base through its integration into the existing Norican Group regional sales and service organization.

Manage our business on the basis of regional sales and service, product groups and shared services & supply chain

We have organized our company and management systems for the Combined Group to focus on the themes of (i) regional sales and service representing the Voice of the Customer ("**VoC**"), (ii) Global Product Groups (which are made up of one or many individual Centers for Product Innovation or "CPIs") and (iii) shared services and supply chain ("**Increase productivity**"). We are transitioning from a product-centric go-to-market orientation to a customer-centric, regionally-based sales and service model that works with global product groups to "pull" innovation based on customer requirements and works with a shared services and supply chain to establish and then exceed customer service levels. We believe this will allow us to scale our technical product offering in the future without having to alter the existing customer interface. Our Global Product Groups are charged with driving our innovation pipeline, and using VoC as the primary prioritization tool. Additionally, our Global Product Groups are responsible for engineering "cost out" of our existing product designs. Finally, our shared services and supply chain includes all activities not specific to a product or region, with the goal of eliminating fixed cost overlap across regions and products to increase fulfill-the-order productivity, product quality, decrease the overall time to deliver a product, decrease the cost to manufacture our products ("cost down" versus the Global Product Group's "cost out" focus) and to lower manufacturing-related working capital (inventory less trade payables).

Use our installed base to grow our aftermarket revenues and increase the aftermarket focus at the LMCS Group

In mature markets, we seek to grow our aftermarket sales because aftermarket sales will usually overtake equipment sales once a market has a well-established installed equipment base. We implement this strategy by reinforcing and protecting our long-standing relationships with existing customers as well as by targeting the aftermarket sales of our competitors' installed base. We also increase our aftermarket revenues through the implementation of: (i) replacement part and equipment upgrades, (ii) new service offerings, (iii) regional sales channel expansion and (iv) technology transfers from maturing markets to developing markets. For each new equipment sale we analyze the expected net present value, including the aftermarket potential. As aftermarket services has not previously been a focus of the LMCS Group, we expect to be able to leverage our current global sales and service network to boost the LMCS Group's aftermarket revenue.

Profitably grow our installed base in developing markets through sustainable innovation

One of our overarching strategic objectives is to continue to build out our solid operating platform in developing markets, supported by our consistent and predictable cash flow generated from our sales in mature markets. In developing markets, equipment sales are our primary driver of revenue due to the demand for increasing manufacturing capability, which, in addition to increasing our equipment sales revenue, is a key factor for ensuring our future aftermarket revenue growth, as developing markets mature, as customers with Norican equipment are more likely to use a Norican aftermarket service. We are focused on providing both a more responsive, local service and a broader array of world-class innovations, including partnerships with our customers on their unique engineer-to-order requirements and on the development of next-generation standardized products and leading-edge engineer-to-order solutions. We also intend to build on the already strong presence of the LMCS Group in these markets to develop our light metal die casting and melting solutions.

Continue to generate sustainable profit growth by achieving our strategic objectives

We intend to leverage the Combined Group's regional sales and service channel management to acquire new customers and provide more value to existing customers. At the same time, we intend to increase our productivity by striving for lower cost, better quality and faster delivery in every aspect of our business. Our aim is to use this methodology to increase the number of customers we serve, provide more value to existing customers and increase productivity. Internally we have set short-term, medium-term and long-term operating objectives for the addition of new customers, and associated products and services. We have also set for ourselves aggressive, but we believe attainable, targets for reducing our product delivery cycle times, for decreasing our existing cash conversion cycle and for increasing our overall productivity on a revenue and reported EBITDA per FTE. We believe that the successful execution of both the Acquisition and the existing strategic objectives will allow us to progressively de-lever the Combined Group through sustained, post-merger growth in reported EBITDA and further improvement in cash flow generation.

The Transactions

The Acquisition

On February 21, 2017, we entered into the Acquisition Agreement for the purchase of 100% of the share capital of LMCS. The Acquisition closed on April 28, 2017. Consideration for the Acquisition was borrowed under two shareholder loans lent from Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB to Norican Global A/S (the "**Shareholder Loans**"), which on-lent the proceeds therefrom to Norican A/S, which made a further intercompany loan of such proceeds to Norican Holdings and ultimately to Norican Group ApS to pay the purchase price for the Acquisition (including exercising call options in respect of certain minority shareholders), to acquire or redeem certain existing shareholder and other mezzanine loans to the LMCS Group and to repay other existing indebtedness of the LMCS Group. Approximately €5.0 million in cash on-hand of the Norican Group was also used to fund the Acquisition. The Shareholder Loans will be repaid with a portion of the proceeds from the Offering of the Notes. See "*Use of proceeds*." The Acquisition Agreement contains certain terms for adjusting the purchase price for the Acquisition following completion of the Acquisition.

We are undertaking the Acquisition to further enhance the scale and diversification of the Combined Group and to further enhance the Norican Group's leadership in the parts formation sector. The Acquisition provides the Combined Group with markedly increased exposure to the growing cast aluminum market, which is supported by the macro trends in the automotive sector that are driving the increased use of aluminum in cars (primarily as a replacement for steel components). The Acquisition also offers the opportunity to diversify into non-ferrous offerings and exposes us to new customers. We expect to realize cost synergies as a result of the Acquisition as a result of consolidation of regional and aftermarket structures, joint marketing savings, sourcing savings, footprint consolidation and certain other cost savings, as well as revenue synergies resulting in part from bringing the LMCS Group onto the Norican Group's sales and service, product group and shared services and supply chain platform. See "*Summary—Our strategies—Expand market reach and leverage the Norican Group's operating platform by successfully integrating the LMCS Group onto the Norican Group's platform*."

The Refinancing

We expect to refinance (the "**Refinancing**") amounts outstanding under the Existing Senior Facilities and the Shareholder Loans that funded the Acquisition and to pay fees and expenses in connection with the Transactions with the following resources:

- proceeds from the Notes; and
- cash on hand.

Following the date on which the Acquisition closed, the LMCS Group had no third party indebtedness outstanding, but certain local working capital and receivables facilities remain available for future drawings. See "*Description of other indebtedness—LMCS Group facilities*."

We refer to the Acquisition and the Refinancing collectively as the "**Transactions**." See "*Use of proceeds*," "*Capitalization*," "*Description of other indebtedness*" and "*Description of the Notes*."

Sources and uses of the Refinancing

Sources of funds	Amount	Uses of funds	Amount
	(in € millions)		(in € millions)
Proceeds from the Notes offered hereby(1)	340.0	Repayment of Existing Term Loan A Facility(2)	50.1
Cash on hand	2.5	Repayment of Existing Term Loan B Facility(2)	100.1
		Repayment of Existing Revolving Credit Facility(2)	15.0
		Repayment of Shareholder Loan(3)	165.7
		Estimated transaction fees and expenses(4)	11.6
Total Sources	**342.5**	**Total Uses**	**342.5**

(1) Represents the gross proceeds from the issuance of the Notes at a price of par.

(2) Represents the estimated amount required for repayment of such obligations as of the date of this Offering Memorandum. Actual amounts required may vary from these estimated amounts depending on several factors, and any changes may affect the amount of cash on hand used in connection with the Refinancing.

(3) The Shareholder Loans, together with approximately €5 million of cash on-hand, initially provided bridge funding for the Acquisition and associated transaction costs, pending completion of the Offering of the Notes. In connection with the Refinancing, these Shareholder Loans will be repaid with a portion of the proceeds from the Notes.

(4) Represents certain estimated fees and expenses associated with the Transactions, including commitment, placement and other financing fees, financial advisory costs, other transaction costs (including original issue discount, if any), settlement of the Norican Group's existing interest rate hedging arrangements and professional fees.

Our Sponsor

Altor Fund Manager AB (in its capacity as manager to Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB) (the "**Sponsor**" or "**Altor Fund IV**") is a leading Scandinavian private equity firm. The Sponsor and the previous Altor funds have since their inception invested in more than 40 companies, with committed capital of €5.8 billion. The investments have been made in Nordic mid-cap companies with the aim to create value through growth initiatives and operational improvements. Among the Sponsor's and the previous Altor funds' previous investments are Haarslev, Meyn, PIAB and Aalborg Industries. The Sponsor, together with the management, has held 100% of the Norican Group since February 26, 2015.

Recent developments

Based on management accounts of the Norican Group for the three months ended April 1, 2017 on the basis of IFRS, we estimate that revenue of the Norican Group increased by €0.5 million to €77.0 million for the three months ended April 1, 2017, compared to the three months ended April 2, 2016, and that reported EBITDA of the Norican Group increased by €1.6 million to €7.0 million for the three months ended April 1, 2017, compared to the three months ended April 2, 2016. Order backlog of the Norican Group as of April 1, 2017, was €113.1 million.

Based on management accounts of the LMCS Group for the three months ended March 31, 2017 on the basis of German GAAP, we estimate that total performance of the LMCS Group increased from €22.1 million for the three months ended March 31, 2016 to approximately €28.5 million to €29.0 million and EBITDA of the LMCS Group improved from negative €1.6 million for the three months ended March 31, 2016 to approximately negative €0.8 million to €0.9 million. Order backlog for the LMCS Group as of March 31, 2017 was approximately €95 million.

Our equipment business is driven by the timing of our customers' investment decisions, which are in turn driven by their annual capital expenditure budgets. As a result, we typically generate peak revenue and earnings from equipment sales in the fourth quarter of most years, followed typically by significantly lower revenue and earnings from equipment sales in the first quarter of the following year.

The foregoing information is based solely on preliminary internal information used by management of the Norican Group and the LMCS Group, respectively, and management estimates, and remains subject to our normal end-of-quarter and end-of-year review process. As a result, this information may change. In particular, during the course of such review processes, we could identify items that would require us to make adjustments, and such adjustments might be material. Our auditors have not audited, reviewed, compiled or performed any procedures with respect to this information.

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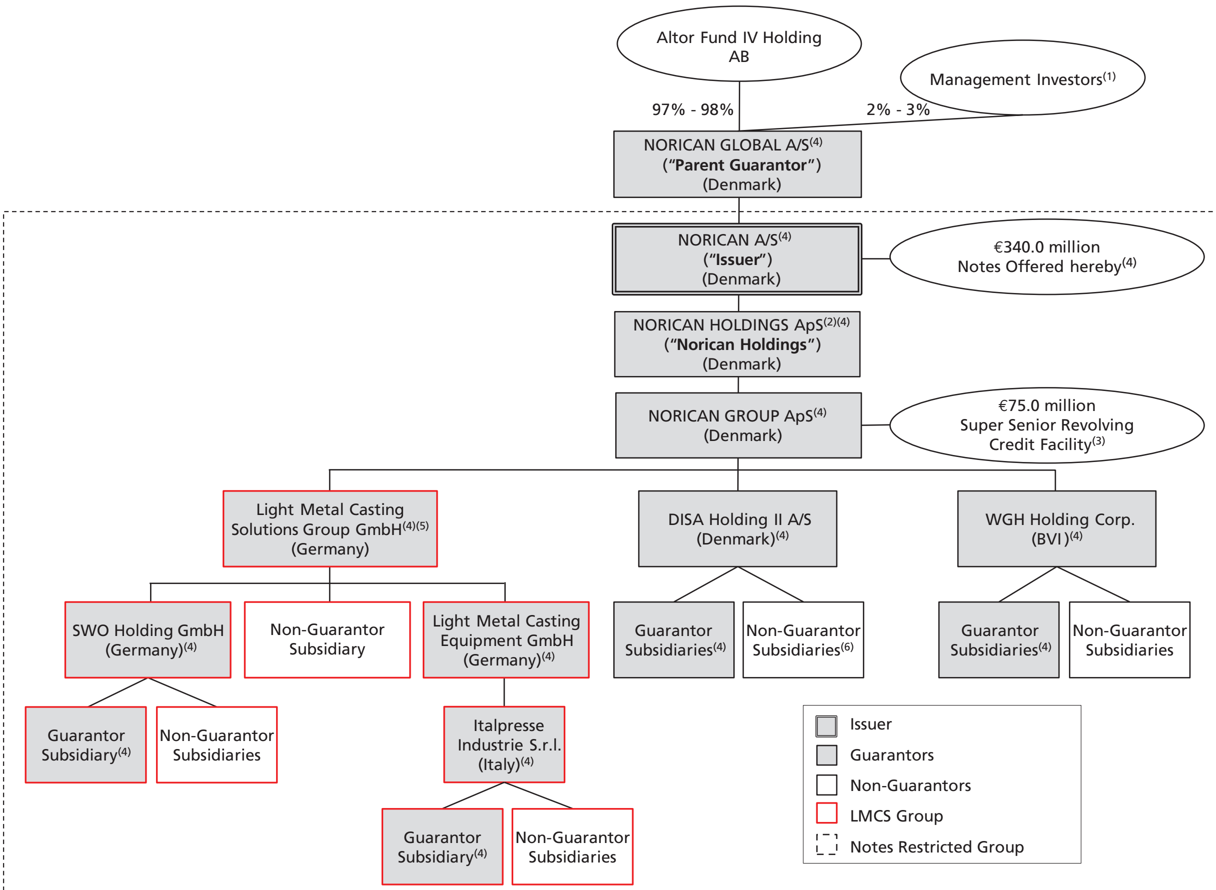
Summary corporate structure

The following diagram shows a simplified summary of our corporate structure after giving *pro forma* effect to the Transactions. The chart does not include all entities in the Combined Group or all of the debt obligations thereof. For a summary of the debt obligations identified in this diagram, refer to the sections entitled "*Description of the Notes*," "*Description of other indebtedness*" and "*Capitalization*."



(1) Certain members of senior management of the Norican Group and (following the Acquisition) certain members of senior management of the LMCS Group hold or will hold equity interests in the Parent Guarantor through a management incentive plan and rights under warrants issued to them. See "*Principal shareholders—Management warrants incentive program*" and "*Principal shareholders*."

(2) Norican Holdings is an interim holding company, which we currently intend to merge with and into the Issuer in the future, in order to simplify our structure. The activities of Norican Holdings will be contractually restricted under the Indenture. See "*Description of the Notes—Certain Covenants—Limitations on activities of Norican Holdings.*"

(3) On or prior to the Issue Date, Norican Group ApS will enter into the Revolving Credit Facility Agreement. The Revolving Credit Facility Agreement will provide for a Revolving Credit Facility in the amount of €75.0 million, of which €55.0 million will be available for cash drawings to finance or refinance the general corporate and working capital needs of the Norican Group, to pay interest on the Notes or to fund acquisitions. The remaining €20.0 million will only be available for performance bonds and other guarantees in connection with our operations. We currently expect that there will be no cash drawings outstanding under the Revolving Credit Facility as of the Issue Date. Under the terms of the Intercreditor Agreement, in the event of an enforcement of the Collateral, holders of the Notes will receive proceeds from such enforcement only after the lenders under the Revolving Credit Facility and counterparties to certain hedging agreements have been repaid in full. See "*Description of other indebtedness—Revolving Credit Facility*" for further information.

(4) The Notes will be general senior secured obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer's existing and future senior indebtedness 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, and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes will be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness. The Notes will be guaranteed (collectively, the "**Notes Guarantees**" and each, a "**Notes Guarantee**") (i) on the Issue Date by (A) Norican Global A/S (the "**Parent Guarantor**") and (B) Norican Holdings ApS ("**Norican Holdings**"), Norican Group ApS, Castalloy, Inc., DISA Holding AG, DISA Holding A/S, DISA Holding II A/S, DISA Industrie AG, DISA Industries A/S, DISA Industries, Inc., DISA Holding LLC, WG Global, LLC, WGH Holding Corp., WGH UK Holdings Limited, WGH UK Limited, Wheelabrator Czech s.r.o., Wheelabrator Group GmbH, Wheelabrator Group, Inc., Wheelabrator Group Holding GmbH,

Wheelabrator Group Limited and Wheelabrator Technologies (UK) Limited (collectively, the "**Norican Guarantors**") and (ii) on the earlier of (A) the date that such entity guarantees the Revolving Credit Facility and (B) the 120th day from the Acquisition Closing Date, by LMCS, Light Metal Casting Equipment GmbH, SWO Holding GmbH, Striko Westofen GmbH, Italpresse Industrie S.r.l. and Gauss Automazione S.r.l. (collectively, the "**LMCS Guarantors**" and, together with the Parent Guarantor and the Norican Guarantors, the "**Notes Guarantors**"), in each case on a senior secured basis. As of and for the year ended December 31, 2016, after giving effect to the Transactions, the Notes Guarantors accounted for approximately 75% of both the gross assets and reported EBITDA of the Combined Group on an estimated, combined, unconsolidated basis and subject to conforming of accounting policies and practices in accordance with IFRS, including consideration given to purchase accounting. The Notes will also be structurally subordinated to any existing or future indebtedness of the Subsidiaries of the Parent Guarantor that are not Notes Guarantors (including prior to the earlier of (i) the date that such entity guarantees the Revolving Credit Facility and (ii) 120 days from the Acquisition Closing Date, the LMCS Guarantors), including obligations to trade creditors. The Notes Guarantors also guarantee the Revolving Credit Facility (as defined herein) and certain hedging obligations on a senior secured basis. The Notes and the Notes Guarantees will be secured on a first-priority basis (i) on the Issue Date by first-priority pledges of the shares of the Issuer, Norican Holdings, Norican Group ApS, DISA Holding A/S, DISA Holding II A/S and DISA Industries A/S and a first-priority security interest over the intra-group receivables between the Issuer, Norican Holdings and Norican Group ApS (the "**Issue Date Collateral**"), (ii) on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue Date, by first-priority security interests over the shares of the Norican Guarantors not yet pledged as Issue Date Collateral and certain assets of the Issuer and the Norican Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**Norican Collateral**") and (iii) on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Closing Date, by first-priority security interests over the shares of the LMCS Guarantors and certain assets of the LMCS Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**LMCS Collateral**" and, together with the Issue Date Collateral and the Norican Collateral, the "**Collateral**"). See "*Summary—The Offering—Security*." The validity and enforceability of the Notes Guarantees and the security interests and the liability of each Notes Guarantor under a Notes Guarantee will be subject to certain contractual limitations due to legal restrictions on the granting of guarantees in certain jurisdictions. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*." The Notes Guarantees will be subject to the terms of the Intercreditor Agreement (as defined herein). See "*Description of other indebtedness—Intercreditor Agreement*" and "*Description of the Notes—Security*." Under the terms of the Intercreditor Agreement (as defined herein), in the event of an enforcement of the Collateral, holders of the Notes will receive proceeds from such enforcement only after the lenders under the Revolving Credit Facility and counterparties to certain hedging agreements have been repaid in full.

(5) Norican Group ApS acquired all of the shares of LMCS, repaid outstanding indebtedness of the LMCS Group and called certain minority interests in subsidiaries of the LMCS Group in connection with the Acquisition, which closed on April 28, 2017.

(6) DISA India Limited, of which DISA Holding II A/S indirectly holds a 74.82% interest, is listed on the Bombay Stock Exchange, with the remainder of the interests held by public investors primarily in India. See "*Risk factors—Risks related to our structure—We have a reduced level of control over the activities of DISA India Limited and its subsidiaries since 25.18% of DISA India Limited's shares are publicly held and listed on the Bombay Stock Exchange*." DISA India Limited is not expected to provide a Notes Guarantee.

The Offering

The following is a brief summary of certain terms of the Offering of the Notes. It may not contain all the information that is important to you. For additional information regarding the Notes, see "*Description of the Notes*."

Issuer:	Norican A/S (the "**Issuer**").
Notes Offered:	€340.0 million in aggregate principal amount of % Senior Secured Notes due 2023 (the "**Notes**").
Issue Date:	On or about , 2017 (the "**Issue Date**").
Issue Price:	% (plus accrued and unpaid interest from the Issue Date, if any).
Maturity Date:	, 2023.
Interest Rate:	Interest will accrue at a rate of % per annum.
Interest Payment:	Interest will be payable semi-annually in arrears on each and , commencing , 2017.
Denominations:	Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. 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*"; • will be guaranteed (i) on the Issue Date by the Parent Guarantor and the Norican Guarantors and (ii) within 120 days from the Acquisition Closing Date, by the LMCS Guarantors, in each case on a senior secured basis as set forth under "*Notes Guarantee*"; • will 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; • will 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; • will be effectively subordinated to any existing or future indebtedness or obligation of the Parent Guarantor and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness; and

	• will be structurally subordinated to any existing or future indebtedness of the subsidiaries of the Parent Guarantor that are not Notes Guarantors (including on or prior to the earlier of (A) the date that each such entity guarantees the Revolving Credit Facility and (B) the 120th day from the Acquisition Closing Date, each of the LMCS Guarantors), including obligations to trade creditors.
Notes Guarantees:	The Notes will be guaranteed (i) on the Issue Date by Norican Global A/S (the "**Parent Guarantor**"), Norican Holdings ApS ("**Norican Holdings**"), Norican Group ApS, Castalloy, Inc., DISA Holding AG, DISA Holding AS, DISA Holding II A/S, DISA Industrie AG, DISA Industries A/S, DISA Industries, Inc., DISA Holding LLC, WG Global, LLC, WGH Holding Corp., WGH UK Holdings Limited, WGH UK Limited, Wheelabrator Czech s.r.o, Wheelabrator Group GmbH, Wheelabrator Group Inc., Wheelabrator Group Holding GmbH, Wheelabrator Group Limited and Wheelabrator Technologies (UK) Limited (collectively, the "**Norican Guarantors**") and (ii) on to the earlier of (A) the date that such entity guarantees the Revolving Credit Facility and (B) the 120th day from the Acquisition Closing Date, by LMCS, Light Metal Casting Equipment GmbH, SWO Holding GmbH, Striko Westofen GmbH, Italpresse Industrie SRL and Gauss Automazione SPA (collectively, the "**LMCS Guarantors**" and, together with the Norican Guarantors and the Parent Guarantor, the "**Notes Guarantors**"), in each case on a senior secured basis. The obligations of each Notes Guarantor will be limited as described under the heading "*Description of the Notes—The Notes Guarantees*." The validity and enforceability of the Notes Guarantees and the liability of each Notes Guarantor under a Notes Guarantee will be subject to significant legal and contractual limitations. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests.*" See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*." Under the terms of the Intercreditor Agreement, proceeds received upon enforcement of the Notes Guarantees will be paid to the lenders under the Revolving Credit Facility and certain hedging counterparties, if any, in priority to the holders of the Notes. See "*Description of Other Indebtedness—Intercreditor Agreement*."

	As of and for the year ended December 31, 2016, after giving effect to the Transactions, the Notes Guarantors accounted for approximately 75% of both the gross assets and reported EBITDA of the Combined Group on an estimated, combined, unconsolidated basis and subject to conforming of accounting policies and practices in accordance with IFRS, including consideration given to purchase accounting. The Notes Guarantees will be subject to certain contractual and legal limitations, which could reduce the amount that can be recovered by the holders of the Notes and will be subject to release under certain circumstances. See "*Description of the Notes—Notes Guarantees*" and "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee", "Limitations on validity and enforceability of the Notes Guarantees and the security interests."*
Ranking of the Notes Guarantees:	Each of the Notes Guarantees of each Notes Guarantor: • will be a general senior obligation of that Notes Guarantor, secured as set forth under "*—Security*"; • rank *pari passu* in right of payment with any existing and future indebtedness of that Notes Guarantor that is not subordinated in right of payment to such Notes Guarantee (including its obligations under the Revolving Credit Facility and certain hedging obligations); • rank senior in right of payment to any existing and future indebtedness of such Notes Guarantor that is expressly subordinated in right of payment to such Notes Guarantee; • be effectively senior to any existing and future unsecured Indebtedness of such Notes Guarantor to the extent of the value of the property and assets securing such Notes Guarantee; and • be effectively subordinated to any existing or future indebtedness or obligation of such Notes Guarantor that is secured by property and assets that do not secure such Notes Guarantee, to the extent of the value of the property and assets securing such indebtedness.

Additional Amounts:	Any payments made by the Issuer or any Notes Guarantor under or with respect to the Notes will be made without withholding or deduction for or on account of any taxes, unless required by law. If withholding or deduction for taxes is required to be made with respect to a payment under or with respect to the Notes in any relevant taxing jurisdiction, subject to certain exceptions, the Issuer or relevant Notes Guarantor, as applicable, will 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—Additional Amounts.*"
Optional Redemption:	At any time prior to November , 2019, the Issuer may redeem the Notes, in whole or in part at its option, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of redemption plus a "*make-whole*" premium, as described under "*Description of the Notes—Optional Redemption.*" At any time and from time to time prior to November , 2019, the Issuer may redeem the Notes, with the Net Cash Proceeds received by the Issuer from any Equity Offering at a redemption price equal to % plus accrued and unpaid interest and Additional Amounts, if any, 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 Notes (including any Additional Notes); *provided* that in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and not less than 50% of the original aggregate principal amount of the Notes (including Additional Notes) issued under the Indenture remains outstanding immediately thereafter (excluding Notes held by the Parent or any of its Restricted Subsidiaries). See "*Description of the Notes—Optional Redemption.*" Prior to November , 2019, the Issuer may in any calendar year redeem up to 10% of the original principal amount of the Notes (including any additional Notes) at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any to but excluding the date of redemption. The Issuer may also redeem all or part of the Notes at any time on or after November , 2019 at the redemption prices described under "*Description of the Notes—Optional Redemption.*"

	In addition, in connection with certain tender offers for the Notes, 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 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 of Notes. See "*Description of the Notes—Optional Redemption*."
Optional Redemption for Tax Reasons:	In the event of certain developments affecting taxation of the Notes that become effective after the Issue Date, the Issuer may redeem the Notes in whole, but not in part, at any time upon proper notice, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date. See "*Description of the Notes—Redemption for taxation reasons.*"
Change of Control:	Upon the occurrence of certain change of control events, the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to but excluding the date of the purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). However, a change of control will not be deemed to have occurred if a certain consolidated net leverage ratio is not exceeded in connection with an event that otherwise would constitute a change of control. See "*Description of the Notes—Change of Control*."
Certain Covenants:	The Indenture governing the Notes will, among other things, restrict our ability to: • incur or guarantee additional indebtedness; • create or incur liens; • pay dividends or make other distributions or repurchase or redeem our share capital; • repay or redeem subordinated debt or share capital; • make investments, loans or other restricted payments; • create restrictions on the payment of dividends or other amounts to the Issuer; • sell, lease or transfer assets, including shareholdings of any restricted subsidiary of the Issuer; • enter into certain transactions with affiliates; • merge, amalgamate or sell all or substantially all of our assets; and

- impair the security interests in the Collateral securing the Notes.

Additionally, the covenants will restrict the ability of Norican Holdings to be the primary obligor under any third-party indebtedness.

Each of these covenants is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain covenants*."

Use of Proceeds: . . . . The gross proceeds of the Notes will be used to repay indebtedness outstanding under the Existing Senior Facilities Agreement, refinance the Shareholder Loans that funded the Acquisition and pay certain fees and expenses in connection with the Transactions. See "*Use of proceeds*."

Transfer Restrictions: . . . . The Notes and the Notes Guarantees have not been registered under the U.S. Securities Act or the securities laws of any other jurisdiction and will not be so registered. The Notes are subject to restrictions on transferability and resale. See "*Notice to investors*." Holders of the Notes will not have the benefit of any exchange or registration rights.

Security: . . . . The obligations of the Issuer and the Notes Guarantors under the Notes, the Notes Guarantees and the Indenture will be secured, on a first-priority basis subject to permitted liens and except for certain excluded assets and certain agreed security principles:

- on the Issue Date by first-priority pledges of the shares of the Issuer, Norican Holdings, Norican Group ApS, DISA Holding A/S, DISA Holding II A/S and DISA Industries A/S and a first-priority security interest over intra-group receivables between the Issuer, Norican Holdings and Norican Group ApS (the "**Issue Date Collateral**");
- on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue date, by first-priority security interests over the shares of the Norican Guarantors not yet pledged as Issue Date Collateral and certain assets of the Issuer and the Norican Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**Norican Collateral**"); and

- on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Closing Date, by first-priority security interests over the shares of the LMCS Guarantors and certain assets of the LMCS Guarantors (including, subject to certain agreed security principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**LMCS Collateral**" and, together with the Issue Date Collateral and the Norican Collateral, the "**Collateral**").

However, under the terms of the Intercreditor Agreement, in the event of enforcement of the security granted over the Collateral (or a transaction in lieu thereof), the lenders under the Revolving Credit Facility and certain other indebtedness permitted under the Indenture and counterparties to certain hedging obligations will receive the proceeds from such enforcement in priority to the holders of the Notes. See "*Description of other indebtedness—Intercreditor Agreement.*"

The Collateral securing the Notes may be shared ratably with certain other debt holders in the future, including any additional notes issued in accordance with the Indenture.

Applicable law may require that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the grantor of the Collateral, which, in the case of some of the Collateral, may not be completed until after the date on which the security interest is granted, as permitted by the Security Documents, the Indenture and the Revolving Credit Facility Agreement. See "*Risk factors—Risk related to the Notes, the Notes Guarantees and the Collateral—Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral*."

The validity and enforceability of the security will be subject to significant legal and contractual limitations described in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*." See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*"

	The pledges and assignments securing the Notes may be released under certain circumstances. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee*," "*Description of other indebtedness—The Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens*."
Intercreditor Agreement:	On or before the Issue Date, the Security Agent and certain other parties will enter into an Intercreditor Agreement to which the Trustee will accede on the Issue Date which will govern the relationships among the lenders under the Revolving Credit Facility, the holders of the Notes and the holders of certain other indebtedness (including hedging counterparties), the relative priorities of the secured creditors of the Issuer and its subsidiaries and certain other matters relating to the administration of security interests. Pursuant to the Intercreditor Agreement, the security interests securing the Notes and the Notes Guarantees will be first-priority security interests that will rank *pari passu* with the security interests that secure obligations under the Revolving Credit Facility, certain other indebtedness permitted by the Indenture and certain hedging obligations. In addition, the Indenture and the Intercreditor Agreement will permit the incurrence of additional senior indebtedness or obligations that are permitted to be secured with security interests over the Collateral on a *pari passu* basis. However, under the terms of the Intercreditor Agreement, in the event of enforcement of the security granted over the Collateral (or a transaction in lieu thereof), the lenders under the Revolving Credit Facility and certain other indebtedness permitted under the Indenture and counterparties to certain hedging obligations will receive the proceeds from such enforcement in priority to the holders of the Notes. See "*Description of other indebtedness—Intercreditor Agreement*."
Listing:	Application has been made to The International Stock Exchange Authority Limited for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained.
Governing Law of the Notes and the Indenture:	New York.
Trustee:	U.S. Bank Trustees Limited.

Paying Agent and Transfer Agent: .	Elavon Financial Services DAC, UK Branch.
Registrar:	Elavon Financial Services DAC.
Security Agent:	U.S. Bank Trustees Limited.
Listing Sponsor:	Carey Olsen Corporate Finance Limited.
Risk Factors:	Investing in the Notes involves substantial risks and uncertainties. See "*Risk factors*" for a description of certain of the risks you should consider carefully before investing in the Notes.

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Summary consolidated financial and other information

The following tables present the Norican Group's summary financial information and the LMCS Group's summary financial information, and have been derived from, and should be read in conjunction with, the Norican Group Financial Statements and the LMCS Group Financial Statements included elsewhere in this Offering Memorandum and the sections entitled "Presentation of financial information and other data," "The Norican Group's management's discussion and analysis of financial condition and results of operations," "The LMCS Group's management's discussion and analysis of financial condition and results of operations," "Selected historical consolidated financial information of the Norican Group," "Selected historical consolidated financial information of the LMCS Group," "Pro Forma Consolidated Financial Information," "Use of proceeds" and "Capitalization."

The information below includes certain unaudited pro forma consolidated income statement and balance sheet information as of and for the year ended December 31, 2016. See "Pro Forma Consolidated Financial Information." When a column in a table below is designated as Combined Group, the information in such column is derived from the Pro Forma Consolidated Financial Information. Such Pro Forma Consolidated Financial Information is not necessarily indicative of the results of future operations.

The historical audited financial information of the Norican Group as of and for the periods ended December 31, 2016, 2015 and 2014, including the Parent Guarantor 2015 Supplementary Pro Forma Results of Operations, has been derived from (i) Parent Guarantor 2016 Audited Financial Statements, (ii) Parent Guarantor 2015 Audited Financial Statements and (iii) the Norican Holdings 2014 Audited Financial Statements, each of which was prepared in accordance with IFRS and is included elsewhere in this Offering Memorandum. When a column in a table below is designated as Parent Guarantor, the information in such column is derived from the Parent Guarantor 2016 Audited Financial Statements, when designated as Parent Guarantor full year, the information in such column (except when otherwise specified) is derived from the Parent Guarantor 2015 Supplementary Pro Forma Results of Operations and when designated as Norican Holdings, the information in such column is derived from the Norican Holdings 2014 Audited Financial Statements.

The historical audited financial information of LMCS as of and for the periods ended December 31, 2016 and 2015 has been derived from the audited consolidated financial statements of LMCS as of and for the year ended December 31, 2016 and as of and for the period between March 6, 2015 and December 31, 2015, in each case prepared in accordance with German GAAP and included elsewhere in this Offering Memorandum.

See "Presentation of financial information and other data."

Pro Forma Consolidated Financial Information for the year ended December 31, 2016

Pro Forma Consolidated Income Statement for the year ended December 31, 2016

(Unaudited)	Combined Group Year ended December 31, 2016
	(in € millions)
Revenues	556.4
Cost of sales	387.0
Gross margin	**169.4**
Operating expenses:	
Selling, general and administrative	105.0
Amortization expense	12.2
Total operating expenses	**117.2**
Operating income	**52.2**
Non-operating expense:	
Finance costs	1.3
Restructuring charges	0.4
Foreign exchange	3.4
Transaction costs	0.2
Other	2.3
Total non-operating expense	**7.6**
Income before income tax	**44.6**
Income tax expense	8.8
Net income	**35.8**

Pro Forma Consolidated Balance Sheet for the year ended December 31, 2016

(Unaudited)	Combined Group As at December 31, 2016
	(in € millions)
Assets	
Current assets:	
Cash and cash equivalents	64.1
Trade and other receivables	122.0
Inventory	88.3
Other current assets	21.6
Total current assets	**296.0**
Property, plant and equipment	32.2
Goodwill and other intangible assets	408.1
Deferred tax assets	24.2
Other non-current assets	4.2
Total assets	**764.7**
Liabilities and equity	
Current liabilities:	
Trade and other payables	56.7
Accrued liabilities and provisions	68.4
Deferred revenue	47.8
Current portion of long-term debt	0.0
Other current liabilities	21.0
Total current liabilities	**193.9**
Long-term debt	330.0
Pension and other liabilities	41.5
Deferred tax liabilities	36.5
Equity:	
Share capital	1.5
Other reserves	153.9
Retained earnings	3.9
Non-controlling interest	3.4
Total equity	**162.6**
Total liabilities and equity	**764.7**

Pro forma other financial information and operating data

	Combined Group Year ended December 31, 2016
	(in € millions, except for percentages)
Pro forma revenue(1)	556.4
Pro forma net income(2)	35.8
Pro forma reported EBITDA(3)	70.0
Pro forma reported EBITDA margin(4)	*12.6%*
Pro forma adjusted EBITDA(3)	73.5
Pro forma adjusted EBITDA margin(5)	*13.2%*
Pro forma tangible capital expenditures(6)	5.5
Ratio of pro forma tangible capital expenditures to pro forma revenue	*1.0%*
Pro forma net trade working capital(7)	105.8
Pro forma change in net trade working capital(7)	13.4
Pro forma free cash flow(8)	81.4
Pro forma cash conversion(9)	*111.0%*
Pro forma net financial debt(10)	285.4
Pro forma cash interest expense(11)	
Ratio of pro forma net financial debt to pro forma adjusted EBITDA	3.9x
Ratio of pro forma adjusted EBITDA to pro forma cash interest expense	

(1) Pro forma revenue is derived from the Combined Group's Pro Forma Consolidated Financial Information.

(2) Pro forma net income is derived from the Combined Group's Pro Forma Consolidated Financial Information.

(3) We define pro forma EBITDA as pro forma net income plus pro forma income tax expense, pro forma net finance costs, pro forma depreciation and pro forma amortization in respect of the Combined Group on a Pro Forma Basis. We define pro forma reported EBITDA as pro forma EBITDA plus pro forma restructuring costs, pro forma foreign exchange, pro forma transaction costs and pro forma other non-operating expenses. We define pro forma adjusted EBITDA as pro forma reported EBITDA as further adjusted to reflect the run-rate effect of certain cost synergies which we expect to realize within 12-30 months of the Acquisition within one year. For more information see "*Presentation of financial information and other data—Non-GAAP measures*" and "*Pro Forma Consolidated Financial Information*." The following table presents a reconciliation of pro forma net income (as derived from the Combined Group's Pro Forma Consolidated Income Statement) to pro forma reported EBITDA and pro forma adjusted EBITDA for the year ended December 31, 2016:

	Combined Group Year ended December 31, 2016
	(in € millions)
Pro forma net income	**35.8**
Pro forma income tax expense	8.8
Pro forma net finance costs	1.3
Pro forma depreciation	5.6
Pro forma amortization	12.2
Pro forma EBITDA	**63.7**
Pro forma restructuring charges(A)	0.4
Pro forma foreign exchange(A)	3.4
Pro forma transaction costs(A)	0.2
Pro forma other non-operating expenses(A)	2.3
Pro forma reported EBITDA	**70.0**
Cost savings synergies expected from the Acquisition(B)	3.5
Pro forma adjusted EBITDA	**73.5**

(A) Represents pro forma information derived from the Pro Forma Consolidated Income Statement on the basis of the income statement line items used by the Norican Group. See "*The Norican Group's management's discussion and analysis of financial condition and results of operations—Key income statement line items.*"

(B) Represents cost synergies which we expect to realize within 12-30 months of the Acquisition related to consolidation of regional and aftermarket structures, joint marketing savings, sourcing savings, footprint consolidation and certain other cost savings following the closing of the Acquisition. This amount excludes the estimated annualized run-rate impact of revenue synergies arising from cross-selling opportunities and the participation of the LMCS Group in the Norican Group's regional sales and service network that we expect to achieve as a result of the Acquisition. See "*Risk Factors—Risks related to the Acquisition—We may face significant uncertainties and risks, as well as unexpected difficulties and costs, in integrating the LMCS Group*."

(4) Pro forma reported EBITDA margin represents pro forma reported EBITDA divided by pro forma revenue.

(5) Pro forma adjusted EBITDA margin represents pro forma adjusted EBITDA divided by pro forma revenue.

(6) Pro forma capital expenditure represents additions for the year ended December 31, 2016 to pro forma property, plant and equipment, as derived from the Combined Group's Pro Forma Consolidated Financial Information.

(7) Pro forma net trade working capital represents pro forma trade and other receivables, plus pro forma inventory, less pro forma trade and other payables, less pro forma deferred revenue. Pro forma change in net trade working capital represents the difference in net trade working capital at December 31, 2016 compared to January 1, 2016. The following table shows pro forma net trade working capital and pro forma change in net trade working capital for the periods presented:

	Combined Group
	Year ended December 31, 2016
	(in € millions)
Pro forma trade and other receivables	122.0
Pro forma inventory	88.3
Pro forma trade and other payables	(56.7)
Pro forma deferred revenue	(47.8)
Pro forma net trade working capital	**105.8**
Pro forma change in net trade working capital	13.4

(8) Pro forma free cash flow for the year ended December 31, 2016 represents pro forma adjusted EBITDA of €73.5 million, less pro forma tangible capital expenditures of €5.5 million and plus the pro forma change in net trade working capital of €13.4 million.

(9) Pro forma cash conversion represents pro forma free cash flow divided by pro forma adjusted EBITDA.

(10) Pro forma net financial debt represents the total financial debt of the Parent Guarantor, minus cash and cash equivalents on an as adjusted basis after giving effect to the transactions as if they had occurred on December 31, 2016. See "*Capitalization*."

(11) Pro forma cash interest expense represents the estimated pro forma cash interest expense of the Combined Group on a Pro Forma Basis for the year ended December 31, 2016 after giving effect to the Transactions as if they had occurred on January 1, 2016.

Summary consolidated financial information of the Norican Group in accordance with IFRS

Summary consolidated income statement information of the Norican Group in accordance with IFRS

	Year ended December 31,		
	Norican Holdings	**Parent Guarantor Supplementary pro forma**	**Parent Guarantor**
	2014	**2015[(2)]**	**2016**
		(in € millions)	
Revenues	361.4	401.1	375.5
Cost of sales	241.6	266.6	250.2
Gross Margin	**119.8**	**134.5**	**125.3**
Operating Expenses:			
Selling, general and administrative	78.9	89.7	84.8
Amortization expense	6.6	7.0	7.1
Total operating expenses	85.5	96.7	91.9
Operating Income	**34.3**	**37.8**	**33.4**
Non-Operating Income/(Expense):			
Finance costs	(18.8)	(11.4)	(10.4)
Restructuring charges	(0.2)	(1.5)	(0.4)
Foreign exchange	(2.6)	1.6	(3.3)
Transaction costs	—	(5.5)	(1.0)
Other[(1)]	(1.9)	(2.5)	(1.1)
Total non-operating expense	**(23.5)**	**(19.3)**	**(16.2)**
Income before income tax	**10.8**	**18.5**	**17.1**
Income tax expense	(6.0)	(10.4)	(0.6)
Net income	**4.7**	**8.1**	**16.5**
Net income attributable to the Parent	4.7	7.6	16.0
Net income attributable to the non-controlling interest[(1)]	—	0.5	0.5

(1) Net income attributable to non-controlling interest of €0.5 million is included in other non-operating expense for the year ended December 31, 2014.

(2) Amounts are shown for the period from January 1 to December 31, 2015 for the Parent Guarantor, and include (i) the amortization costs attributed to intangibles of Norican Holdings for the period from January 1, 2015 to February 26, 2015 and (ii) the amortization costs of intangibles corresponding to the purchase price allocation adjustments resulting from the acquisition of Norican Holdings ApS by Norican A/S, in February 2015. See "*Presentation of financial information and other data*."

Summary consolidated balance sheet information of the Norican Group in accordance with IFRS

	As of December 31,		
	Norican Holdings	Parent Guarantor	
	2014	2015	2016
	(in € millions)		
Assets			
Current Assets:			
Cash and cash equivalents	56.1	40.0	56.1
Trade and other receivables	60.3	64.9	62.0
Inventory	65.9	71.0	61.5
Other current assets	14.9	10.2	14.4
Total current assets	**197.2**	**186.1**	**194.0**
Property, Plant and Equipment	31.0	29.6	29.4
Goodwill and Other Intangible Assets	171.2	288.6	283.6
Deferred Tax Assets	16.6	15.5	21.9
Other Non-Current Assets	1.1	2.6	2.2
Total Assets	**417.1**	**522.4**	**531.1**
Liabilities And Equity			
Current Liabilities:			
Trade and other payables	22.8	23.7	28.0
Accrued liabilities and provisions	64.3	60.4	58.1
Deferred revenue	44.0	38.4	37.8
Current portion of long-term debt	67.2	26.6	22.3
Other current liabilities	6.6	2.4	4.4
Total current liabilities	**204.9**	**151.5**	**150.6**
Long-Term Debt	114.9	148.5	139.3
Pension and Other Liabilities	31.9	36.4	39.4
Deferred Tax Liabilities	13.9	25.1	24.0
Shareholders' Loans	31.3	—	—
Equity:			
Share capital	0.7	1.5	1.5
Other reserves	44.6	150.9	152.3
Retained earnings/deficit	(25.2)	4.6	20.6
Non-controlling interest[(1)]	—	3.9	3.4
Total equity	**20.1**	**160.9**	**177.8**
Total Liabilities and Equity	**417.1**	**522.4**	**531.1**

(1) Equity attributable to non-controlling interest as at December 31, 2014 is not separately presented.

Summary cash flow statement information of the Norican Group in accordance with IFRS

	Norican Holdings	Parent Guarantor	
	Year ended December 31, 2014	December 11, 2014 to December 31, 2015[(1)]	Year ended December 31, 2016
	(in € millions)		
Net cash from operations	9.2	(5.3)	36.2
Net cash used in investing activities	(2.9)	(65.8)	(4.4)
Net cash used in financing activities	(24.1)	109.3	(15.6)
Foreign currency effect on cash and cash equivalents	3.6	1.7	(0.0)
Net (decrease)/increase in cash	**(14.1)**	**40.0**	**16.1**
Cash, beginning of period	70.2	—	40.0
Cash, end of period	56.1	40.0	56.1

(1) The cash flow statement information of the Parent Guarantor for the period from December 11, 2014 to December 31, 2015, is presented in the Parent Guarantor 2016 Audited Financial Statements on an actual basis. While December 11, 2014 is the date on which the Parent Guarantor was formed, the Altor Acquisition in which the Issuer acquired all of the issued share capital of Norican Holdings closed on February 26, 2015. As a result, the cash flow statement information of the Parent Guarantor for such period only covers an operational period from February 26, 2015 to December 31, 2015 and is not comparable to the other periods presented. See "*Presentation of financial information and other data*."

Other financial data and operating information of the Norican Group

	Norican Holdings	Parent Guarantor Supplementary Pro Forma	Parent Guarantor
	Year ended December 31,		
	2014	2015	2016
	Unaudited (in € millions, except for percentages)		
Revenues	361.4	401.1	375.5
Reported EBITDA[(1)]	45.1	49.3	45.0
Reported EBITDA margin	*12.5%*	*12.3%*	*12.0%*
Tangible capital expenditures[(2)]	(2.9)	(2.7)	(4.6)
Ratio of tangible capital expenditures to revenues	*0.8%*	*0.7%*	*1.2%*
Net trade working capital[(3)]	59.4	73.8	57.7
Change in net trade working capital[(3)]	(10.2)	(14.4)	16.1
Free cash flow[(4)]	32.1	32.4	56.3
Cash conversion[(5)]	*71.2%*	*65.7%*	*125.1%*
Order backlog (as of December 31)[(6)]	114.1	99.3	102.6

(1) We define EBITDA of the Norican Group as net income plus income tax expense, net finance costs, depreciation and amortization, in each case, of the Norican Group. We define reported EBITDA of the Norican Group as EBITDA of the Norican Group, plus restructuring charges, foreign exchange, transaction costs and other non-operating expenses. For more information see "*Presentation of financial information and other data—Non-GAAP measures*." The following table presents a reconciliation of net income of the Norican Group to reported EBITDA for the year ended December 31, 2016:

	Norican Holdings	Parent Guarantor Supplementary Pro Forma	Parent Guarantor
	Year ended December 31,		
	2014	2015	2016
	Unaudited (in € millions)		
Net income	**4.7**	**8.1**	**16.5**
Income tax expense	6.0	10.4	0.6
Net finance costs	18.8	11.4	10.5
Depreciation[(A)]	4.3	4.5	4.5
Amortization	6.6	7.0	7.1
EBITDA	**40.4**	**41.4**	**39.2**
Restructuring charges	0.2	1.5	0.4
Foreign exchange	2.6	(1.6)	3.3
Transaction costs	—	5.5	1.0
Other non-operating expenses	1.9	2.5	1.1
Reported EBITDA	**45.1**	**49.3**	**45.0**

(A) Depreciation in respect of the Parent Guarantor for the year ended December 31, 2015, has been derived from management estimates, and not from the Parent Guarantor 2015 Supplementary Pro Forma Results of Operations or the Parent Guarantor 2016 Audited Financial Statements.

(2) Tangible capital expenditures of the Norican Group represent additions during the period to property, plant and equipment. Amounts in respect of 2014 represent additions during the period from January 1, 2014 to December 31, 2014, to property, plant and equipment in respect of Norican Holdings. Amounts in respect of 2015 represent additions to property, plant and equipment from January 1, 2015 to December 31, 2015, in respect of the Parent Guarantor. Amounts in respect of 2016 represent additions to property, plant and equipment from January 1, 2016 to December 31, 2016, in respect of the Parent Guarantor.

(3) Net trade working capital of the Norican Group represents trade and other receivables, plus inventory, less trade and other payables, less deferred revenue, in each case of the Norican Group. Change in net trade working capital of the Norican Group represents the difference in net trade working capital of the Norican Group on the last day of the applicable period, compared to the first day of the applicable period. The following table shows net trade working capital and change in net trade working capital for the periods presented:

	Norican Holdings	Parent Guarantor	
	As of December 31,		
	2014	2015	2016
	Unaudited (in € millions)		
Trade and other receivables	60.3	64.9	62.0
Inventory	65.9	71.0	61.5
Trade and other payables	(22.8)	(23.7)	(28.0)
Deferred revenue	(44.0)	(38.4)	(37.8)
Net trade working capital	**59.4**	**73.8**	**57.7**
Change in net trade working capital	(10.2)	(14.4)[(A)]	16.1

(A) Calculated on a pro forma basis based on the balance sheet as of December 31, 2014 for Norican Holdings and the Parent Guarantor balance sheet as of December 31, 2015.

(4) Free cash flow of the Norican Group represents reported EBITDA, less tangible capital expenditures and plus or minus change in net trade working capital of the Norican Group. The following table shows a reconciliation of free cash flow to net cash provided by/(used in) operations:

	Norican Holdings	Parent Guarantor Supplementary Pro Forma	Parent Guarantor
	Year ended December 31,		
	2014	2015	2016
	Unaudited (in € millions)		
Net cash provided by/(used in) operations	**9.2**	**(0.9)[(A)]**	**36.2**
Transaction costs not deducted in free cash flow	—	5.5	1.0
Other non-operating expenses not deducted in free cash flow	1.9	2.5	1.1
Finance costs not deducted in free cash flow	15.0	9.1	9.4
Tax payments not deducted in free cash flow	5.9	8.8	8.0
Change in accrued liabilities not deducted in free cash flow	(3.3)	5.1	1.1
Change in other working capital not deducted in free cash flow	6.3	5.0	4.1
Tangible capital expenditure deducted in free cash flow	(2.9)	(2.7)	(4.6)
Free cash flow	**32.1**	**32.4**	**56.3**

(A) Net cash used in operations for the period from January 1 to December 31, 2015 has been calculated on a pro forma basis.

(5) Cash conversion represents free cash flow divided by reported EBITDA.

(6) Order backlog in respect of the Norican Group represents amounts due under signed contracts for equipment sales for which we have generally received a deposit. The Norican Group's order backlog may not be indicative of future results, and we cannot assure you that the Norican Group will realize all the future revenue reflected in its order backlog. See "*Risk factors—Risks relating to our business and industry—Our order backlog is not necessarily indicative of our future sales or results of operations and may not be fully realized*."

Summary consolidated financial information of LMCS on the basis of German GAAP

Summary consolidated income statement information of LMCS on the basis of German GAAP

	LMCS	
	March 6 to December 31, 2015[1]	Year ended December 31, 2016
	(in € millions)	
Revenues	149.4	180.9
Increase or decrease in finished goods and work in process	(2.9)	(0.4)
Other own work capitalized	0.2	0.3
Other operating income	1.5	1.0
Total output	**148.2**	**181.7**
Material costs	(93.7)	(114.9)
Personnel expenses	(22.2)	(28.3)
Depreciation and amortization of intangible and tangible fixed assets	(6.1)	(7.3)
Other operating expenses	(14.1)	(14.6)
Interest income and similar income	0.3	0.3
Interest expenses and other expenses	(3.9)	(4.7)
Income from ordinary activities	**8.4**	**12.4**
Income tax	(2.4)	(4.7)
Other taxes	(0.3)	(0.3)
Net income	**5.7**	**7.4**
Net income applicable to minority shareholders	(0.0)	(0.1)
Consolidated net income	**5.6**	**7.3**

(1) Amounts are shown for LMCS from March 6, 2015, the date on which LMCS began operations, to December 31, 2015. As a result, the income statement information of LMCS for such period is not comparable to the income statement information of LMCS for the year ended December 31, 2016. See "*Presentation of financial information and other data*."

Summary consolidated balance sheet information of LMCS on the basis of German GAAP

	LMCS	
	As of December 31,	
	2015	2016
	(in € millions)	
Assets		
Fixed assets		
Intangible assets:		
Concessions, industrial and similar rights	47.4	43.3
Goodwill	9.9	8.9
Advance payments and assets under construction	0.5	0.0
Total intangible assets	**57.8**	**52.2**
Tangible assets:		
Land, property rights and buildings	0.4	0.3
Equipment & machinery	1.4	1.1
Other equipment, operating and office equipment	1.2	1.3
Advance payments and assets under construction	0.0	0.1
Total tangible assets	**3.0**	**2.8**
Shares in affiliated companies	0.0	0.0
Total fixed assets	**60.8**	**55.0**

	LMCS	
	As of December 31,	
	2015	2016
	(in € millions)	
Current assets		
Inventories:		
Raw materials, auxiliary materials, consumables	15.9	13.3
Unfinished goods	13.5	13.0
Finished goods and merchandise	2.7	3.3
Prepaid inventory	0.9	0.4
Advance payments	(0.1)	(1.6)
Total inventories	**32.9**	**28.4**
Receivables and other assets:		
Trade receivables	55.9	61.3
Other assets	3.9	6.8
Total receivables and other assets	**59.8**	**68.2**
Cash on hand, bank balances	8.7	11.4
Prepaid expenses	0.4	0.4
Deferred taxes asset	2.9	2.3
Total assets	**165.6**	**165.7**
Equity and Liabilities		
Equity:		
Subscribed capital	0.1	0.1
Capital surplus	27.6	27.6
Profit/Loss carried forward	(0.7)	4.9
Net income	5.6	7.3
Difference in equity due to currency conversion	0.1	(0.1)
Minority interest	0.0	0.0
Total equity	**32.7**	**39.9**
Provisions		
Provisions for pensions and similar obligations	4.3	3.3
Tax provisions	1.5	1.7
Other provisions	7.9	8.5
Total provisions	**13.7**	**13.6**
Liabilities:		
Liabilities to banks	44.4	38.1
Payments received on account for orders	7.4	10.0
Trade payables	33.8	28.5
Liabilities to shareholders	14.7	15.9
Other liabilities	4.9	7.0
Total liabilities	**105.2**	**99.5**
Deferred income	**0.6**	**0.2**
Deferred tax liability	**13.4**	**12.4**
Total Equity and Liabilities	**165.6**	**165.7**

Summary cash flow statement information of LMCS on the basis of German GAAP

	LMCS	
	March 6 to December 31, 2015	Year ended December 31, 2016
	(in € millions)	
Net cash from operating activities	7.2	14.9
Net cash used in investing activities	(1.8)	(1.3)
Net cash used in financing activities	(14.7)	(11.0)
Net increase in cash	(9.2)	2.7
Cash, beginning of period	**17.9**	**8.7**
Cash, end of period	**8.7**	**11.4**

Other financial data and operating information of LMCS

	LMCS	
	As of and for the period from March 6, 2015 to December 31, 2015	Year ended December 31, 2016
	(in € millions)	
Revenues	149.4	180.9
EBITDA(1)	18.0	24.0
EBITDA margin(2)	*12.0%*	*13.3%*
Tangible capital expenditures(3)	0.8	0.9
Ratio of tangible capital expenditures to revenues	*0.5%*	*0.5%*
Net trade working capital(4)	47.6	51.2
Change in net trade working capital(4)	—	3.6
Free cash flow(5)	—	26.7
Cash conversion(6)	—	*111%*
Order backlog (as of December 31)(7)	113.1	92.3

(1) We define EBITDA of the LMCS Group as consolidated net income, plus income tax and other taxes, net interest and similar expenses, depreciation and amortization of intangible and tangible fixed assets, in each case of the LMCS Group. For more information see "*Presentation of financial information and other data—Non-GAAP measures*." The following table presents a reconciliation of net income of the LMCS Group to EBITDA for the period from March 6, 2015 to December 31, 2015 and for the year ended December 31, 2016:

	LMCS	
	March 6, 2015 to December 31, 2015	Year ended December 31, 2016
	(in € millions)	
Net income	**5.6**	**7.4**
Income tax and other taxes	2.7	5.0
Net interest and similar expenses	3.6	4.3
Depreciation and amortization of intangible and tangible fixed assets	6.1	7.3
EBITDA	**18.0**	**24.0**

(2) EBITDA margin for the LMCS Group represents EBITDA of the LMCS Group, divided by revenue of the LMCS Group.

(3) Tangible capital expenditures for the LMCS Group represents expenditure for fixed asset investments.

(4) Net trade working capital of the LMCS Group represents inventories, plus trade receivables, less trade liabilities, less customer advances. Change in net trade working capital of the LMCS Group represents the difference in net trade working capital of the LMCS Group on the last day of the applicable period, compared to the first day of the applicable

period. The following table shows net trade working capital and change in net trade working capital for the periods presented:

	LMCS	
	As of December 31, 2015	As of December 31, 2016
	(in € millions)	
Inventories	32.9	28.4
Trade receivables	55.9	61.3
Trade payables	(33.8)	(28.5)
Payments received on account for orders	(7.4)	(10.0)
Net trade working capital	**47.6**	**51.2**
Change in net trade working capital	—	3.6

(5) Free cash flow of the LMCS Group represents EBITDA, less tangible capital expenditures and plus or minus change in net trade working capital of the LMCS Group.

(6) Cash conversion for the LMCS Group represents free cash flow divided by EBITDA.

(7) Order backlog in respect of the LMCS Group represents the order book at the beginning of the period, plus order intake during the period, less sales during the period, with immaterial reconciliation differences due to sales of aftermarket parts and services. The LMCS Group's order backlog may not be indicative of future results, and we cannot assure you that the LMCS Group will realize all the future revenue reflected in its order backlog. See "*Risk factors—Risks relating to our business and industry—Our order backlog is not necessarily indicative of our future sales or results of operations and may not be fully realized*."

Risk factors

An investment in the Notes involves a high degree of risk. Prospective investors in the Notes should carefully consider the risks described below and the other information contained in this Offering Memorandum before making a decision to invest in the Notes. Any of the following risks, individually or together, could adversely affect our business, financial position, results of operations and prospects and accordingly the value of the Notes. This section describes the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only ones that we face. Additional risks and uncertainties, including those that we currently do not know about or deem immaterial, may also result in decreased revenues, assets and cash inflows, increased expenses, liabilities or cash outflows, or other events that could result in a decline in the value of the Notes, or which could have a material adverse effect on our business, financial position, results of operations and prospects. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business, financial position, results of operations and prospects or on the trading price of the Notes.

Risks relating to our business and industry

We operate in a cyclical industry and our financial performance is vulnerable to adverse changes in global economic conditions, and regional economic conditions in regions where we have a high concentration of sales.

The industries in which our customers are involved, including the automotive, aerospace, shipbuilding, rail and construction industries, have been cyclical in the past, and we expect this cyclicality to continue. Sales of our products and services are affected by overall economic conditions, and our sales can be materially impacted by the economic cycle. Periods of deteriorating general economic conditions, such as the global financial crisis, have resulted and may in the future result in a significant reduction in product sales which may negatively impact our profitability and put downward pressure on our product and service prices and volumes. A decline in demand in any of our end markets, in particular in the automotive, construction and consumer goods industries, could have a material adverse effect on our business, prospects, financial position, cash flows and results of operations. Although the end markets to which we provide our products and services are varied and do not necessarily experience cyclicality in the same manner and at the same time, it can be difficult to predict market trends and anticipate changes in customer demand.

Both our equipment sales and aftermarket parts and services business lines could be affected by a downturn in the economies on which they are reliant. Equipment could lose sales volumes if potential customers delay their investment decisions, postpone or cancel existing orders. Aftermarket parts sales and services could also be affected by a lower rate of utilization of our products and the ensuing drop in the need for repairs or replacement.

Constraints in the availability of financing and high financing costs during the global financial and economic crisis have adversely affected, and may again adversely affect, demand for our customers' products and consequently their need for our products and services, potentially leading to postponements or cancellation of projects and orders, all of which could result in a reduction of our equipment sales and aftermarket parts sales and services. During the global financial and economic crisis, these factors reduced the demand for our products and services and may do so again.

Since 2008, as the world has emerged from the economic downturn, volatile energy prices, global business and customer confidence and rising or stagnant unemployment levels have impeded a full economic recovery and there remains significant uncertainty over when certain of our markets will recover. European countries, in particular, have experienced challenging economic conditions since 2008, which have been further exacerbated by the economic and political uncertainty caused by the European sovereign debt crisis as well as the political instability caused by the decision of the United Kingdom to exit the European Union and the lack of certainty on the conditions of such exit. In addition, North American economies have experienced only modest and gradual recovery from the 2008 credit downturn, and growth rates in Asian economies have slowed significantly in recent years, both of which may adversely affect our results of operations and expansion plans in those geographic areas. If our key geographic markets were to experience a recurrence, continuation or further worsening of difficult economic conditions, we will likely suffer from reduced demand for our products and services. As a result, our business, financial position and results of operations may be materially adversely affected. Emerging markets, which are increasingly important for growth in the industry, may be subject to more pronounced cyclical downturns.

In addition, the difficult economic environment may adversely affect the ability of our customers or other contracting parties (including financial institutions acting as hedge counterparties) to fulfill their contractual obligations to us, which could result in write-offs of our receivables or other claims. Any deterioration in economic conditions could materially and adversely affect our financial position and results of operations, which could adversely affect our ability to meet our financial covenants and other obligations, in particular under our financing agreements and fulfill our obligations under the Notes and the Notes Guarantees, or cause the market price of the Notes to decline.

We operate in a competitive industry.

The markets within which we operate are competitive. The metallic parts formation and metallic parts preparation markets are both niche markets. Competition is based on several factors, including experience relevant to the particular application, reputation, price, the customer-supplier relationship, distribution channels, manufacturing capabilities and the breadth, depth, performance and quality of products and services offered. Our competitors, some of whom are well established in the market and who may have more financial resources than we do, may develop new production technologies, such as additive manufacturing, or products that are more cost effective or more popular than our technologies or products. Our competitors may also be subject to different regulatory regimes or may be affected differently by regulatory changes to which we are also subject. These factors may have a material adverse effect on our ability to maintain or increase our market share while maintaining profitability.

More generally, competitive dynamics are affected by the number of competitors in a certain market, their degree of vertical integration and pricing policies, the development of demand and capacity as well as the access to and cost of raw materials and other inputs. Prices are subject to changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond our control. Any significant decline in terms of volume, margin or price could have a material adverse effect on our business, financial position and results of operations.

The supply of products in our industry segments particularly affects the prices we can offer our customers. Any significant increase in production capacities from our competitors would be likely to put pressure on us to reduce prices to meet those of competitors in areas where products are more commoditized. In addition, any significant increase in production capacity within our industry segments without a similar increase in demand may exert downward pressure on our prices, thereby reducing our profit margin and accordingly, this may have a material adverse effect on our business and financial operation and our ability to fulfill our obligations under the Notes and the Notes Guarantees.

We consider our aftermarket parts sales and services to be key drivers of our present and future results as we have the ability to service our products throughout their lifetimes. However, we do not require or have contracts with our customers obligating them to purchase or utilize our aftermarket parts and services. Certain of the aftermarket parts and services that we provide, including non-proprietary spare parts, can be supplied by other producers, potentially at a lower price, or our customers may develop in-house engineering capacity that overlaps with the products and services we provide. Aftermarket services have not previously been a focus of the LMCS Group and Italpresse machines in particular, so we may not be able to increase aftermarket sales in respect of LMCS Group products to a share in line with the Norican Group. If there is a significant shift by our customers to purchase aftermarket parts and services from alternative suppliers or conduct their own in-house maintenance operations, this could have a material adverse effect on our business, financial position and results of operation.

We may not have sufficient access to qualified personnel in order to continue to successfully compete in the market. Our competitors may develop greater financial and personnel resources or know-how, may be able to provide support for customers more quickly or adapt more rapidly to changing customer demands or succeed in implementing a better marketing strategy. These factors may lead to a significant loss of our market share and any failure to successfully compete or to effectively commercialize our innovations may have a material adverse effect on our business, financial position and results of operations.

Any of our competitors commencing a leasing operation may have an adverse impact on our business.

Currently, it is very rare for manufacturers in our market segments to be able to offer leasing or financing programs for their products. However, if one or more of our competitors were to offer leasing on a commercially viable basis, they could attract a significant portion of the overall demand for such products by lowering customers' incremental capital expenditure spend per manufacturing unit. Any such development for the mass market would place additional pressure on profit margins as prices are corrected to compensate for the fundamental change in the marketplace, and may therefore have a materially adverse effect on our business, financial position and results of operations.

Currency mismatches and fluctuations in exchange and interest rates may have an adverse impact on our financial position.

We currently sell into a large number of countries worldwide with differing and sometimes very volatile currencies. Our key currencies in terms of costs are U.S. dollars, euro, Danish krone, Polish zloty, Czech koruna, Indian rupees, Chinese renminbi and Swiss franc. Our revenues are received in a large number of different currencies, although predominately euro and U.S. dollars, and our assets and liabilities are likewise denominated in several different currencies. Our reporting currency, however, is the euro, which results in additional currency translation effects that affect our financial position and results of operations.

While we aim at matching the currencies of our costs and revenues to the extent possible, changes in foreign currency exchange rates may still have an adverse effect on our financial position. In addition, there may be situations where currency exposures are deliberately created, for example to take advantage of labor arbitrage, the benefits of which outweigh the risks of the currency exposure. However, if the benefits of such planning are reduced or are miscalculated or the euro in particular strengthens against other significant currencies, these factors may have a material adverse effect on our business and our net assets, financial position and results of operations.

Further, because our consolidated financial results are reported in euro, if we generate sales or earnings in other currencies, the translation of those results into euro can result in a significant increase or decrease in the amount of those sales or earnings. In addition, fluctuations in currencies relative to the euro may make it more difficult to perform period-to-period comparisons of our reported results of operations. Historically, and for purposes of accounting, the assets and liabilities of both the Norican Group's and the LMCS Group's foreign operations, where the local currency is the functional currency, have been translated using period-end exchange rates, and the revenues and expenses of their foreign operations have been translated using average exchange rates during each period. We intend to continue to follow this accounting practice in the future and in each case, our business, results of operations, financial position and liquidity could be materially adversely affected.

In addition, while our reporting currency is the euro and our current financing is in euro, a significant portion of our net cash flows are denominated in U.S. dollars and other currencies. Any strengthening of the euro could have a material adverse effect on reported earnings and our ability to service our debt. We are also exposed to general interest rate risk. An increase in interest rates could have a material adverse effect on our earnings and cash flows.

Moreover, we incur currency transaction risk whenever we enter into either a purchase or a sales transaction using a currency other than the functional currency of the transacting entity. The volatility of exchange rates and the financial markets' environment may impair our ability to effectively manage our transaction risk. While we aim to match the currencies of our costs and revenues to the extent possible, changes in foreign currency exchange rates may make our hedging and other strategies less effective, thereby having an adverse effect on our financial position. In addition, there may be situations where currency exposures are deliberately created, for example to take advantage of labor arbitrage, the benefits of which outweigh the risks of the currency exposure. However, if the benefits of such planning are reduced or are miscalculated or the euro in particular strengthens against our other key currencies, these factors may have a material adverse effect on our business and our net assets, financial position and results of operations.

Furthermore, any of our subsidiaries may bid for certain projects in a foreign currency. If such subsidiary's currency strengthens relative to the respective value of the counterparty's or competitors' currencies, it may be less competitive on those projects. Significant currency fluctuations could impair our cash flow and financial position.

Our significant exposure to the automotive sector makes us reliant on growing demand in that sector.

Given our high exposure to the automotive sector, which accounted for approximately 64% of the Combined Group's revenue over the period from January 1, 2016 to December 31, 2016, our financial performance bears a strong correlation to the condition of that sector. The cyclical and fluctuating nature of the automotive industry presents a risk that is outside of our control and that cannot be accurately predicted. The automotive sector can be affected by a wide range of factors including but not limited to economic cycles, political stability, consumer preferences, availability of consumer financing, price of raw materials, oil and energy costs, interest rate levels and inflation. Additionally, macro trends that may occur in the automotive industry, including shifts away from manufacturing vehicles with a high number of metallic components, could have a material adverse effect on our revenues, profitability and financial condition. Accordingly, any significant deterioration in demand in the automotive sector may have an adverse effect on our business, financial position and results of operations.

We are exposed to risks associated with market trends and technological developments and in order to operate our business successfully, we must meet evolving customer requirements for metallic parts enhancement products and invest in the development of new products.

If we fail to develop or enhance our products to satisfy evolving customer demands in a timely manner or at all, our business, operating results, financial position and prospects may be harmed significantly. The markets for metallic parts enhancement products are characterized by periodic new product introductions, certification requirements and evolving customer and industry standards that are each generally driven by technological advances. Our customers are continuously adapting to changing technologies and in turn, we must effectively and timely anticipate and adapt to customer requirements and offer products and services that meet customer demands. Our customers are doing the same and may be able to produce more cost-effective products or substitutes for metallic products.

Certain of our customers are focusing their research and development on ways in which to replace the metallic parts of their products with non-metallic alternatives such as plastic, fiber glass, carbon or graphite materials and the replacement of traditional parts formation and parts preparation through new technologies such as 3D printing. While the number of traditionally metallic components to have been successfully and in a commercially viable way replaced with such other materials is limited, if significant advances are made in such technology and it becomes technologically and commercially viable to produce non-metallic substitutes in large quantities or for our products to be replaced to a greater degree with an alternative manufacturing method such as 3D printing, this would be likely to have a material adverse effect on our business, financial position and results of operations.

Another potential risk to our business is the development of electric cars. Currently, the market trend in the automotive market remains to develop traditional cars, using light-weight aluminum parts to render them more energy efficient. We have been able to provide metallic parts, including aluminum casting products, for this purpose. However, if the development of electric cars was to accelerate further and electric cars were to become a mass-market alternative to petrol and diesel cars on a larger scale, this would likely result in a drop in demand for engine blocks and a number of other metallic parts required by petrol and diesel cars and other vehicles and an increase in the demand for aluminum and other light metal parts. Any significant reduction in the reliance on metallic engine blocks and other metallic parts used in automotive production may have a material adverse effect on some segment of our business while the increase in the demand for aluminum and other light metal parts may have a positive impact on other segments of our business. Furthermore, a general move towards the use of lighter plastic, carbon, graphite or other non-metallic materials in the automotive, aircraft and medical industries would reduce the demand for our products.

Developing new and improved products is very costly and requires a substantial amount of capital funding. If we were to devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to become commercially viable, all or a part of these research and development expenses, and any capital expenditures, may be lost. There can be no assurance that (i) the launch of any such new products would be successful, (ii) our market share for such new products would continue to grow, (iii) we would be successful in developing other new products or systems or in bringing them to market in a timely manner, or at all, (iv) products or technologies developed by others would not render our offerings obsolete or uncompetitive, (v) our customers would not substitute our products with competing products or alternate technology, (vi) the market would accept our innovations or (vii) our competitors would not be able to produce products similar to ours at a lower cost from other sources. Moreover, the expenses required for specialized staff training as well as the sophisticated equipment required to test and repair these evolving components and technologies could result in higher costs or higher capital expenditure for us or for our end-customers which could, in turn, have a material adverse effect on our business, results of operations and financial condition. Furthermore, sophisticated manufacturing technology may improve the quality of our products and may subsequently reduce the number of replacements and repairs they require, which could decrease our revenue from aftermarket parts sales and services.

Aluminum may become less competitive with the increase in utilization of alternative materials, which could reduce demand for aluminum parts, lower our selling prices, reduce our sales volumes and reduce our aftermarket parts sales volumes.

Aluminum products compete with products made from other materials—such as steel, glass, plastics, carbon and composites—for various applications. Higher aluminum prices relative to substitute materials tend to make aluminum products less competitive with these alternative materials. Environmental and other regulations may also increase our costs and, to maintain our financial position, we may be required to pass those costs on to our customers. Such regulations may restrict the use of certain chemical elements, such as carbon, needed to produce aluminum products or increase the cost for the significant amount of energy used in the aluminum production process. These regulations may make aluminum products less competitive as compared to materials that are subject to fewer regulations.

Customers in the end-markets for aluminum products, including the automotive sector, use and continue to evaluate the further use of alternative materials to aluminum in order to reduce the weight and increase the efficiency of their products. Although trends in "lightweighting" have generally increased rates of using aluminum as a substitution of other materials, the willingness of customers to accept substitutions for aluminum, or the ability of large customers to exert leverage in the marketplace to reduce the pricing for fabricated aluminum products, through additive manufacturing processes for example, could adversely affect the demand for our lightweight metal processing equipment. Light metal processing equipment and services accounted for approximately 100% of the LMCS Group's total consolidated revenue for the year ended December 31, 2016. Accordingly, any such shift away from our lightweight metal processing equipment could have a material adverse effect on our financial position, results of operations and cash flows.

We depend on suppliers, independent agents and other third parties for the operations of our businesses.

We rely on third-party suppliers and independent agents to provide some of our raw materials and components and to join our workforce, respectively. In this respect, we are particularly reliant on suppliers and independent agents in the context of our turnkey contracts to meet certain needs of projects. If there is a significant or unexpected drop in customer demand or if there is a significant increase in customer demand that we are unable to meet from our inventory stock or procure in time from our suppliers, our business, reputation, results of operations and financial condition could be adversely affected. If we are unable to find reliable suppliers or hire qualified independent agents a timely manner or on commercially beneficial terms, our ability to successfully complete our projects could be impaired and could result in unfilled customer orders, lost revenues and damage to our business reputation. Furthermore, if an independent agent fails to provide timely or adequate services, or if a supplier fails to provide raw materials or components, in each case, as required under a contract for any reason, we may be required to source such services, equipment or raw materials at a higher price than anticipated, which could negatively impact our profitability, as there can also be no assurance that we will be able to pass on any or all of such increased costs to our customers. Although contracts with independent agents and suppliers generally provide for indemnification to cover their failure to perform their obligations satisfactorily, such indemnification may not fully cover our financial losses in attempting to mitigate their failures and fulfill the relevant contract with our customer. Furthermore, delivery by our suppliers of faulty raw materials or components could also negatively impact our overall project, resulting in claims against us for failure to meet required project specifications and we may be unable to successfully obtain compensation from our suppliers. These risks are compounded during economic downturns as our suppliers and independent agents may experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations, and therefore may not be able to provide us with the contracted supplies or services for our projects. On the other hand, due to high demand during favorable economic cycles, our suppliers may increase the price of products they provide to us and we may not be able to negotiate these costs down or pass them on to our customers or it may simply be difficult to obtain the services of qualified independent agents or access supplies on a satisfactory timeline due to such high demand.

Furthermore, we may be held liable if one of our independent agents causes damage to a customer's property or business interruptions, violates environmental and/or occupational health and safety regulations, or engages in willful misconduct or other tortious acts while at a worksite or on a customer's premises in connection with one of our projects. In addition, those independent agents are also exposed to risks at our customers' sites where our products are installed or require servicing. We have no control over the safety of such sites, yet may be held responsible for any accidents. Such claims may be substantial and may result in adverse publicity for us. Moreover, such claims may not be covered by our insurance policies.

The occurrence of any of the above failures or claims by third-party independent agents or suppliers could have a material adverse effect on our business, financial position and results of operations.

The Norican Group resists demands by customers for us to accept liability for consequential risk as part of the terms of our supply contracts, although sometimes this is accepted but generally limited to the value of the order. Accordingly we consider ourselves to be contractually protected from such liability in general, however, in serious cases where a faulty product may be alleged to be the result of our systems, it is possible that we would be exposed to significant reputational damage or penalties from any relevant regulatory bodies.

Additionally, we are dependent on third parties for the transportation of orders, and this service could also be disrupted. Transportation costs have historically fluctuated significantly over time, particularly in connection with oil prices, and increased transportation costs could result in reduced profits. Any disruption in transportation services, or any increases in the cost of transportation, could have a material adverse effect on our business, results of operations and financial condition.

The prices for, and the availability of, energy resources used in our manufacturing and assembly processes are subject to volatile market conditions.

We consume substantial amounts of energy in our production processes. The price and availability of electricity is affected by domestic factors in the regions in which we operate related to both usage by other consumers and the capacity of power generating facilities, as well as external factors relating to, among other things, operating costs of power generation. Additionally, disruptions in the supply of energy resources could temporarily impair our ability to manufacture products for our customers. This is particularly the case in developing economies, most notably India and China, where power outages are common and sometimes continue for extended periods of time. Such power outages may be a result of structural deficiencies or political decisions, both of which are outside our control. While our electricity and gas supply contracts cover all of our current electricity and gas needs, increases in energy prices and/or shortages in the supply of energy resources may have a material adverse effect on our business, financial position, result of operations and future prospects.

We do not actively hedge against the risk of rising prices of energy sources by using derivative financial instruments, and we may not be able to compensate for or pass on cost increases to our customers. Such price increases could therefore have a material adverse impact on our financial results. Even to the extent we are able to pass on cost increases to customers, there may be a delay in passing on cost increases. If costs of energy continue to rise, and if we are not able to undertake cost-saving measures elsewhere in our operations or increase the selling prices of our products on a timely basis, we may not be able to compensate for such cost increases, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to fluctuations in prices of raw materials and energy costs.

Raw material costs and energy costs constitute a significant portion of our production costs. For example, the primary raw materials we purchase for our production processes are steel, particularly manganese steel, and fuels, and fluctuations in the price of these raw materials may affect our results of operations. As a result, the market price of steel and fuels can especially impact our results of operations.

Historically, we have been able to pass the increased costs of our raw material purchases through to our customers but we cannot guarantee that we will be able to continue doing so in the future. Even to the extent that we are successful in compensating for, or passing on, our increased costs to our customers by increasing our prices, the positive effects of such price increases for us may not occur in the periods in which the additional expenses have been incurred, but in later periods. In that event, the price increases will not have a compensating effect for the periods in which the costs increased. If costs of these raw materials rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to mitigate such cost increases, which could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Notes Guarantees.

Certain lines of our business are dependent on a limited number of significant customers.

We have key customers that have a significant impact on our revenue in certain lines of our business. For example, the LMCS Group has historically derived a significant amount of revenues each year from a limited number of key customers. In the year ended December 31, 2015, the LMCS Group's largest customer, Nemak, accounted for approximately 15% of revenue and the top 15 customers accounted for approximately 49% of revenue. The loss of a large customer, a decline in the volume of sales to such a customer or the deterioration of their financial condition could adversely affect certain sections of our business, results of operations, financial condition and cash flows. We could also be adversely affected if a serious accident occurs due to a product of ours installed on the premises of one of our primary customers, as such an accident could adversely affect such customer's brand, reputation and sales for an extended period of time.

The loss of key members of our management team or other key employees may have an adverse effect on our operating results.

Our success has depended and will continue to depend, in part, on the efforts of our senior management and other key employees. These individuals possess unique skills that are critical to the operation of our business. Additionally, given the specialized nature of our business and the highly technological manufacturing processes we use, our employees require specific technical training. The loss or an extended interruption in the services of one or more of our senior management or other key employees or the failure to attract and retain suitably skilled personnel could adversely impact our business, and our results of operations may be negatively affected.

Furthermore, the loss of members of our management team or key employees could have a material adverse effect on our market position and prospects. Considerable expertise could be lost or access thereto gained by competitors. Due to intense competition within the industry, there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees. The realization of these risks could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business depends on good relations with our employees. A breakdown in these relations and/or stricter labor laws as well as increasing employment costs could have a material adverse impact on us.

Labor law in some countries where we operate provides a high level of protection to employees. Many of our employees are members of labor organizations and, accordingly, we are party to agreements with labor organizations trade unions at most of our facilities outside the United States. In many cases, we have a legal obligation to consult with our employees, their representative bodies or labor organizations on strategic and operational business decisions. In particular, we are party to collective bargaining agreements or comply with applicable national laws in a number of countries in which we have employees. Moreover, approximately one-third of the LMCS workforce are independent contractors and the regulations applicable to them in the local jurisdictions in which there are employed may be or become in the future especially burdensome to us. See "*Business of the Combined Group—*

General services—Employees." The modification, suspension, repeal or expiration of favorable provisions in labor and employment laws and regulations or, conversely, any increases of mandatory minimum wages pursuant to laws, regulations or collective bargaining agreements, or of social security contributions, may increase our payroll costs and negatively affect our operating margins and operational flexibility. Additionally, we may not be able to extend existing company-specific agreements, renew them on their current terms or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar industrial actions. These labor laws and consultation procedures might also limit our flexibility to pursue new opportunities, such as acquisitions, dispositions or other business combinations, or technologies, our ability to react in rapidly changing market conditions and our capacity to reduce our workforce if necessary. Failure by us to comply with such labor laws and consultation procedures could lead to litigation or other forms of claim or penalties.

Our labor costs represent a significant part of our expenses and our largest cost item. For instance, labor costs represented 29.1% of the Norican Group's revenues and 15.6% of the LMCS Group's revenues for the year ended December 31, 2016. Labor costs may rise faster than expected in the future as a result of salary increases and headcount increases. We may be unable to offset the increase in labor costs through increased selling prices or productivity gains.

In addition, competition for skilled labor is intense in our industry and hiring costs are increasing. The demand and, therefore, costs for skilled engineers and operators will continue to increase, also reflecting the significant demand from other industries. Continuous high demand for skilled labor and continued increases in labor costs could make it difficult for us to attract quality employees, particularly in developing economies such as China and India, and our failure to continue to source skilled employees may be a significant restriction to our growth plans and accordingly could have a material adverse effect on our business, financial position and results of operations.

While we have not been subject to significant reductions in production as a result of labor-related issues, we may experience material disruptions or strikes in the future. Any future work stoppages, disputes with employee unions, independent agents or other labor-related developments or disputes, including renegotiation of agreements with unions, independent agents or further labor costs increases, could result in a decrease in our production levels and adverse publicity and/or an increase in costs, which could have a material adverse effect on our business, financial position and results of operations.

We are exposed to a risk of industrial accidents.

Despite our efforts to monitor and reduce accidents at our facilities, health and safety incidents do occur, some of which may result in costs and liabilities and negatively impact our reputation or the operations of the affected facility. Such accidents could include explosions, gas leaks, fires or exposure to potentially hazardous materials. Some of our industrial activities may involve the use, storage and transport of hazardous substances, and we are therefore subject to the risk of industrial accidents which could have significant adverse consequences for our workers and facilities, as well as the environment. Such accidents could lead to production stoppages, loss of key personnel, the loss of key assets, or put our employees at risk (and those of independent agents and suppliers) or persons living near affected sites. If any of these incidents occur, we could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on us and cause damage to our reputation.

In addition, our employees and independent agents are exposed to the risk of industrial accidents at the facilities of our customers where they may be asked to work. The compliance with health and safety regulations by our customers is outside our control and any accidents involving our employees or independent agents as a result of any such failure to comply with health and safety regulations or otherwise may result in significant claims against us.

The occurrence of any of the events described above may have a material adverse effect on our business, financial position and results of operations.

Additional or stricter environmental rules and regulations and failure to obtain or comply with environmental permits may significantly increase our compliance costs and require substantial investments.

Our operations generate pollutants and waste, some of which are hazardous. We are subject to a variety of environment, health and safety laws and regulations. These include obligations to investigate and clean up environmental contamination on or from properties and to comply with stringent waste management regulations, particularly in relation to hazardous waste. See "*Business of the Combined Group—General services—Environment, health and safety—Environmental regulation*." We cannot assure you that we will at all times be able to operate in compliance with these laws and regulations, or prevent or limit air and waste water emissions in accordance with these laws and regulations. In addition, new or previously unknown contamination or other environmental conditions may be discovered at our manufacturing facilities, for which we may be required to take remedial action in the future.

The European Directive 2010/75/EC on industrial emissions ("**IED**"), in force since January 2011, sets out rules on the prevention and control of pollution from industrial activities and includes rules aimed at reducing emissions into air, water and land, as well as preventing the generation of waste in order to achieve a high level of overall environmental protection. From 2016, certain of the jurisdictions in which we have manufacturing operations had to begin complying with the emissions limits set for certain industries. However, according to the European Commission, few of these jurisdictions have fully implemented the laws necessary to comply with the IED's provisions, and, therefore, future modifications to the permitting requirements in each such jurisdiction are possible to address IED related requirements.

Certain of our companies emit carbon dioxide in the ordinary course of their respective operations. In the European Union, the right to emit such gas is regulated by applicable environmental permits and, in some instances, limited by the possession of emission rights, which are granted and allotted by the competent public authorities. Emission rights that we are required to obtain or purchase in the future may cause our compliance costs to increase significantly, which may materially adversely affect our business, financial position and results of operations. It is possible that other jurisdictions in which we have production facilities currently and in the future may also introduce operating restrictions or taxes on carbon dioxide emissions that may have a materially adverse effect on our business, financial position and results of operations.

More generally, there is a global trend towards stricter environmental controls and we anticipate that this trend will continue. Compliance with future laws or regulations, the imposition of more stringent requirements for licenses, permits and authorizations and stricter or new interpretation of existing environmental laws and regulations may require us to make additional capital expenditures, modify our operating practices, pay fines for breaches of such laws or regulations, or carry out additional reporting obligations.

We may incur substantial environmental liabilities.

Costs related to our compliance with environmental laws and potential obligations with respect to contaminated sites are often difficult to assess and may have a significant negative impact on our operating results. Our compliance with environmental requirements necessitates the commitment of significant financial resources. The imposition of liabilities pursuant to environmental laws and regulations, or required operating changes resulting from such rules, could be significant to our business. Failure to comply with environmental laws and regulations can result in the imposition of civil and/or criminal penalties, the suspension of permits, requirements to curtail or suspend operations and lawsuits by third parties.

In addition, we may be subject to environmental liabilities in connection with contamination at facilities or sites used, owned or operated by us or at neighboring sites which has not yet been detected. We could be held liable for soil, water or groundwater contamination or for risks related to hazardous materials. Many of the lots on which we operate have been used for industrial purposes for many decades, and it is possible that prior uses resulted in contamination of these lots. There can be no assurance that such contamination, once detected and found to pose a risk to the environment or public health, will not necessitate clean-up measures or other remediation action in the future, which could involve substantial costs for us and have an adverse impact on the value of the real estate concerned. Environmental laws may impose liability on owners and occupiers of contaminated facilities to investigate and clean up the contamination, regardless of whether the contamination was caused by their disposal activity or the legality of the disposal activity at the time it occurred. As such, any significant contamination that occurs or that we discover in the future could result in material costs and liabilities.

We are required to obtain and maintain permits, licenses, certifications and authorizations.

We are required to obtain, maintain and comply with certain licenses, permits, certifications and authorizations for the construction, operation and maintenance of many of the projects we undertake. Our licenses, permits and certifications required to conduct our business operations (or certain parts thereof), including for the operation of our assembly and manufacturing facilities, and sale of our products for use in specific applications, could be revoked, withdrawn, invalidated or amended by the relevant authorities under certain circumstances. For example, a license, permit or certification could be revoked, withdrawn, amended or refused to be renewed if there is a breach of a permit condition or collateral clause, a subsequent change of facts or a relevant regulation, if we fail to satisfy the criteria for its continuation or renewal. Licenses or permits which have been granted for existing operations may also be required to be reviewed regularly by the permit authorities. As a consequence of such reviews, the relevant license or permit conditions may be updated in accordance with current standards, which may be more rigorous or onerous than those applicable at the time the relevant license or permit was initially granted or last renewed. Moreover, in some jurisdictions and in respect of some of the licenses and permits we require, private individuals and the public have the right to comment upon the process, raise objections to proposed permits and initiate court proceedings to intervene and prevent the granting of requested permits. In addition, environmental organizations, residents or other third parties may raise objections to our current or proposed activities or file suits challenging our operations and the granting or existence of permits and licenses to conduct our operations, which may result in such activities being delayed or prohibited. Delays in or failure to obtain, renew or maintain required permits, licenses, certifications and authorizations, or the revocation of or any challenge relating to any license, permit and authorization may have an adverse effect on our business, financial position and results of operations.

Licensing, permitting and certification rules, particularly in emerging markets, are often complex, sometimes contradictory, and may change over time, making our ability to comply with all applicable requirements more difficult or even impossible, thereby precluding continuing or future operations. In addition, the construction or renovation of buildings in such markets often requires a significant number of varied governmental approvals, which if we fail to obtain may result in us being subject to fines and penalties, as well as cancellation of the project by government officials or even demolition of the building already constructed. Local authorities may have the right to, and frequently do, conduct inspections of the operations and properties of license and permit holders. Any such future inspections may result in a determination that we have violated laws, decrees or regulations, and we may be unable to refute such a determination or remedy the alleged violations. Any such failure to comply with existing laws and regulations, the terms and conditions of its licenses and permits, or the findings of governmental inspections may result in the imposition of fines and penalties or more severe sanctions, including the suspension, amendment or termination of licenses, permits, approvals and authorizations, we being required to cease certain business activities, or the imposition of criminal or administrative penalties on our officers.

We also may incur penalties and other costs, sanctions and obligations as a result of permit violations, which may have a materially adverse effect on our business, reputation, financial position and results of operations. Moreover, the implementation of the IED in the EU Member States in which we have production facilities may require capital expenditure in respect of baseline environmental studies of our facilities and improvements to meet "best available techniques" standards under the IED Directive.

In addition, our failure to comply with any applicable international quality and safety standards could lead to the withdrawal of existing certificates or an inability to renew them. This could have a negative impact on the demand for our products and services and weaken our competitive position.

Some of our subsidiaries are occasionally included in multiple defendant litigation claims in respect of asbestos related illnesses.

Certain of our subsidiaries have occasionally been included in litigation in respect of illnesses resulting from exposure to asbestos, in respect of which we will typically reserve between U.S. $100,000 and U.S. $225,000 per claim to cover defense costs and in respect of participation in any group settlements in respect of such claims. To date, no claim has been asserted against any of our subsidiaries as a sole defendant. We are typically made an additional defendant to claims once the claims are already underway due to the fact that we may have supplied products to enterprises which may have historically used or dealt with asbestos. As of the date of this Offering Memorandum, we have not been found liable in respect of any claim for exposure to asbestos, no claim has been asserted against any of our subsidiaries as a sole defendant, and no asbestos related claim involves any of our current or former employees. Additionally, however, there can be no assurance that asbestos claims will not arise from exposure at companies we may acquire. Despite the provisioning for such asbestos litigation, if any claim were to be judged adversely to our interests, the costs could be significant and it could have a materially adverse effect on our business, results of operations and financial position.

Certain of our businesses could receive claims in respect of illnesses caused by exposure to silica-containing dust.

A number of subsidiaries of our subsidiary, WGH Holding Corp., which we acquired in 2003, have been involved in significant class actions in relation to silicosis claims arising out of activities that occurred prior to our acquisition of such subsidiaries and primarily by their customers' workers and former workers. However, a number of these class actions/claims have been dismissed by the relevant courts, and the number of active claims of which we are aware has decreased from a peak of nearly 38,000 in 2003 to 941 in December 2016. See "*Business of the Combined Group—General—Litigation—Silicosis related claims*." In this respect, we are party to a silicosis indemnity agreement according to which the former shareholder of the involved subsidiaries, Water Application & Systems Corp. (formerly known as United States Filter Corp.), is liable for all silicosis claims and liabilities arising from equipment sales prior to August 19, 2003. Forty-six former subsidiaries of Water Application & Systems Corp. are indemnified parties pursuant to the indemnity agreement and Water Application & Systems Corp. indemnifies the current members of the indemnified parties against any silicosis liabilities. However, while the indemnity is perpetual in relation to our U.S. subsidiaries that are members of the indemnified parties, it only covers our European subsidiaries for claims notified to the former owner prior to August 19, 2018. Although we are not aware of any ongoing claims outside of the U.S. involving a subsidiary of the Norican Group, if any claims were to arise in Europe following that date, we may be held liable for those claims without the benefit of the indemnity under the indemnity agreement. In addition, it may be difficult to enforce our rights under the indemnity agreement, as the indemnity agreement may be found to be unenforceable or the indemnifying party could be declared insolvent or otherwise unable to meet its obligations under such agreement. As a result, we may become subject to significant claims which may have a material adverse effect on our business, operations and financial position.

Adverse results in material litigation could have an adverse financial impact on us and an adverse impact on our reputation and demand for our products.

We have been involved, and may be involved in the future, in various legal proceedings arising in the ordinary course of business, including disputes concerning employee-related matters and customer-related matters, as well as inquiries from governmental agencies. In the case of employee-related matters, these claims include wrongful termination and employment-related injuries, among other claims. Customer-related claims include claims related to performance and quality of our products, product liability claims, among other claims. Furthermore, there can be no assurance that all sales contracts contain a monetary liability cap or waivers of indirect consequential damages. These costs may be incurred for the repair or replacement of proven defective parts as well as costs for a full recall of our products which our insurance may not adequately cover. See "*Business of the Combined Group—General services—Litigation*." These or any future proceedings may result in substantial expenses and monetary damages, damage to our reputation and decreased demand for our products, all of which could have a material adverse effect on our business. The ultimate outcome of such proceedings or claims could have a material adverse effect on our financial position, results of operations or cash flows in the period in which the impact of such matters is determined or paid.

We are subject to competition and antitrust laws, violations of which may cause us serious reputational damage, result in the imposition of substantial fines, and therefore result in significant economic difficulties for us.

Our business is subject to applicable competition and antitrust laws, rules and regulations. In general, these laws are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. We may become subject to investigations and proceedings by national and supranational competition and antitrust authorities for alleged infringements of competition or antitrust laws. This may result in significant fines or other forms of liability, which could have a material adverse effect on our reputation, business, financial position and results of operations.

If competition authorities find that we hold a dominant market position in one or several relevant markets, we could become subject to competition investigations or proceedings where we do business, which could cause significant management distraction and expose us to the possibility of incurring substantial costs in responding to such investigations or proceedings, and potentially substantial fines or other forms of liability if adverse findings were to be made as a result of such investigations or proceedings, which could have a material adverse effect on our reputation, business, financial position and results of operations. We could also become subject to certain limitations on future acquisitions and certain business practices if we were found to have a dominant position in certain markets.

We may be subject to liabilities and costs associated with our intellectual property.

We rely on trademarks to protect our brand name and patents to protect our inventions. There can be no assurance that we have been successful in protecting our intellectual property, we may misfile or inadvertently allow a trademark to lapse. We believe that our intellectual property has significant value and is important to the marketing of our products and maintaining our competitive advantage, but the process of seeking patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide us with meaningful protection or a commercial advantage. In addition, while there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. There can be no assurance that the steps we have taken or will take to protect our intellectual property will provide adequate protection, and we cannot assure you that third parties will not infringe our intellectual property, or that we will have adequate resources to enforce our intellectual property. This risk is particularly acute in the emerging markets in which we operate where protections for our intellectual property rights may be less developed and more open to infringement without the necessary recourse in the courts of law. In addition, there can be no assurance that our intellectual property does not or will not violate the proprietary rights of others, will be upheld if challenged, or that we will not be prevented from using any of them, any of which occurrences could harm our business. In particular, the activities of U.S. patent exploitation companies may present a heightened risk as they look to benefit from any inadvertent patent violations. Loss of trademark protection would force us to rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Loss of patent protection could require us to abandon key processes or products that drive our profitability. Further, any claims of trademark or patent infringement may require us to enter into royalty or licensing agreement in order to obtain the right to use a third party's intellectual property, which may not be available to us on acceptable terms or at all. Adverse publicity, legal action or other factors could lead to substantial erosion in the value of our brands and trademarks, which could, in turn, lead to decreased customer demand and have a material adverse effect on our business, results of operations and financial condition.

In addition, we do not own the trademark "Wheelabrator," but license it from a third party. While the trademark licensing agreement provides us with a perpetual, royalty-free, worldwide license, it is not exclusive, and we are not permitted to use the name "Wheelabrator" in respect of parts preparation subsidiaries incorporated after the date of the agreement, December 2, 1996. The trademark is also currently used by three other entities unrelated to us and any reputationally adverse action by any of these other users could damage the trademark and have indirect reputational effects on us. Although we have certain protections under the agreement (for example, the licensor must obtain prior written consent from us before granting a license to one of our competitors), given the importance of this trademark to our business, any breach of the licensing agreement by the licensor could cause a reduction in the value of our brand recognition or harm our reputation, which could adversely affect our results of operations. In addition, the agreement restricts our ability to independently challenge or bring proceedings against any trademark infringement, and in the case an insolvency of the licensor, we may find it difficult to enforce the licensing agreement or obtain legal remedies for any breach, which could adversely affect our results of operations.

We rely on trade secret protection and confidentiality agreements with our employees and independent agents for the protection of our products, technologies, recipes and other material know-how. If we are not able to maintain sufficient secrecy, this could have a material adverse effect on our results of operations and financial position.

While we own a number of patents and trademarks, in many circumstances we protect our technology and know-how as trade secrets or pursuant to confidentiality agreements. We principally rely on trade secrets instead of other forms of protection either because patent or trademark protection is not possible, for example because the particular technology could not be exactly identified which was used or would not qualify for patent or trademark protection, or in our opinion would be less effective than maintaining secrecy. In addition, we rely upon confidentiality agreements with our employees and independent agents. To the extent that we rely on trade secret protection and confidentiality agreements, there can be no assurance that our efforts to maintain secrecy will be successful or that third parties will not be able to develop the product, technology or know-how independently. Any loss of secrecy could have a materially adverse effect on our results of operations and our financial position.

In addition, we have entered into a number of license, cross-license, cooperation and development agreements with our customers, competitors and other third parties under which we are granted access to intellectual property or know-how of such third parties. It is possible that license agreements could be terminated under circumstances such as a licensing partner's insolvency or bankruptcy or in the event of a change of control in either party, leaving us with reduced access to intellectual property rights to commercialize our own technologies.

We might not have validly acquired employee inventions or could possibly fail to validly acquire them in the future.

There is a risk that we have failed or will fail to properly utilize inventions of our employees. Present or former employees who made or make employee inventions might continue to be the owners of the valuable rights to inventions if we fail to claim the invention in a timely manner. If this should be the case and we nevertheless registered an employee invention with us as the owner of a patent or utility model or used an employee invention as such, then the employee who made the invention might have a claim for transfer of the patent or the utility model against us, and might be able to assert claims for damages for the unauthorized use of his or her invention (e.g., the disgorgement of profits or notional license fees). In addition, a claim could be asserted against us to enjoin our use of the invention, or we could be forced to enter into a license agreement providing for the payment of royalties in order to use the invention in the future, or we might have to acquire the invention. Furthermore, there is a risk that employees may have claims for employee invention compensation that have not yet been fully satisfied. If we have failed to have validly acquired employee inventions or should potentially fail to validly acquire them in the future or if employees should have claims for employee invention compensation that have not been fully satisfied, there could be a material adverse effects on our business, financial condition, results of operations and cash flows.

Interruption in operations at our facilities could materially impact our business and financial situation.

We operate 60 facilities in 17 countries and our results of operations are dependent on the continued performance of our engineering production facilities and our ability to complete product orders on schedule. Our metallic parts enhancement manufacturing processes are complex, and are dependent on the operation of our manufacturing equipment and, to an extent, our operating systems. Operations may be interrupted by equipment failures, accidents, severe weather, fire, natural disasters, work stoppages, power outages, state or governmental audits, regulatory changes, IT failures or other reasons, or due to subsequent necessary repairs or upgrades to, or replacements of, equipment or facilities, investigations, government or regulatory proceedings, or compensation claims. We have experienced, and may continue to experience, unanticipated plant outages or equipment failures. While our multiple plants offer some ability to compensate for loss of production in the case of a technical failure, outage or other equipment interruption at certain facilities or equipment, there can be no assurance of our ability to do so and any such failure, outage or interruption will reduce our overall available capacity. Our insurance coverage may also be insufficient to cover any damages that may arise or to compensate us for any losses that we may incur, due to such interruption of our operations. As a result, technical failures, outages and other equipment interruptions could have an adverse effect on our business, financial position, results of operations and cash flows. In addition, in the event any of our plants were destroyed or significantly damaged or our productions capabilities otherwise significantly decreased, we would likely suffer significant losses. Furthermore, such events could injure or kill individuals or damage or destroy third-party property or the environment, which could, among other things, lead to considerable financial costs for us.

Forty-six of our 60 facilities are leased from third parties. While the majority of the leases are long term, there are a number which will expire in the near future and may not be renewed by the lessors on acceptable terms or at all. Certain of our leases could also terminate if the lessor decides to sell the property. If a third-party lessor were to terminate or decline to renew a lease in respect of land on which one of our facilities is located, this may result in significant interruptions to our manufacturing operations, significant and temporary or permanent reductions in our overall production capacity, a material impact on our ability to serve customers in the regions in which we currently operate, and/or the incurrence of significant expenditures associated with the cessation or relocation of operations at the relevant facility.

Events beyond our control, including weather conditions and natural disasters, unexpected geological or physical conditions, or criminal or terrorist attacks may adversely affect our business, financial position and results of operations.

If one or more of our facilities or our equipment were to be subject to fire, flood or a natural disaster or other catastrophe, or if unexpected geological or other adverse physical conditions were to develop at any of our plants or facilities, we may not be able to carry out our business activities at that location or such operations could be significantly reduced. Any natural disaster or catastrophe could result in lost net turnover at these sites during the period of disruption and costly remediation, and such cost overruns would generally be unrecoverable.

The occurrence of a force majeure or other unpredictable event (such as criminal or terrorist attack) that affects our operations may cause delays, suspensions and cancellations. We may not always be able to include force majeure terms in contracts with our customers or obtain coverage for such events under our insurance policies, and as a result, the occurrence of such an event could have a material effect on our business, financial position and results of operations.

Our IT systems and networks may be subject to security threats and sophisticated computer crime.

We rely upon IT systems and networks in connection with a variety of business activities, including the coordination of our global technology centers, our shared supply chains, sales of products and support to customers through aftermarket services. In addition, we collect and store sensitive data. In the event that our IT systems become unusable or are significantly impaired for any reason during an extended period of time, our operations may be adversely affected since the manufacturing process as well as the ability to provide technical support quickly and deliver products at the appointed time are largely dependent on our IT systems. Difficulties in maintaining, upgrading and integrating these systems may result in damage to our reputation, increased costs, and reduced profitability. In addition, any problems with IT systems could result in leakage of sensitive information, theft of intellectual property and unavailability of production systems, which in turn could have a material adverse effect on our business, financial position and results of operations.

In recent years, there has been an increase in both the number and sophistication of IT security threats and computer crimes in the general business world. These IT security threats and increasingly sophisticated computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Although we have taken, and intend to continue to take, what we believe are appropriate and reasonable steps to prevent security breaches in our systems and networks, a failure of, or breach in, security could expose us to risks of production downtimes and operations disruptions, misuse of information or systems, or the compromising of confidential information, which in turn could materially adversely affect our reputation, business, prospects, financial position, cash flows and results of operations.

The insurance that we maintain may not fully cover all potential exposures and may not be available to us on commercially acceptable terms, if at all.

We maintain customary insurance with respect to property, casualty, environmental and products liability and other matters, but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental compliance or remediation. In the future, we may not be able to obtain coverage at current levels, if at all, and our premiums may increase significantly on the coverage that we maintain. Product liability claims may be brought against us and we may incur liability in excess of our insurance coverage, or we may not be able to maintain product liability insurance with adequate coverage levels and on acceptable terms, if at all, to cover any such losses, which losses could have a material adverse effect on our business, results of operations and financial position. Any insurance claims present a risk of protracted litigation, substantial money damages, reputational damages, attorneys' fees, costs and expenses and diversion of management's attention from the operation of our business, which could have a material adverse effect on our business, results of operations and financial position.

We operate in many jurisdictions with highly complex and variable tax regimes, and changes in tax rules and the outcome of tax assessments and audits and limitations on the ability to deduct interest expenses could have a material effect on our financial results.

We conduct business around the world and are therefore subject to highly complex and often divergent tax laws and regulations, resulting in very challenging structuring and operational issues. International tax laws and regulations are extremely complex and subject to varying interpretations. We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be sure that these interpretations are accurate or that the responsible tax authority is in agreement with our views. Changes in tax rules and the outcome of tax assessments and audits could have a material effect on our financial results. The tax rates to which we are subject are variable. Our effective tax rate in any jurisdiction may depend on changes in our level of operating profit or in the applicable rate of taxation there, limitations on the deductibility of interest expenses, as well as on changes in estimated tax provisions due to new events. We currently have tax benefits in certain jurisdictions. These benefits may not be available in the future due to changes in relevant local tax rules, which could cause our effective tax rate to increase and may result in an adverse effect on our business, financial position and results of operations.

In addition to audits to which we are subject in the ordinary course of business (including an on-going audit in France), uncertainties may also result from disputes with local tax authorities about the financing, acquisitions and divestments, the use of tax credits and permanent establishments, tax losses carried forward or the timing of filings of tax returns (including those of the LMCS Group in Germany). These uncertainties may have a significant impact on our local tax results and could result in effective double taxation. We also have various tax assets as a result of acquisitions. Tax assets can also result from the generation of tax losses in certain legal entities. Tax authorities may challenge these tax assets. In addition, the value of the tax assets resulting from tax losses carried forward depends on our having sufficient taxable profits in the future. Although we believe that we have conducted our business in compliance with tax laws, if local authorities or an administrative court decide we have not been tax compliant, we can be subject to significant liability in terms of both payment of unpaid taxes and potentially sizeable penalties in relation thereto. Any or all of these tax issues and their resulting consequences could have an adverse effect on our business, financial position and results of operations.

Governmental authorities may challenge our intercompany transfer pricing policies or change their laws in a manner that could increase our effective tax rate or harm our business.

Doing business in international markets through subsidiaries, we are subject to foreign tax and intercompany transfer pricing laws, including those relating to the flow of funds between the Parent Guarantor and its subsidiaries. If regulators challenge our corporate structure, transfer pricing mechanisms or intercompany transfers, our operations may be negatively affected and our effective tax rate may increase. Tax rates vary from country to country and if regulators determine that our profits in one jurisdiction should be increased, we may not be able to fully utilize all foreign tax credits that are generated, which would increase our effective tax rate.

We may not be in compliance with all applicable exchange control and transfer pricing laws despite our efforts to be aware of and to comply with such laws. Further, if these laws change, we may need to adjust our operating procedures, and our business could be materially and adversely affected.

We may have to repay investment grants and subsidies, or previously awarded investment grants may not be disbursed in part or at all.

A part of our investment requirements for developing and expanding our production capacity has been covered by public aid, such as subsidies, loans at favorable conditions or tax reductions or exemptions. For example, the decisions on granting public aid received by us contain various conditions such as the creation of jobs or specific research and development activities. If these conditions are not fulfilled during the commitment period, which generally exceeds the specified investment period, this could result in a repayment claim by the relevant authorities for the public aid received by us. Subsidies related repayment claims could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We are exposed to certain export control rules and regulations as a result of doing business in foreign countries.

As a multinational group with operations throughout the world, we are subject to a variety of export control rules and regulations from a variety of national or supranational authorities that restrict the types of business and activity that may be carried on with sanctioned or embargoed countries. The export of certain of the products that we market to our customers is restricted by such export controls. While we have implemented internal compliance procedures to ensure compliance with export controls and seek to obtain licenses when necessary, there can be no assurance that such internal controls are effective. If we are found to be in violation of export control rules and regulations, it could have a material adverse effect on our business, financial position and results of operations.

Our international operations, particularly in emerging markets, expose us to risks inherent to international business, any of which could affect our results of operations.

We currently sell into a large number of countries worldwide. As a result, we are subject to numerous, rapidly evolving and complex laws and regulations which govern, among other things, labor matters, the environment, immigration, health and safety, financial reporting standards, corporate governance, tax, trade regulations, export controls, and competitive practices in each jurisdiction where we conduct our business. We are also required to obtain environmental permits and other authorizations or licenses from governmental authorities for certain of our operations and must protect our intellectual property worldwide. Furthermore, we need to comply with various local standards and practices of different regulatory, tax, judicial and administrative bodies, specific to each jurisdiction in which we operate.

There are multiple risks associated with the global nature of our operations, including political instability (such as the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment and import and export restrictions. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following specific business risks:

- negative economic developments in economies around the world;
- social and political instability in a number of countries around the world;
- absence of sufficient protections for foreign investors and possible investment restrictions (including restrictions on assets belonging to certain investor groups);

- levels of crime and corruption and a lack of transparency on the part of governmental and political bodies;
- complex regulations governing the export of certain of our products, including immigration, border transportation and customs regulations;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our subsidiaries;
- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws and weak enforcement procedures for court judgments;
- changes in distribution and supply chains;
- varying degrees of concentration among suppliers and customers;
- insufficient protection against violations of our intellectual property rights;
- transport delays;
- difficulty in attracting and retaining qualified management and employees (including restrictions on employing foreign workers), or further rationalizing our work force;
- potential terrorist attacks;
- epidemics and pandemics, which may adversely affect our workforce and suppliers;
- adverse changes in governmental policies, especially those affecting trade, investment, taxation and import and export licenses;
- disruption of our production (e.g., by strikes or governmental action);
- inflation, recession, fluctuations in foreign currency exchange and interest rates, burdensome fiscal policies and transfer and repatriation restrictions; and
- threats that our operations or property could be subject to nationalization and expropriation.

Our overall success as a global business depends to a considerable extent on our ability to anticipate and effectively manage differing legal, political, social and requirements and economic conditions and unforeseeable developments. We may not be in full compliance at all times with the laws and regulations to which we are subject. Likewise, we may not have obtained or may not be able to obtain the permits and other authorizations or licenses that we need. We are also reliant on local managers to oversee the day-to-day functioning of our sites and to ensure their compliance with local law, and may be subject to risks based on insufficient oversight. In such cases, or if any of these international business risks were to materialize or exacerbate, we could be fined or otherwise sanctioned by regulators, which could adversely affect our business, financial position and results of operations.

Between 2011 and 2016 there were significant fluctuations in the proportion of overseas revenues attributable to India and China. These fluctuations were primarily due to the lack of Chinese investment during the transfer of power to a new government in 2013 and the devaluation of the Indian rupee over that period. In addition, certain countries in which we operate have also been the subject of social and political instability in the past, and interruptions in our operations in these countries could occur in the future. The occurrence of one or more of these risks in a country or region in which we operate could have a material adverse effect on our business, results of operations and financial position.

Moreover, the Chinese government increased spending during the financial crisis in an attempt to revive industry. This led to a significant growth in demand of our products. However, Chinese government may significantly decrease financial support to Chinese industry, thereby reducing demand, with the potential effect of slowing down industrial growth and as a result demand for our products and services. Any significant reduction in demand in the Chinese market which is a key growth area for our business and an area where significant resources have been spent to harness projected growth could have a material adverse effect on our business, results of operations and financial position.

We are exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate, and our risk management and internal controls may not prevent or detect violations of law and group-wide policies.

As a result of doing business internationally, we, our partners and competitors must comply with certain anti-corruption laws, sanctions or other similar regulations. For example, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purposes of obtaining or retaining business. We operate in certain parts of the world that lack a developed legal system or have experienced widespread corruption. Under some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Our internal policies mandate compliance with these laws, but despite our compliance policies and training efforts, we cannot assure you that our internal control policies and procedures will be sufficient to prevent or detect inappropriate practices, fraud or violations of law by our subsidiaries, employees, any intermediaries, directors, officers or sales agents. If any of our employees, intermediaries, consultants or sales agents receive or grant inappropriate benefits or use corrupt, fraudulent or other unfair business practices or otherwise violate laws and regulations to which we are subject in the jurisdictions in which we operate, we could be subject to legal sanctions, penalties, loss of customer orders and harm to our reputation.

We are in the process of implementing the Norican Group’s compliance policies and training standard across the Combined Group, the LMCS Group historically has had its own and different compliance policies and practices. As a result, we cannot assure you that the LMCS Group has previously operated in all instances in accordance with our compliance policies and training standards.

Further, due to the global nature of our operations, we may use local agents or independent agents to understand unfamiliar environments and differences in cultural, legal, financial and accounting complexities and obligations, or to carry out a portion of the activities called for by a particular contract. There is a risk that such agents or independent agents may be involved in illegitimate activities in local markets that are unknown to us. If we fail to adequately supervise them or maintain an adequate compliance program, we may be liable for their actions.

Due to the number and complexity of the various laws, rules and regulations in the various jurisdictions in which we operate, we cannot guarantee that we have in the past always complied with, or that we will in the future be able to comply with, all national, European or international rules and regulations applicable to our operations (including to labor, health and safety, competition and antitrust, criminal, economic sanctions, export control, anti-bribery and anti-corruption laws), that we have obtained or will obtain all licenses and permits required to operate our business, or that we have complied or will comply at all times with the terms of such licenses and permits.

Violations of such laws can result in civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. On the other hand, any such violation by our competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences that we may suffer due to the foregoing could have a material adverse effect on our business, financial position and results of operations.

In addition, as a result of a small number of contracts to the U.S. military, we became a registered entity under the International Traffic in Arms Regulation ("**ITAR**"). Accordingly we have processes in place to monitor any activities that may be linked to ITAR. If we stopped being able to fulfill our obligations with regards to ITAR, we would then lose our contracts with the U.S. military, which would negatively impact our revenues.

Our business may be affected by the default of counterparties in respect of money owed to us.

In the ordinary course of our business, we are often owed significant amounts of money by numerous counterparties, including customers. Although the credit quality of customers is assessed by taking into account the customer's financial position, past experience and other factors, changes in the financial position of our customers can adversely affect our future collection of receivables and our cash flows. If an independent sales agent or other customer undergoes financial difficulties, payments can be significantly delayed and ultimately we may not be able to collect amounts payable to us under our agreements, resulting in write-offs of such debt. This may be because lending institutions have suffered and may continue to suffer losses due to their lending and other financial relationships, especially because of the general weakening of the global economy and the increased financial instability of many borrowers. Longer-term disruptions in the credit markets could further adversely affect our customers by making it increasingly difficult for them to obtain financing for their businesses and for their customers to obtain financing for automobile purchases.

In addition, we often hold significant cash balances on deposit with financial institutions or invested on a short term basis. These contractual arrangements, deposits and other financial instruments give rise to credit risk on amounts due from such counterparties. Our operations monitor counterparty credit ratings, however, credit risks arising from transactions with financial counterparties in particular can escalate rapidly and a high credit rating is no guarantee that an entity will not experience a rapid deterioration of financial position. We maintain reserves for doubtful accounts and amounts past due. There can be no assurance, however, that such reserves are sufficiently large for the credit risks we face. If the economic conditions worsen, this could have a material adverse effect on our financial position and results of operations.

Our business is reliant on our ability to provide performance bonds.

Our ability to finance our operations in an efficient and profitable manner is dependent on our ability to provide performance bonds to allow us to cover the eventuality that a product is not delivered on time. If we are unable to obtain such performance bonds to cover potential losses experienced by our customers, in the event that one or a number of contracts fail to be performed our customers' losses will not be covered. Moreover, if we are unable to offer performance bonds to potential customers in relation to potential projects, we may not be able to bid for certain new contracts, thereby limiting the volume of contracts we are able to carry out. The occurrence of either of these events could have a material adverse effect on our business and financial results and our ability to fulfill our obligations under the Notes and the Notes Guarantees.

The performance of our business is highly dependent on the quality of our products. Any failure to maintain high quality standards could adversely affect our relationships with customers, our reputation and our financial position.

The metallic parts enhancement market is characterized by highly specific technical requirements, and our products are used in performance-critical end use products such as aircraft landing gear, artificial joints for human patients and brake discs. A significant portion of our products is subject to intense end-use conditions and high performance requirements, such as high temperatures, exposure to hazardous substances, high speed and continuous pressure. Failure of our products to meet the required precise technical specifications could lead to significant expense for our customers, and result in product recalls, product liability claims or other significant costs to us. In addition, product liability claims and product recalls, or any other issues with respect to the quality of our products, could harm our reputation, both with our existing customers and with respect to potential new customers.

Our reputation is one of our key assets and if that reputation is harmed, our business and results of operations may suffer.

We are exposed to the risk of negative publicity, press speculation, threatened or actual legal proceedings concerning our business, all of which may harm our reputation. In addition, we have a non-exclusive license to use the trademark "Wheelabrator." See "*—We may be subject to liabilities and costs associated with our intellectual property*." Any damage done to the "Wheelabrator" trademark by other licensors could harm our reputation. Any damage to our reputation could cause existing customers to terminate their relationship with us, decide not to use our aftermarket services or prevent us from winning new contracts. Our brand image may also be diminished if we fail to maintain high standards for, *inter alios*, the timely and efficient delivery of quality products, if we fail to maintain high social and environmental standards for all of 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. Any failure to maintain a strong brand image could have an adverse effect on our business, results of operations and financial condition. In addition, we distribute products to independent sales agents that have entered into affiliation agreements with us, but which we do not control. These independent sales agents may take actions or make decisions that adversely affect our brand and reputation. Any of these negative effects could materially adversely affect our business, prospects, financial position, cash flows and results of operations.

We believe that maintaining and enhancing our brand are integral to the success of our business and to the implementation of our growth strategy. This will require us to make continued investments in areas such as marketing and advertising, as well as our website operations and procure additional costs. Maintaining, promoting and positioning our brand will depend largely on the success of our marketing and merchandising effort, and our ability to provide good customer experiences. Our brands could be adversely affected if we fail to achieve these objectives.

Our order backlog is not necessarily indicative of our future sales or results of operations and may not be fully realized.

One of the ways in which we measure our activity is through order backlog, which the Norican Group defines as amounts due under signed contracts for equipment for which we have generally received a full or partial deposit but have not yet delivered the product or service and the LMCS Group defines as the order book at the beginning of the period, plus order intake during the period, less sales during the period, with immaterial reconciliation differences due to sales of aftermarket parts and services. The deposit we receive under our signed but not yet delivered upon contracts is usually between 20% to 40% of the full price of the order, however the percentage may be modified depending on the customers' needs.

Overall, backlog figures are based on a number of assumptions and estimates, including assumptions as to exchange rates between the euro and other currencies, estimates of the amount of additional work and cost overruns for which we are able to claim payment from the customer under our contracts and estimates of the percentage-of-completion of contracts. Backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Factors that could affect the realization of our backlog as future revenue or cash flows include cancellations, scope of work adjustments, force majeure, legal impediments and our and our customers' default.

We may not be able to realize the full amount of revenue projected in our backlog due to events substantially beyond our control and, if realized, there can be no assurance that any such revenue will result in profit. Although historically the extent of modifications and terminations of our orders has not been material compared to our total contract volume and is partially offset by cancellation penalties, customers can, and sometimes do, terminate or modify their orders, resulting in a decrease of the previously reported order backlog. Such cancellations or modifications can hence have a significant effect on the revenue we ultimately recognize from contracts. Because backlog is inherently uncertain, you should not rely on our reported backlog as an indication of our future sales or results of operations.

Our current and future fixed-price (or lump sum) contracts may result in significant losses if costs are greater than anticipated.

Most of our contracts are at a fixed price, meaning that any significant cost overruns have a direct and immediate impact on our results of operations. We endeavor to carefully estimate costs associated with each of our projects, and make allowances for unexpected contingencies and related costs that may arise over the life of any given project. Nevertheless, cost overruns are an inherent risk in our business and the long-term nature of our contracts can make it particularly difficult to accurately predict costs. For example, we rely in many cases on local independent agents and suppliers with whom we negotiate to perform tasks under our contracts. If those independent agents fail to perform as expected or incur higher than expected costs, it may be difficult for us to pass those costs through to our customers. In addition, because customers only pay a portion of the cost of the product before we purchase the materials for an order, if a customer is unable or unwilling to pay the balance of an invoice, we may be unable to recoup such costs. There can be no assurance that we will be able to avoid unforeseen costs. If we are unable to renegotiate contract prices over the course of a project to take into account such unexpectedly greater costs, we will be forced to absorb them, which could materially adversely affect our financial position and results of operations.

If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, we cannot guarantee the effectiveness of our internal controls in the future, nor can we assure you that the degree of compliance with the policies or procedures will not deteriorate. We are currently implementing the standards of control historically operated by the Norican Group throughout the LMCS Group and we may find we have to adapt our standards significantly to be applied effectively to all of our subsidiaries. We may in the future also discover areas of our internal controls that need improvement or that constitute material weaknesses. A material weakness is a control deficiency or combination of control deficiencies that results in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. Any failure to remediate any future material weaknesses in our internal controls over financial reporting or to implement and maintain effective internal controls, or difficulties encountered in their implementation, could cause us to fail to timely meet our reporting obligations, result in material misstatements in our financial statements, or could result in defaults under the Revolving Credit Facility, the Indenture or any other debt instruments we may enter into in the future. Deficiencies in our internal controls could also cause investors to lose confidence in our reported financial information, which could materially adversely affect our business, financial position and results of operations.

We may be required to provide additional funding to our pension benefit schemes.

We sponsor a number of defined benefits and benefit pension schemes through certain of our subsidiaries, covering vision, life, long-term disability, accidental death and dismemberment, accident and critical illness insurance as well as retirement and post-employment benefits.

However, such schemes are not always adequately funded by our assets. For example, we have deficits with respect to certain of our defined benefits and benefit pension schemes in Germany, Switzerland, the UK and the U.S. We cannot assure we will be able to increase the fair value of our assets to sufficiently fund such schemes. The values of our assets are dependent upon, a number of factors, including regional economic conditions and international equity and debt markets. Additionally, certain of our schemes are closed to new entrants and future accruals.

Further, decisions made by the trustees of defined benefits pension schemes can impact the funding requirements of the schemes. In particular, trustees are given power by statute in the United Kingdom to determine the investment mix for the assets of the scheme, subject only to a requirement to consult the employer (and any limits provided for in the trust deed). Should the trustees of our UK pension schemes choose to move to an investment strategy with higher bond and lower equity exposures, for example, then, assuming that equities outperform bonds over the long-term, the cost of providing the benefits may increase. If we were required to provide additional funding for these other reasons to the pension funds, it could have a materially adverse effect on our financial position.

In addition, the UK pensions regulator may issue a contribution notice to the employers that participate in our pension scheme in the UK (the "**UK Pension Scheme**") or any person who is connected with or is an associate of these employers when the UK Pensions Regulator is of the opinion that the relevant person has been a party to an act, or a deliberate failure to act, which had as its main purpose (or one of its main purposes) the avoidance of pension liabilities or where such act has a materially detrimental effect on the likelihood of payment of accrued benefits under the UK Pension Scheme being received. A person holding alone or together with his or her associates directly or indirectly one-third or more of our voting power could be the subject of a contribution notice. The terms "associate" and "connected person," which are taken from the UK Insolvency Act 1986, are widely defined and could cover our significant shareholders and others deemed to be shadow directors. If the UK Pensions Regulator considers that a plan employer is "insufficiently resourced" or a "service company" (which have statutory definitions), it may impose a financial support direction requiring it or any member of the Combined Group, or any person associated or connected with an employer, to put in place financial support relating to the UK Pension Scheme. Liabilities imposed under a contribution notice or financial support direction may be up to the difference between the value of the assets of the UK Pension Scheme and the cost of buying out the benefits of members and other beneficiaries of the UK Pension Scheme. In practice, the risk of a contribution notice being imposed may restrict our ability to restructure or undertake certain corporate activities. Additional security may also need to be provided to the trustees of the UK Pension Scheme before certain corporate activities can be undertaken (such as the payment of an unusual dividend) and any additional funding of the UK Pension Scheme may have an adverse effect on our financial position and the results of our operations.

Valuations of all defined benefit plans are dependent upon market conditions and the actuarial methods and assumptions used and are based on known pension liabilities at the valuation date. A decline in pension asset values or different actuarial assumptions may result in an increase in pension liability. Decline in interest rates or the market values of the securities held by the plans, longer life expectancy of pension plan members, a change in the discount rate or a change in investment strategy by the trustees of our pension schemes or certain other changes, could adversely affect the status of our plans and affect the level and timing of required contributions, thus increasing our pension expense and reducing our profitability. Any shortfall in our retirement pension benefit scheme funding obligations may require additional funding.

These circumstances and factors may materially adversely affect our financial position and results of operations.

Restrictions on the utilization of our tax loss carry forwards may have an adverse effect on our financial position and results of operations.

Certain of our subsidiaries have tax loss carry forwards of which the tax effect has been capitalized as deferred tax assets in the amount of €8.0 million in the consolidated financial statements for the fiscal year ending December 31, 2016. We review at each balance sheet date the carrying amount of deferred tax assets. We consider whether it is probable that our subsidiaries will have sufficient taxable profits against which the unused tax losses or unused tax credits can be utilized. The factors used in estimates may differ from actual outcome which could lead to significant adjustments to deferred tax assets expensed in the statement of income. The length of time that these losses can be carried forward varies by jurisdiction. Any restriction on the utilization of our tax loss carry forwards may have an adverse effect on our financial position and results of operations.

We may need to write down goodwill, which would adversely affect our financial results.

As of December 31, 2016, approximately 32.3% of the Norican Group's total group assets and approximately 5.4% of the LMCS Group's total group assets corresponded to goodwill. We expect to recognize further goodwill in connection with the purchase price allocation now that the Acquisition has been completed. Goodwill arising from an acquisition represents the excess of the consideration transferred over the acquisition date fair values of the assets acquired, liabilities assumed and contingent liabilities recognized. Goodwill is recognized at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount of a cash generating unit may not be recoverable. Preparation of these calculations requires the use of estimates and assumptions.

IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income. In addition, if we acquire new businesses in the future, we may recognize additional goodwill, which could be significant. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.

Our working capital requirements and cash flows are subject to fluctuation, which could have an adverse effect on our financial condition.

Our working capital requirements and cash flows have historically been, and are expected to continue to be, subject to seasonal and cyclical fluctuations, depending on a number of factors, such as higher revenue and earnings from equipment sales in the fourth quarter of each year, followed by lower revenues and earnings from equipment sales in the first quarter of the following year due to the influence of the capital expenditure budgets of our customers. Factors that could result in cash flow fluctuations include the level of sales and the related margins of those sales, the collection of receivables, the timing and size of purchases of inventories and related components, the timing of payments for such purchases, and the terms and timing of payments for payables and accrued liabilities, destocking effects as well as prevailing economic conditions and financial, business and other factors, many of which are beyond our control. For example, while periods of weakening market activity can result in shrinking working capital requirements (thereby increasing operating cash flow), periods of expansion increase working capital requirements, which reduce operating cash flow. If we are unable to manage fluctuations in working capital requirements and cash flows, our business, results of operations and financial condition may be materially adversely affected and we may be unable to make required interest payments on our indebtedness.

If our working capital requirements exceed our other cash flows from operations, we would look to our cash balances and availability for borrowings under our financing arrangements to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms or in adequate amounts. We cannot assure you that we will be able to generate cash flow or that we will be able to borrow funds, including under the Revolving Credit Facility, in amounts sufficient to enable us to meet our working capital requirements. If we are not able to generate sufficient cash flow from operations or borrow sufficient funds to meet our working capital requirements, we may be required to sell assets or equity, reduce expenditures, refinance all or a portion of our existing indebtedness, or obtain additional financing. We cannot assure you that we will be able to sell assets or equity or obtain additional financing on terms acceptable to us, if at all. Any of these circumstances may materially adversely affect our business, financial position and results of operations.

We face risks associated with any future acquisitions of businesses or divestments of business units that we may undertake as part of our strategy.

We have conducted several acquisitions in the past as part of our growth strategy, including the Acquisition and the merger between the Wheelabrator Group and DISA. We may in the future engage in additional business combinations as a part of our growth strategy. Our inability to complete acquisitions or integrate acquired companies successfully may render us less competitive. Acquisitions, such as the Acquisition, in addition to our organic growth, may strain our management and financial resources. Among the risks associated with acquisitions that could materially adversely affect our business, results of operations and financial position, are the following:

- we may fail to identify suitable acquisition or joint venture opportunities which may restrict our ability to grow our business;
- we may not plan or manage a particular acquisition effectively;
- the financing of any such acquisition may be unavailable on satisfactory terms or at all;
- we may face increased competition for acquisitions as markets in which we operate undergo continuing consolidation;
- we may not be able to retain key personnel or customer contracts of acquired businesses (which, in the case of such contracts, can be due to "change of control" clauses in such contracts);
- we may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses for which we may be responsible as the successor owner, controlling entity or operator in spite of any investigation we make prior to the acquisition and for which we have no or insufficient protection;
- labor laws in certain countries may require us to retain more employees than would otherwise be optimal from entities we acquire;
- future acquisitions could result in the incurrence of additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on our financial position, operating results and/or cash flow;
- future acquisitions may be subject to antitrust or competition approval of the transaction, which may cause significant delays to the completion of any such acquisition or may prevent it from being consummated at all;
- an acquisition may not achieve anticipated synergies or other expected benefits;

- we may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to monitoring, hiring and training of new personnel, the implementation of governance and compliance systems and procedures, the integration of information technology and accounting and internal control systems or problems coordinating supply chain arrangements;
- we may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory scheme;
- increased investments may be needed in order to understand new markets and follow trends in these markets in order to effectively compete;
- we may have a reduced ability to predict our performance or expenditures in the event we have less experience in the market of the acquired business than in the markets in which we previously operated;
- we may face potential economic or political instability depending on the countries in which we acquire a business or a company; and
- acquisitions may divert management's attention from the operation of existing businesses.

We may also face risks in relation to any divestments we may undertake. Divestments could result in losses and write-downs of goodwill and other intangible assets. 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. We may not be able to control our 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. Our ability to influence its operations on a day-to-day basis could be limited such that we may be unable to prevent actions that we believe are not in the best interests of our joint ventures or our company as a whole. Any of these events could materially adversely affect our business, results of operations and financial position.

Our strategies may not succeed.

One of our overarching strategic objectives is to build a solid operating platform within the developing markets (in particular in China and India), supported by our consistent and predictable cash flow generated from our sales in mature markets (such as the UK, Eurozone, the U.S., Canada and Japan).

This strategy is based on the assumption that the demand for our products in certain emerging markets, such as China and India, will continue to increase during times of accelerated growth in these countries, with more moderate growth in the developed markets. This assumption is based on the expectation that the living standard of end-consumers in the emerging markets will rise, leading to an increased demand for, in particular, automotives, which is one of the key end markets for our business, and in particular for our light metal parts formation offering. Equipment sales are our primary driver of revenue in emerging markets, due to the demand for increasing equipment manufacturing capability. Our strategic focus in emerging markets is therefore to increase our market share in equipment sales. However, expansion into the emerging markets requires significant investment. If, due to economic or other conditions beyond our control, we are unable to continue our investments in expanding our emerging markets capabilities or we require the reduction of such investment, our strategy may not succeed. In addition, there is a risk that there will not be sufficient demand for our products and services in the emerging markets, due to an economic downturn in these markets or other conditions, which would result in a lower than expected return on our investment. In addition, there is a risk that cash flow generated from our sales in mature markets, on which we rely as a support to the investment activities in the emerging markets, will be lower than expected, thus creating a strain on our cash flow profile.

Moreover, our pricing is market-driven to a large extent, which creates a need for us to maintain tight control of our profit margins. This dictates one of our key strategic priorities—driving continuous cost reductions and lean efforts through business. To meet this objective, we have implemented continuous cost reductions and lean efforts across our business, and each line of business or strategic region is required to incorporate this concept into their operating framework. Our business is structured around optimizing the technical know-how primarily centered in our Western offices and using our extensive operating platform to take advantage of low cost synergies in emerging markets. We intend to continue to develop and implement our low-cost countries regional sourcing strategy and expect that the cost reduction strategy will result in cost savings. Furthermore, we plan to increasingly move our technological centers to emerging markets over time. However, there is no assurance that any cost reductions achieved through the above strategy and any future cost-reduction programs are sustainable and will be sufficient to effectively counter any negative current or future developments.

We also target an increase of the share of aftermarket sales for the brands of the LMCS Group. We consider our aftermarket sales to be a key driver of our results as we have the ability to service our products throughout their lifetimes. However, we do not require or have contracts with our customers obligating them to purchase or utilize our aftermarket products and services. Certain of the aftermarket products and services that we provide, including non-proprietary spare parts, can be supplied by other producers, potentially at a lower price, or our customers may develop internal capacity that overlaps with the products and services we provide. Aftermarket services have not previously been a focus of the LMCS Group and Italpresse machines in particular, so we may not be able to increase aftermarket sales in respect of LMCS Group products to a share in line with the Norican Group. If there is a significant shift by our customers to purchase aftermarket goods and services from other suppliers instead of us for any reason, this could have a material adverse effect on our business, financial position and results of operation.

If one or more of these factors were to materialize, we may not be able to realize our strategies, which may have an adverse effect on our business, financial position and the results of our operations.

Risks related to the Acquisition

We may face significant uncertainties and risks, as well as unexpected difficulties and costs, in integrating the LMCS Group.

On February 21, 2017, Norican Group ApS, a subsidiary of the Issuer, entered into the Acquisition Agreement to acquire the LMCS Group. The Acquisition was closed on April 28, 2017. We obtained control of the LMCS Group only recently. We cannot assure you that the sellers of the LMCS Group operated the business of the LMCS Group during the interim period in the same way that we would.

We are currently integrating the LMCS Group. Any integration of such scale presents various challenges which may be difficult and costly to overcome and could prevent us from realizing the expected benefits of the Acquisition. We may experience difficulties and costs in integrating the assets of the LMCS Group in our operations. The expected benefits of the Acquisition, particularly the anticipated synergies and growth opportunities, may not be realized in full or at all or may take longer to realize or require higher implementation costs and investments than planned. The one-off integration costs of achieving both the cost synergies and revenue synergies following the closing of the Acquisition are expected to be approximately €8 to €12 million. Furthermore, the integration of the LMCS Group may require management capacity for the further development of our business which may not be immediately available. In addition, we may lose customers, suppliers and independent agents as well as employees who are instrumental for the integration and further development of our combined businesses. Any of these risks could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The LMCS Group may have liabilities that are not known to us and the indemnities we have negotiated in the Acquisition Agreement may not adequately protect us.

We acquired the LMCS Group with its liabilities, including certain pension liabilities and certain tax liabilities. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the LMCS Group. The due diligence performed prior to the signing of the Acquisition Agreement was limited in time and scope. Any such undiscovered liabilities of the LMCS Group, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. In addition, such liabilities may not be recoverable against the representations and warranties given by the sellers under the Acquisition Agreement. In addition, in certain jurisdictions, certain other obligations of the Notes Guarantors may rank senior to the Notes Guarantees in a bankruptcy of the relevant Notes Guarantor. As we further integrate the LMCS Group into our business, we may learn additional information about the LMCS Group that adversely affects our business, prospects, financial condition, results of operations and cash flows, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

The Acquisition may entitle certain customers of the LMCS Group to terminate their agreements as a result of change of control provisions.

The Acquisition may have constituted a change of control under agreements of the LMCS Group with some of its existing customers and sales agents and may entitle these customers and sales agents to terminate their agreements with us. Despite the long-term relationships that the LMCS Group enjoys with many of its customers, we cannot exclude the possibility that some of these customers may exercise their termination rights, which could have an adverse effect on our revenues. Moreover, despite the limited overlap in customers of the Norican Group and the LMCS Group before the Acquisition, some of our existing customers may now conclude that they are overly reliant on us as a supplier. In such circumstances, our customers may engage our competitors or facilitate the emergence of new suppliers to diversify their sourcing options.

Light Metal Casting Solutions Group GmbH's financial statements, which are included elsewhere herein, are not prepared in accordance with IFRS, and there may be differences between Light Metal Casting Solutions Group GmbH's financial position and its results of operations as presented in accordance with German GAAP compared to a presentation in compliance with IFRS.

Light Metal Casting Solutions Group GmbH's consolidated financial statements included elsewhere in this Offering Memorandum are based on German GAAP, which differs in certain respects from IFRS. We have presented a reconciliation of Light Metal Casting Solutions Group GmbH's consolidated financial statements to IFRS in this Offering Memorandum. We expect that Light Metal Casting Solutions Group GmbH's financial condition and results will in the future be consolidated in our IFRS compliant financial statements. Because there are differences between German GAAP and IFRS, if Light Metal Casting Solutions Group GmbH's consolidated financial statements were prepared on the basis of IFRS instead of German GAAP (whether on a standalone basis or as part of our Financial Statements), there could be substantial differences in Light Metal Casting Solutions Group GmbH's results of operations, cash flows and financial position, including levels of indebtedness and capitalization policy. See "*Presentation of financial information and other data—Differences between IFRS and German GAAP*," "*Summary—Summary consolidated financial and other information*" and "*Selected historical consolidated financial information of the LMCS Group.*"

In addition, Light Metal Casting Solutions Group GmbH is itself the result of a prior merger. Light Metal Casting Solutions Group GmbH's consolidated financial statements included in this Offering Memorandum only cover the period beginning on March 6, 2015. As a result, no financial statements covering the entire LMCS Group for the full year 2015 or prior periods are available.

The Pro Forma Financial Information presented in this Offering Memorandum may not reflect what our actual results of operations and financial condition would have been had the Norican Group and the LMCS Group been a combined group for the periods presented and thus these results may not be indicative of our future operating performance. The Pro Forma Consolidated Financial Information included herein is subject to certain signification assumptions and limitations.

We have included in this Offering Memorandum the Pro Forma Consolidated Financial Information which gives effect to (i) the Acquisition and the Refinancing as if it had occurred on January 1, 2016 and the Pro Forma Consolidated Balance Sheet as of December 31, 2016, as if the Acquisition and the Refinancing had taken place as of such date. The Pro Forma Consolidated Financial Information has not been audited in accordance with any generally accepted auditing standards and it has not been reviewed in accordance with any generally accepted review engagement standards. The Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and because of its nature, the Pro Forma Consolidated Financial Information addresses a hypothetical situation and, therefore, does not represent our actual financial position or results. The Pro Forma Consolidated Financial Information is based on certain assumptions that we believe are reasonable. The assumptions underlying the aggregate interest expense for the indebtedness reflected in the Pro Forma Consolidated Financial Information are based on existing and committed financings available to us and no undue reliance should be placed on the presentation of the pro forma financing structure reflected in the Pro Forma Consolidated Financial Information. Our assumptions may prove to be inaccurate over time. Accordingly, the Pro Forma Consolidated Financial Information may not reflect what our results of operations and financial condition would have been had the Norican Group and the LMCS Group been a combined group during the periods presented, or what our results of operations and financial condition will be in the future. See "*Presentation of financial information and other data*."

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

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

Risks related to our indebtedness

Our substantial indebtedness and debt service obligations could materially adversely affect our business, financial position and results of operations.

We are leveraged and have significant debt service obligations. As of December 31, 2016, on an adjusted basis after giving effect to the Offering and the Transactions, we would have had €340.3 million of third-party financial indebtedness, €340.0 million of which would constitute senior secured indebtedness represented by the Notes.

We anticipate that our leverage will continue to be in place for the foreseeable future. Our leverage could have significant consequences, including, but not limited to:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, business opportunities, debt service requirements, acquisitions and other corporate requirements;

- increasing our vulnerability to a downturn in our business or economic and market conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of our cash flow to fund our operations, capital expenditures, acquisitions or for other corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment;
- increasing our vulnerability to downturns in our business or industry or economic conditions generally;
- placing us at a competitive disadvantage compared to our competitors who are not as highly leveraged;
- exposing us to increases in interest rates with respect to floating rate instruments, such as the Revolving Credit Facility; and
- making it more difficult for us to satisfy our debt obligations, including those with respect to the Notes.

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

Despite our current level of indebtedness, we may be able to incur substantial additional indebtedness in the future which may make it difficult for us to service our debt, including the Notes.

We may be able to incur substantial additional indebtedness in the future, including up to €75.0 million under the Revolving Credit Facility, which will be secured on a super senior basis to the Notes. Although the Revolving Credit Facility Agreement and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial and we may be able to secure such additional indebtedness with the Collateral or other assets. Certain creditors in respect of our debt, including lenders under the Revolving Credit Facility Agreement, lenders under other facilities as permitted by the Indenture (including, without limitation, operating facility lenders) and counterparties to certain hedging obligations will receive proceeds from the enforcement of security granted over the Collateral (or a transaction in lieu thereof) prior to the holders of the Notes. If new indebtedness is added to our existing debt levels, the related risks that we now face would increase. 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.

Furthermore, other debt that we incur in the future could also be structurally senior to the Notes and may be secured by collateral that does not secure the Notes. In particular, our non-guarantor subsidiaries may incur substantial additional indebtedness in the future, further increasing the risks associated with our substantial leverage. If any of our non-guarantor subsidiaries incur additional indebtedness, the holders of that debt will be entitled to share ahead of you in any proceeds distributed in connection with any bankruptcy, receivership, foreclosure, dissolution, winding-up, liquidation, reorganization, restructuring arrangement, administration or other bankruptcy or insolvency proceeding of such subsidiaries. See "*—Risks related to the Notes, the Notes Guarantees and the Collateral—Holders of the Notes may not control certain decisions regarding the Collateral*."

We require a significant amount of cash to service our debt and fund our operations. Our ability to generate sufficient cash depends on factors beyond our control.

Our ability to make payments on and to refinance our debt, including the Notes, and to fund working capital and capital expenditures and other cash needs, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory, technical and other factors, many of which are beyond our control, as well as the other factors discussed in these "*Risk factors*" and elsewhere in this Offering Memorandum. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in the Revolving Credit Facility Agreement and the Indenture, as well as any other agreements we enter into in the future. We cannot assure you that our business will generate sufficient cash flow from operations, or that future debt and equity financing will be available to us on satisfactory terms or at all in an amount sufficient to enable us to pay our debts, including the Notes, when due, or to fund our other liquidity needs. See "*The Norican Group's management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources*" for a discussion of our cash flows and liquidity.

We cannot assure you that we will be able to refinance or repay any of our indebtedness, including the Notes, on commercially reasonable terms or at all. Any refinancing of our indebtedness could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations.

If our future cash flow 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 expenditures;
- sell assets or equity;
- obtain additional debt or equity capital;
- forgo opportunities such as acquisitions of other businesses;
- negotiate with our lenders to restructure the applicable debt; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

If we are not able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, or at all, we may not be able to satisfy our debt obligations. Any failure to raise additional funds necessary to service our debt on a timely basis could result in a default under our debt, including under the Revolving Credit Facility and the Notes. This in turn would also likely result in a reduction of our credit rating, which could adversely affect our ability to incur additional indebtedness. An event of default under any of these circumstances could result in:

- holders of our indebtedness declaring all outstanding principal and interest to be due and payable;
- the lenders under the Revolving Credit Facility Agreement being able to terminate their commitments to lend us money and foreclose against the Collateral securing their borrowings; and
- our being forced into bankruptcy, restructuring or liquidation, which could result in you losing your investment in the Notes.

Restrictive covenants in the Revolving Credit Facility Agreement and the Indenture may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our financial position and results of operations.

The Indenture and the Revolving Credit Facility Agreement will contain covenants significantly restricting the Issuer's and the restricted subsidiaries' ability to, among other things:

- incur or guarantee additional indebtedness;
- create or incur liens;
- pay dividends or make other distributions or repurchase or redeem our share capital;
- repay or redeem subordinated debt or share capital;
- make investments, loans or other restricted payments;
- create restrictions on the payment of dividends or other amounts to the Issuer;
- sell, lease or transfer assets, including shareholdings of any restricted subsidiary of the Issuer;
- enter into certain transactions with affiliates;
- merge, amalgamate or sell all or substantially all of our assets; and
- impair the security interests in the Collateral securing the Notes.

All of these restrictions are subject to significant exceptions and qualifications. In addition, the Revolving Credit Facility Agreement will in addition require us to comply with a leverage ratio under certain circumstances (see "*Description of other indebtedness—Revolving Credit Facility*"). Our ability to meet this test can be affected by events beyond our control and we cannot assure you that we will meet it. A breach of this test would result in a restriction on the ability to make new drawings under the Revolving Credit Facility Agreement, and, if such breach is not cured in accordance with the terms thereof, would result in a default or an event of default under the Revolving Credit Facility Agreement.

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

Our ability to comply with the covenants and restrictions under the Indenture and the Revolving Credit Facility Agreement and under other agreements governing our indebtedness may be affected by events beyond our control. These include prevailing political, economic, financial and industry conditions.

The covenants in the Indenture and the Revolving Credit Facility Agreement and any future indebtedness may significantly restrict our future operations and our ability to react to market conditions or take advantage of potential business opportunities as they arise. If there were an event of default under any of the agreements relating to our outstanding debt, including from the Issue Date, the Indenture, and from the date of its execution (if earlier), the Revolving Credit Facility Agreement, which was not cured or waived during any applicable grace period, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments, including the Notes, if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our secured debt, the holders of such debt could proceed against the Collateral securing that debt in accordance with the provisions of the Intercreditor Agreement. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

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

Borrowings under the Revolving Credit Facility will bear interest at a rate of 3.25% plus LIBOR. Subject to a margin ratchet, the relevant reference rates could rise significantly in the future. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurances that hedging will continue to be available on commercially reasonable terms and our hedging activities may be restricted by the Intercreditor Agreement. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangement. To the extent interest rates were to rise significantly, our interest expense associated with the Revolving Credit Facility and the carrying cost of our debt load would correspondingly increase, thus reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes.

We could be adversely affected by changes to the composition of the Eurozone.

A deterioration in general economic conditions caused by instability in the Eurozone could have a material adverse effect on our business, financial condition, results of operations and prospects. If one or more countries default on their debt obligations and/or cease using the euro, there may be significant, extended and generalized dislocation in the financial markets and in the wider European economy, which may negatively affect our business, results of operations and financial condition, especially on our operations in Europe. In addition, the departure of one or more countries from the Eurozone may lead to the imposition of, *inter alia*, exchange rate control laws. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations and for parties subject to other contractual provisions referencing the euro would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect our trading environment and/or the value of the Notes and could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected.

Furthermore, on June 23, 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union, commonly referred to as “Brexit.” The UK Government invoked Article 50 of the Lisbon Treaty relating to withdrawal on March 29, 2017. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. As a result, it is expected that the British government will begin negotiating the terms of the UK’s withdrawal from the European Union. The negotiation of the UK’s exit terms is likely to take a number of years. Until the terms and timing of the UK’s exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK’s departure from the European Union and/or any related matters may have on our business. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. A withdrawal could, among other outcomes, disrupt the free movement of goods, services and people between the UK and the EU, undermine bilateral cooperation in key policy areas, significantly disrupt trade between the UK and the EU and cause political and economic instability in other countries of the EU. Given the lack of comparable precedent, it is unclear what financial, trade and legal implications Brexit would have, and whether our business, financial position and results of operations will be materially adversely affected.

In addition, the Indenture and the Revolving Credit Facility Agreement contain covenants restricting our and our subsidiaries’ corporate activities. Certain of such covenants impose limitations based on euro amounts (e.g., the amount of additional debt we or our subsidiaries may incur). As such, if the euro were to significantly decrease in value, the restrictions imposed by these covenants would become tighter, further restricting our ability to finance our operations and conduct our day-to-day business.

Risks related to our structure

Not all of our subsidiaries will guarantee the Notes, and the Notes Guarantees will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.

Not all of our subsidiaries will be Notes Guarantors. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our restricted subsidiaries that do not guarantee the Notes.

As payments on the Notes are only required to be made by the Issuer and the Notes Guarantors, no payments are required to be made from assets of subsidiaries that do not guarantee the Notes unless those assets are transferred by dividend or otherwise to the Issuer or one of the Notes Guarantors. As of December 31, 2016, after giving effect to the Transactions, the subsidiaries of the Parent Guarantor that are not Notes Guarantors will have, or will have guaranteed, outstanding financial indebtedness in the amount of approximately €0.3 million, all of which will rank structurally senior to the Revolving Credit Facility and the Notes. See "*Description of other indebtedness*." As of and for the year ended December 31, 2016, after giving effect to the Transactions, the subsidiaries of the Parent Guarantor that are not expected to guarantee the Notes (excluding the Issuer) accounted for approximately 25% of both the gross assets and reported EBITDA of the Combined Group on an estimated, combined, unconsolidated basis and subject to conformance of accounting policies and practices in accordance with IFRS, including consideration given to purchase accounting.

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

As of the Issue Date, the Notes and the Notes Guarantees will only be secured by the Issue Date Collateral. We will agree in the Indenture, subject to the agreed security principles, to take such necessary actions to secure the Notes (i) with respect to the Norican Collateral, on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue Date, by first-priority security interests in such Collateral and (ii) with respect to the LMCS Collateral, on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Date, by first-priority security interests in such Collateral. There can be no assurance, however, that we will be successful in procuring such liens within the time periods specified, the failure of which would result in an "event of default" under the Indenture. The security interests will be limited to the same extent as those under the Revolving Credit Facility and otherwise as set forth under "*Limitations on 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 Notes Guarantor in certain jurisdictions is granted or perfected after the secured obligation arose, such guarantee or security interest may be subject to clawback provisions under applicable local insolvency laws or otherwise be set aside.

Furthermore, the Notes will be guaranteed (i) on the Issue Date by the Parent Guarantor and the Norican Guarantors and (ii) 120 days from the Acquisition Closing Date, by the LMCS Guarantors, in each case on a senior secured basis. As of and for the year ended December 31, 2016, after giving effect to the Transactions, the Notes Guarantors accounted for approximately 75% of both the gross assets and reported EBITDA of the Combined Group on an estimated, combined, unconsolidated basis and subject to conformance of accounting policies and practices in accordance with IFRS, including consideration given to purchase accounting. 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 "*Limitations on validity and enforceability of the Notes Guarantees and the security interests.*"

The Issuer and several Notes Guarantors are holding companies and have limited assets and limited ability to generate revenues. The Issuer and these Notes Guarantors depend on subsidiaries, including our majority participation in the publicly listed DISA India Limited, to provide them with funds to meet their obligations under the Notes.

The Issuer and several Notes Guarantors, including the Parent Guarantor, are holding companies that have no independent business operations and will have only limited assets. As such, the Issuer and such Notes Guarantors will be wholly dependent upon payments made by their subsidiaries as well as upstream loans or distributions to service the Issuer's payment obligations under the Notes or the relevant Notes Guarantor's payment obligation under its Notes Guarantee and to meet their other cash requirements. Accordingly, repayment of our indebtedness, including the Notes, depends on the generation of cash flow by our operating subsidiaries and, if they are Notes Guarantors, their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to make distributions to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the Indenture limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. We cannot assure you that our subsidiaries will be able to, or be permitted to, pay to us the amounts necessary to service the Notes. Because only some of our subsidiaries guarantee the Notes, the ability of our non-guarantor subsidiaries to distribute funds to us is the only mechanism for the holders of the Notes to benefit from the performance of these subsidiaries.

DISA India Limited is a public company and any distribution made by it would be paid on a pro rata basis to us and the outside shareholders. Applicable regulations for the Bombay Stock Exchange require us to hold not more than 75% ownership in DISA India Limited. As such, we currently hold 74.82% of the shares of DISA India Limited, with the remainder held by other shareholders. For the year ended December 31, 2016, approximately 5.2% of the Norican Group's revenues, 6.0% of the Norican Group's Adjusted EBITDA and 6.2% of the Norican Group's profit/loss from operations were generated by DISA India Limited. The ability of DISA India Limited to pay dividends or otherwise make distributions to us is subject to limitations, including its existing financing agreements. DISA India Limited may not meet the requirements necessary to pay a dividend or otherwise distribute money to us. DISA India Limited has paid an amount of €13,000 of dividends for the year ended December 31, 2016. If DISA India Limited were to make any distribution, our share of that distribution would be pro rata to our 74.82% shareholding, with the remainder paid out to outside shareholders. Due to our majority stake, the Adjusted EBITDA of DISA India Limited is included in the calculation of the Adjusted EBITDA of the Norican Group for purposes of calculating our consolidated leverage ratio and fixed charge coverage ratio under the Notes. As a result, the financial performance of DISA India Limited will be taken into account to enable us to incur additional debt, pay dividends or make other restricted payments that we could not otherwise incur, pay or make without such results, even though DISA India Limited's ability to pay us dividends or make distributions to us is subject to limitations and dilution. See also "*—We have a reduced level of control over the activities of DISA India Limited and its subsidiaries since 25.18% of DISA India Limited's shares are publicly held and listed on the Bombay Stock Exchange*."

In the event that we do not receive distributions from our non-guarantor subsidiaries, our ability to make required principal and interest payments on our indebtedness, including the Notes, may be adversely affected.

We have a reduced level of control over the activities of DISA India Limited and its subsidiaries since 25.18% of DISA India Limited's shares are publicly held and listed on the Bombay Stock Exchange.

Since DISA India Limited is a publicly traded entity with a significant number of outside shareholders, we are limited in the degree of control we can exercise over the affairs of DISA India Limited and its subsidiaries. DISA India Limited's business is managed by its board of management, which is not subject to instructions by the shareholders' meeting or the supervisory board. As a result, DISA India Limited may incur or secure indebtedness or make other business decisions without our approval, including decisions that may result in a breach of the covenants under the Conditions of Issue. DISA India Limited's board of directors consists of 6 members, 3 of which were nominated by us and are on the management team of the Norican Group. The supervisory board and the management board of DISA India Limited are required to act in the interest of DISA India Limited, which may not be fully aligned, or may even conflict with, our interests. In addition, outside minority shareholders of DISA India Limited could attempt to influence corporate policy and can prevent the implementation of structural measures, such as capital increases and reductions or amendments to the articles of association, all of which require a 75% majority vote at a shareholders' meeting.

DISA India Limited and its subsidiaries have their own financing structure, which is independent from the Norican Group. The Adjusted EBITDA of DISA India Limited is included in the calculation of our Pro Forma Adjusted EBITDA for purposes of calculating our consolidated leverage ratio and fixed charge coverage ratio under the Notes. As a result, the financial performance of DISA India Limited will be taken into account to enable us to incur additional debt, pay dividends or make other restricted payments that we could not otherwise incur, pay or make without such results, even though DISA India Limited's ability to pay us dividends or make distributions to us is subject to limitation and dilution. See also "*—The Issuer and several Notes Guarantors are holding companies and have limited assets and limited ability to generate revenues. The Issuer and these Notes Guarantors depend on subsidiaries, including our majority participation in the publicly listed DISA India Limited, to provide them with funds to meet their obligations under the Notes*." In addition, DISA India Limited is subject to certain disclosure and transparency obligations in relation to its listing on the Bombay Stock Exchange. DISA India Limited is legally obliged to disclose certain information relating to its activities and financial performance in periodic reports. The reporting of DISA India Limited may not be fully comparable to our presentation of the Norican Group. See "*The Norican Group's management's discussion and analysis of financial condition and results of operations.*" In addition, DISA India Limited is obliged to inform the market about certain transactions and events in current reports. DISA India Limited and its managers and supervisory board members are also subject to the rules and regulations on insider trading. This also prohibits the passing on of insider information to a majority shareholder.

The interests of the Sponsor may conflict with your interests.

Currently, the Sponsor indirectly owns the majority of the shares of the Parent Guarantor. As a result, the Sponsor has and will continue to 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 advisory board and to approve or prevent any other changes to our operations and influence matters requiring action by our shareholders. The Sponsor's interest, 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, the Sponsor could vote to cause us to incur additional indebtedness, make distributions or to sell certain material assets, in each case, up to the maximum extent permitted under the Indenture, in order to further its own operations instead of permitting us to retain some or all of these amounts in the business. Incurring additional indebtedness would increase our debt service obligations and selling assets could reduce our ability to generate revenues, each of which could affect you adversely. Even if our current

Sponsor makes divestitures such that it controls less than a majority of the equity in our parent companies, it may still be able to effectively control or strongly influence our decisions. Such divestitures may not trigger a change of control under the Indenture. See "*Description of the Notes*," "*Management*" and "*Certain relationships and related party transactions*."

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. The 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 our suppliers or customers. The Sponsor 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 the Notes.

Risks related to the Notes, the Notes Guarantees and the Collateral

The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes, and in the event that any enforcement action is taken with respect to the Collateral, the lenders under the Revolving Credit Facility and counterparties of certain hedging obligations will be paid with the proceeds from the enforcement of the Collateral in priority to the holders of the Notes.

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

No appraisals of the value of any of the Collateral have been prepared by us or on our behalf in connection with the Offering. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, our ability to implement our business strategy, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of any Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, general, market and economic conditions and the timing and the manner of the sale. There also can be no assurance that the Collateral will be saleable and, even if saleable, the timing of any liquidation or foreclosure is uncertain. To the extent that liens, rights or easements granted to third parties encumber assets located on property owned by us, such third parties have or may exercise rights and remedies with respect to the property subject to such liens that could adversely affect the value of the Collateral and the ability of the Security Agent to realize or foreclose on the Collateral. By the nature of our business, some or all of the assets comprising the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the security will be sufficient to pay the obligations due under the Notes.

The security interests over the Collateral are subject to the agreed security principles, permitted liens and the Intercreditor Agreement. The agreed security principles set forth limitations on the requirement to grant security interests in favor of the Notes in certain circumstances and may result in recoveries from security interests being limited or security not being granted at all over particular types or classes of assets.

Holders of the Notes may not control certain decisions regarding the Collateral.

The Notes will be secured by the Collateral which will also secure the obligations under our Revolving Credit Facility and certain hedging obligations, except for shares or assets of any French subsidiary, which will not Guarantee the Notes. In addition, under the terms of the Indenture and the Revolving Credit Facility Agreement, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral. The Intercreditor Agreement will provide 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 us or the relevant instructing creditors, in accordance with the Intercreditor Agreement) for the purpose of enforcement. See "*Description of other indebtedness—Intercreditor Agreement*" and *"Description of the Notes—Security.*"

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 including Denmark, the British Virgin Islands, the Czech Republic, England and Wales, Germany, Italy, Switzerland, and the state of New York (United States of America). Moreover, the Issuer and the Parent Guarantor are incorporated under the laws of Denmark, the other Notes Guarantors are incorporated under the laws of Denmark, the British Virgin Islands, the Czech Republic, England and Wales, Germany, Italy, Switzerland, and the states of Delaware, Illinois and Michigan (United States of America), and our operational headquarters is located in Denmark, Højager 8, DK-2630 Taastrup, 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 Parent Guarantor, the Issuer and the other Notes 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. A summary description of certain aspects of the insolvency laws of certain jurisdictions where the providers of Collateral are organized or have their center of main activities are set forth in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests.*"

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

The insolvency laws of Denmark and the insolvency laws of the jurisdictions where the other Notes Guarantors are incorporated and a portion of the Collateral is located may be materially different from, conflict with or may not be as favorable to holders as insolvency laws of jurisdictions of the United States or with which investors may be familiar, including in the areas of rights of creditors, contractual subordination, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the law of any particular jurisdiction should apply, and may adversely affect your ability to enforce your rights under the Notes, the Notes Guarantees and the Collateral in those jurisdictions or limit any amounts that you may receive.

The Issuer and a number of its subsidiaries are organized under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer and/or any Danish Notes Guarantor may proceed under, and be governed by, the insolvency laws of Denmark. These laws may adversely affect the enforcement of your rights under the Notes and may not be as favorable to your interests as a creditor as the laws of other jurisdictions.

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 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 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 Insolvency 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.

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, by a compulsory composition/moratorium or by a combination of both. During the reconstruction procedure, creditors are restricted in their ability to enforce the claims, however, valid security may be enforced under certain conditions. If a restructuring procedure fails, bankruptcy proceedings will be initiated against the debtor. In general, the provisions on avoidance and set off applicable in a bankruptcy also apply when reconstruction proceedings are commenced.

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 or the grantor of the security. The liens in the Collateral securing the Notes may not be perfected with respect to the claims under the Notes if we fail or are unable to take (or cause to be taken) the actions required to be taken to perfect any of these liens. In addition, for certain Collateral such as pledges over Danish bank accounts it has been agreed only to perfect the Collateral in the future if and to the extent that certain pre-defined events occur. In addition, in relation to certain jurisdictions, applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at or promptly following the time such property and rights are acquired and identified. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."

Absent perfection, the holder of the security interest may have difficulty enforcing or be entirely unable to enforce such holder's rights in the Collateral in competition with third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, a debtor may discharge its obligation under a receivable 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 taker over the receivable the security provider (as creditor) has against the debtor.

Granting of security subject to Danish law could be set aside 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. In such situations, security could be set aside if it has not been perfected within three months before the filing of the bankruptcy petition. If the security is granted to related parties the voidance period is extended to two years. Voidance is a real risk in respect of Collateral subject to Danish law in the form of (i) pledges over Danish bank accounts and Collateral other than Issue Date Collateral.

Additionally, in certain jurisdictions, the ranking of pledges is determined by the date on which they were perfected. A security interest created on a later date over the same Collateral, but which was perfected earlier (by way of registration in the appropriate register or by notification) generally has priority. The ranking of certain other security interests is determined by the date of registration or, as applicable, the date of notice or the date on which the relevant secured claim comes into existence.

Furthermore, neither the Trustee nor the Security Agent has any obligation to take any step or action to perfect any of the liens in the Collateral securing the Notes, and the Security Agent does not have any obligation to monitor the acquisition of additional property or rights by the Issuer or the Notes Guarantors or the perfection of any security interest. Should the Issuer fail to comply with its obligation to inform the Security Agent of any future acquisition of property and rights by us that is required to be pledged by the Issuer or the Notes Guarantors, the necessary action to properly perfect the security interest in such after-acquired property or rights may not be taken. Such failure may result in the invalidity of the security interest in the Collateral or adversely affect the priority of the security interest in favor of the holders of the Notes against third parties.

The security interests in the Collateral will be granted to the Security Agent rather than directly to you. 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 Notes Guarantors under the Notes Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Trustee will accede to the Intercreditor Agreement and will be party to the Intercreditor Agreement with, among others, the Security Agent, and representatives of the other indebtedness secured by the Collateral. The Indenture and the Intercreditor Agreement will provide 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 Security Agent or the Trustee, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

The ability of the Security Agent to enforce the security interests in the Collateral is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken. For example, the laws of certain jurisdictions may not allow for an appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply.

In certain jurisdictions, including, among others, Germany, Switzerland and the Czech Republic, due to the laws and other jurisprudence governing the creation and perfection of security interests and enforceability of such security interests (including with respect to certain types of security interests governed by German law which are accessory (*akzessorisch*) to the obligations they secure), the respective Collateral will secure a so-called "parallel debt" obligation created under the Intercreditor Agreement in favor of the Security Agent as well as, or in lieu of, securing the obligations under the Notes directly. This parallel debt structure is used where certain jurisdictions have legal requirements relating to the creation and ongoing valid existence of security interests which are linked with the original secured claims and where certain actions under the finance documents, such as novation, may cause invalidity of the security interests under local law. The parallel debt is in the same amount and payable at the same time as the obligations of the Issuer and the Notes Guarantors under the Notes and the Notes Guarantees (the "**Principal Obligations**"), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the parallel debt, a claim against the Issuer and the Notes Guarantors for the full principal amount of the Notes, the parallel debt structure has not been tested in court in these jurisdictions, including Germany, Switzerland or the Czech Republic, and there is no judicial guidance as to its efficacy or validity. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted, or the parallel debt structure might not be capable of creating a valid security interest on the part of the Security Agent. To the extent that the security interests in the Collateral created under the Parallel Debt construct are successfully challenged by other parties, the holders of the Notes will not receive any proceeds from an enforcement of such security interests. See "*Limitations on Validity and Enforceability of the Notes Guarantees and the security interests.*"

There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a Security Document will be validly secured. As regards the Security Documents governed by Danish law, the above concerns regarding the ability of the Security Agent to hold the relevant Collateral on behalf of the holders of the Notes can be addressed by registering the Security Agent with the Danish Financial Supervisory Authority (*Finanstilsynet*) in accordance with the rules set out in Chapter 2A of the Danish Securities Trading Act. No assurance can be given that the Security Agent or the terms of the Indenture and the other Offering documents meet the eligibility criteria for the Security Agent to be registered with the Danish Financial Supervisory Authority, that such registration will be obtained or, if obtained, that it will be maintained.

In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent which could in particular, under certain circumstances; result in a delay in enforcement, diminishing value or even loss of the Collateral or Notes Guarantees (in certain jurisdictions, where the guarantee is not created in favor of holders of the Notes but rather in favor of the Security Agent).

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

The Security Documents will allow the Issuer and the Notes 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 or the Revolving Credit Facility Agreement would result therefrom, the Issuer and the Notes Guarantors may, among other things, without any release or consent by the Security Agent, sell or otherwise dispose of the Collateral in the ordinary course of business or otherwise, in a compliant sale. Any such sale or disposition could reduce the value of such Collateral, which could reduce the amounts payable to you from the proceeds of any sale of such Collateral in the case of an enforcement of the liens on the Collateral by the Security Agent on behalf of the holders of the Notes.

On the Completion Date, the Notes and the Note Guarantees will be secured on a first-priority basis by the same Collateral securing the obligations under the Revolving Credit Facility Agreement and any outstanding hedging liabilities that are permitted to be secured by the same Collateral. In addition under the terms of the Indenture and the Revolving Credit Facility Agreement, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral on a pari passu or on a super priority basis.

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

The Intercreditor Agreement provides that a common Security Agent, who also serves as the security agent for the lenders under the Revolving Credit Facility Agreement, the hedging obligations which are permitted by the Indenture to be secured on the Collateral, and any additional debt secured by the Collateral permitted to be incurred by the Indenture, will act only as provided for in the Intercreditor Agreement and the Security Documents. The Intercreditor Agreement regulates the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The Security Agent is not required to take enforcement action unless instructed to do so by an Instructing Group (as defined below under "*Description of Other Indebtedness—Intercreditor Agreement*") that comprises creditors holding in aggregate more than 50% of the outstanding principal amount of the Notes and the outstanding principal amount of any indebtedness ranking pari passu with the Notes (except for any hedge counterparties, acting through their respective creditor representative). However, before the discharge of all super senior obligations, the Majority Super Senior Creditors may also deliver proposed enforcement instructions to the Security Agent but if it has received conflicting enforcement instructions from the creditor representatives (and for these purposes, silence is deemed to be a conflicting instruction) then, to the extent the instructions from the Majority Senior Secured Creditors (to the extent given) comply with the initial consultation requirements and the security enforcement principles set forth in the Intercreditor Agreement (one of which states that the primary and overriding objective of an enforcement of security over the Collateral is the maximization, so far as is consistent with prompt and expeditious realization of value, of recoveries by the Super Senior Creditors and the Senior Secured Creditors (each as defined below under "*Description of Other Indebtedness—Intercreditor Agreement*")), the Security Agent will comply with the instructions from the Majority Senior Secured Creditors, provided that if the super senior liabilities have not been fully discharged within six months, or no enforcement action has occurred within three months of the date on which the first such enforcement instructions were issued, then the instructions of the Majority Super Senior Creditors will prevail. The Majority Super Senior Creditors may also issue enforcement instructions if the Majority Super Senior Creditors determine in good faith that a delay in enforcement action could have a material adverse effect on the Security Agent's ability to enforce. To the extent we incur additional indebtedness that is secured on a pari passu basis with the Notes, your voting interest in an instructing group will be diluted commensurately with the amount of indebtedness we incur. The lenders under our super senior indebtedness may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Notes to do so.

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

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

Under various circumstances, the Collateral securing the Notes and the Notes Guarantees will be released automatically, including:

- in connection with any sale, assignment, transfer, conveyance or other disposition of Collateral to a person that is not the Parent Guarantor or a restricted subsidiary (but excluding any transaction subject to "*Description of the Notes—Certain covenants—Merger and Consolidation*"), if such sale, assignment, transfer, conveyance or other disposition does not violate the covenant described under "*Description of the Notes—Certain covenants—Limitation on sale of assets and subsidiary stock*";
- in the case of a Notes 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 Notes Guarantor;
- as described under "*Description of the Notes—Amendments and waivers*";
- 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 "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and discharge*";
- 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;
- upon the contribution of any claim of a restricted subsidiary, which is subject to a lien, to the equity of the Parent Guarantor or any other restricted subsidiary;
- as otherwise permitted in accordance with the Indenture and the Intercreditor Agreement.

In addition, the Notes Guarantees will be released automatically under various circumstances, including:

- in connection with a sale, exchange, transfer or other disposition (including by way of consolidation, merger, or amalgamation) of the Capital Stock of the relevant Notes Guarantor (whether by direct sale or sale of a direct or indirect holding company of such Notes Guarantor) as a result of which such Notes Guarantor would no longer be a restricted subsidiary, or the sale or disposition of all or substantially all the assets of the Notes Guarantors (other than to the Parent Guarantor or a restricted subsidiary) otherwise permitted under the Indenture;

- upon the designation in accordance with the Indenture of a Notes Guarantor as an unrestricted subsidiary;

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture, as provided in "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and discharge*";

- so long as the Capital Stock of such other restricted subsidiary remains subject to, or otherwise becomes subject to, an equivalent lien substantially concurrently with such contribution; or

- so long as no Event of Default has occurred and is continuing, upon the release of such Notes Guarantor's Notes Guarantee under any indebtedness that triggered such Notes Guarantor's obligation to guarantee the Notes under the covenant described in "*Description of the Notes—Certain covenants—Additional Notes Guarantees*";

- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any additional intercreditor agreement;

- as described under "*Description of the Notes—Amendments and Waivers*";

- upon the full and final payment of the Notes and performance of all obligations of the Issuer and the Notes Guarantors under the Indenture and the Notes;

- as a result of a transaction permitted by "*Description of the Notes—Certain covenants—Merger and consolidation*"; or

- by written notice from the Issuer to the Trustee upon the Notes achieving Investment Grade Status; *provided* that (i) such Notes Guarantor is unconditionally released and discharged from its liability with respect to the Revolving Credit Facility, if any; (ii) such Notes Guarantor would not otherwise be required at the time of such release to provide a Notes Guarantee pursuant to the covenant described under "*Description of the Notes—Certain covenants—Additional Notes Guarantees*" and (iii) no Default or Event of Default shall have occurred and be continuing at the time of such written notice; *provided further* that such Notes Guarantee shall be reinstated under certain circumstances.

The Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the Notes Guarantees or security interests in the Collateral if so instructed by an Instructing Group, provided that such instructions are consistent with the security enforcement principles set out in the Intercreditor Agreement. 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 an obligation to postpone any such enforcement to achieve a higher price.

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

The Notes Guarantors will guarantee the payment of the Notes on a senior secured basis. Each Notes Guarantee will provide the holders of the Notes with a direct claim against the relevant Notes Guarantor. However, the Indenture will provide for general limitation language to the effect that each Notes Guarantee and each security interest granted as well as any other obligation, liability or indemnification under a Security Document will be limited with the objective to ensure compliance with any maximum amount that can be guaranteed or secured by the relevant Notes Guarantor or security provider with respect to the aggregate obligations and exposure of the Notes Guarantor or security provider without rendering the relevant Notes Guarantee or security interest voidable or otherwise ineffective under applicable law, as well as the general requirements of corporate and other applicable laws, and enforcement of each Notes Guarantee or Security Document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent trading, conveyance or transfer, voidable or unfair preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. Enforcement of any of the Notes Guarantees or the Collateral against any Notes Guarantor and any grantor of Collateral will also be subject to certain defenses available to guarantors and grantors of security interests generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance, voidable transaction and other laws, a court could subordinate or void the Notes Guarantees or the security interest granted under the Security Documents and, if payment had already been made under a Notes Guarantee or enforcement proceeds applied under a Security Document, require that the recipient return the payment to the relevant Notes Guarantor or security provider, if the court found that:

- the amount paid or payable under the relevant Notes Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Notes Guarantee or security interest under a Security Document was incurred with intent to hinder, delay or defraud creditors of the Notes Guarantor or security provider or for fraudulent purposes or, in certain jurisdictions, even solely because the relevant Notes Guarantee was incurred or the security interest was granted without sufficient compensation or the recipient was simply aware or should have been aware that the Notes Guarantor or security grantor was insolvent or in distress when it granted the relevant Notes Guarantee or security, or such grant was made within a certain statutory period before insolvency or distress occurred;
- the Notes Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the relevant Notes Guarantee or security interest and the Notes Guarantor or security provider was: (i) insolvent or rendered insolvent because of the relevant Notes Guarantee or security interest; (ii) undercapitalized or became undercapitalized because of the relevant Notes Guarantee or Security Document; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or
- the relevant Notes Guarantees or Security Documents were held to exceed the corporate objects or corporate purposes of the Notes Guarantor or security provider or not to be in the best interests or for the corporate benefit of the Notes Guarantor or security provider.

In an insolvency proceeding, it is possible that creditors of the Notes Guarantor or an appointed insolvency administrator may void the Notes Guarantees and security interests as fraudulent transfers or conveyances or on other grounds. In certain situations the relevant bankruptcy court may also act *ex officio* and declare the Notes Guarantees or security interests to be ineffective, unenforceable or void. If so, such laws may permit the court, if it makes certain findings, to:

- void or invalidate all or a portion of a Notes Guarantor's obligations under its Notes Guarantee or security interests provided by such Notes Guarantor;
- direct that holders of the Notes return any amounts paid under a Notes Guarantee or any Security Document to the relevant Notes Guarantor or to a fund for the benefit of the relevant Notes Guarantor's creditors; or
- take other action that is detrimental to holders of the Notes.

Different jurisdictions evaluate insolvency on various criteria. Generally, however, a Notes Guarantor or security grantor would be considered insolvent if at the time it incurred indebtedness:

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

If a court determined that a Notes Guarantor was insolvent as of the date the Notes Guarantees were issued or security interests were created or found that the issuance of the Notes or a Notes Guarantee of the Notes was a fraudulent conveyance or other voidable transaction or held it ineffective or unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Notes Guarantee are ineffective, or require the holders of the Notes to repay any amounts received with respect to the Notes or such Notes Guarantee. In the event of a finding that a fraudulent conveyance or other voidable transaction occurred, you may cease to have any claim in respect of the relevant Notes Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other Notes Guarantors under any guarantees which have not been declared void.

In the event that any Notes Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Notes Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Notes Guarantor, and if we cannot satisfy our obligations under the Notes, or any Notes Guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes, or that in turn, the Issuer can ever repay in full any amounts outstanding under the Notes. In many jurisdictions, those limitations languages have not been tested in court and it is uncertain whether, in the event of violation of capital maintenance or similar rules, a security interest or a Notes Guarantee will be null and void altogether or only in part (i.e., to the extent it is not compliant with capital maintenance or similar rules). Irrespective thereof, the application of such limitation language may result in a security interest or a Notes Guarantee having a value of zero because of insufficient profits or assets of the respective Notes Guarantor.

Additionally, any future pledge 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 pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within a certain period of time specified in each jurisdiction following the pledge, or in certain circumstances, a longer period.

Further, certain security documents governing security interests granted by the Notes Guarantors will provide that the amounts guaranteed by such security interests will be limited to the extent of the amount guaranteed by such Notes Guarantor. Therefore, limitations in the Notes Guarantees will also serve to limit the amounts guaranteed by the pledges of Collateral.

Further, the Notes Guarantees and the Collateral, or the enforcement thereof, will be subject to certain contractual or other limitations under applicable law. In particular, contractual limits may be applicable to certain Notes Guarantees or Collateral to the extent the granting of such Notes Guarantee or enforcement of relevant Collateral would result in a breach of capital maintenance rules or other statutory laws or would cause the directors of any Notes Guarantor or provider of Collateral to contravene their duties to incur civil or criminal liability or to contravene any legal prohibition.

Further, the effectiveness or enforceability of any security interest granted by a Notes Guarantor in relation to any property situated outside the jurisdiction governing that security interest, or in relation to property governed by any law other than the law governing that security interest, will be determined by the law of the place in which the relevant property is situated or such other law. This will limit the ability of the Security Agent or holders of the Notes to enforce security over, and realize value from, certain assets of such Notes Guarantor(s).

A summary description of certain limitations on the validity and enforceability of the Notes Guarantees and Collateral in respect of the laws of certain jurisdictions where the Notes Guarantors and grantors of Collateral are organized is set forth in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."

The value of guarantees and security provided by the Italian guarantors may be significantly reduced by Italian laws and regulations limiting a company's ability to provide financial assistance.

Under Italian law, an Italian limited liability company and/or an Italian joint stock company is prohibited from providing financial assistance (including placing funds 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). Accordingly, an Italian guarantor cannot, for all practical purposes, guarantee or provide security for any loans that have been used to finance or refinance the acquisition of the shares of the Issuer, that Italian guarantor or a parent company (including any intermediate parent company) of the Italian guarantor.

As a consequence of the above restrictions, the value of guarantees and any security provided by an Italian guarantor may be reduced to zero to the extent it secured obligations relating to the acquisition of shares in itself or its parent company. In addition, Notes Guarantees or security interest infringing the limitations 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.

Due to the limitations described above, there is a risk of the value of the Notes Guarantees and security provided by the Italian entities being reduced to zero. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."

If at any time an Italian Guarantor would be liable for the payment of remuneration of principal resulting in a breach of any applicable law (including Italian law) on usury (*usura*) and any related implementing regulations, then the obligations of the relevant Italian Guarantor in respect of the remuneration of principal shall be limited to the payment of remuneration of principal which is permitted under the applicable law (including Italian law) on usury and any related implementing regulations. Article 1815 of the Italian Civil Code provides that if the remuneration exceeds the maximum rates permitted under the Italian law on usury, no remuneration is due to the creditor.

Parallel debt structures have not been tested under Italian law and there can be no assurance that they will eliminate or mitigate the risk of unenforceability posed by Italian law. If any challenge to the validity of the security interests or any implemented parallel debt structure was successful, the holders of the Notes may not be able to recover any amounts under the security interests.

In regards to trusts, even though trusts governed by foreign jurisdictions are recognized in Italy, the concept of trust is not yet consolidated and established in Italy and there are still doubts and uncertainties as to the validity of a trust when it does not comply with Italian law provisions governing rights in rem or security interests (which require that a security interest can be created and perfected in favor of creditors which are clearly identified and indicated in the relevant security documents and in respect of which the relevant perfection formalities have been duly carried out).

Under Italian law, in a bankruptcy proceeding, the Italian Bankruptcy Law provides for a claw back period of up to one year (six-months in certain circumstances). See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests—Republic of Italy.*"

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date on which the latter enters into a guarantee, security agreement and any other act by which it disposes of any of its assets, in order to seek a claw back action (*revocatoria ordinaria*) pursuant to Article 2901 of the Italian Civil Code. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests—Republic of Italy*."

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

The granting of Notes Guarantees and security interests to secure the Notes and the Notes Guarantees may create hardening or voidance periods for such Notes Guarantees and security interests in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. The Indenture will permit the security interests in the Collateral to be released and retaken in certain circumstances. Such release and retaking will restart the applicable hardening periods. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

In addition, under the terms of the Indenture, we will be permitted in the future to incur additional indebtedness and other obligations that may share in the liens on the Collateral securing the Notes and the liens on the Collateral securing our other secured debt. The granting of security interests to secure future permitted debt may restart or reopen such hardening or voidance periods in particular, as the Indenture permits the release and retaking of security granted in favor of the Notes in certain circumstances including in connection with the incurrence of future debt. The applicable hardening or voidance period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening or voidance period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. Please see "*Limitations on validity and enforceability of the Notes Guarantees and the security interests.*"

The same considerations also apply following the issuance of the Notes in connection with the accession of further subsidiaries as Notes Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of the holders of the Notes.

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

The Issuer and most of the Notes Guarantors and their respective subsidiaries are organized outside the United States. Most of the directors and executive officers of the Issuer and certain of the Notes Guarantors are non-residents of the United States and a portion of the assets of the directors and executive officers are located outside of the United States. Although we will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers located outside of the United States. In addition, as substantially all of the assets of the Issuer and the Notes Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer and the Notes Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Denmark. There is, therefore, doubt as to the enforceability in Denmark of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in Denmark. A final judgment issued by a U.S. court will therefore not be recognized or enforced by the Danish courts without re-examination of the substantive matters that were in dispute. There is also 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 Danish public policy, including, among others, punitive damages. A Danish court may grant damages only to the extent necessary to compensate for actual economic losses. See "*Service of process and enforcement of civil liabilities*."

A final judgment for the payment of money rendered by any federal or state court in the U.S. based on civil liability, whether or not based solely on United States federal or state securities laws, may not be enforceable in countries other than the United States.

It may also not be possible for investors to effect service of process within the countries in which the Issuer, Notes Guarantors and the security providers (including the Parent Guarantor) are organized, as the case may be, upon the Issuer or the Notes Guarantors or the security providers. If a judgment is obtained in a U.S. court against the Issuer or any Notes Guarantor or a security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. The holders of the Notes should consult with their advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States. See "*Service of process and enforcement of civil liabilities*."

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 investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the

Notes is translated into the currency by reference to which the investors measure the return on their investment. There may be tax consequences for investors as a result of any currency exchange gains or losses resulting from their investment in the Notes. Investors should consult their tax advisors concerning the tax consequences to them of acquiring, holding and disposing of the Notes.

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

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. 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 U.S. 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. 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). Please see "*Notice to investors*." 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.

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

We cannot assure you as to the liquidity of any market in the Notes, your ability to sell your Notes or the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for any series of 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 International Stock Exchange Authority Limited 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 assurances are 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 of the Notes (whether or not for an alternative admission to listing on another stock exchange), as applicable, from the Exchange may have a material effect on a holder's ability to resell the Notes in the secondary market.

The Notes may not become or remain listed on the Official List of the Exchange.

Although the Issuer will agree in the purchase agreement with the Initial Purchasers to use its reasonable efforts 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 after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become or remain listed. If the Issuer cannot maintain the listing and the permission to deal in the Notes on the Official List of the Exchange, or if it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Exchange, so long as it uses reasonable efforts to obtain and maintain the listing of the Notes on another stock exchange although there can be no assurance that the Issuer will be able to do so. Listing of any of the Notes on the Official List of the Exchange does not imply that a public offering of any of the Notes in the Channel Islands has been authorized. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Exchange or another recognized listing exchange, failure to be approved for listing or the delisting of the Notes from the Official List of the Exchange or another recognized listing exchange may have an adverse effect on a holder's ability to resell Notes in the secondary market.

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

Unless and until definitive registered Notes are issued in exchange for book-entry interests in the Notes (which will only occur in very limited circumstances, see "*Book-entry, delivery and form*"), owners of the book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the sole registered holder of any Global Notes. After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture governing the Notes.

Unlike holders of the Notes themselves, 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. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream or, if applicable, 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 on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until 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 or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of holders' rights under the Notes.

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

Certain covenants may fall away upon the occurrence of a change in our ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive a rating of Baa3 or better by Moody's Investors Service, Inc. and a rating of BBB− or better from Standard & Poor's Investors Ratings Services and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as the Notes cease to have investment-grade ratings from both Moody's Investors Service, Inc. or Standard & Poor's Investors Ratings Services, certain covenants will cease to be applicable to the Notes. See *"Description of the Notes—Certain covenants—Suspension of covenants on achievement of Investment Grade Status."*

If these covenants were to be suspended, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment-grade rating or that any such rating will be maintained.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of a change of control as required by the Notes and the change of control provision contained in the Notes may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a "change of control," the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time to pay the purchase price of the outstanding Notes, or that the restrictions in the Revolving Credit Facility Agreement, the Intercreditor Agreement or our other than existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or an acceleration 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 respective 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. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when we are prohibited from repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon the occurrence of a change of control. We cannot assure you that we would be able to obtain such financing.

Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Notes, which would, in turn, constitute a default under the Revolving Credit Facility Agreement and certain other indebtedness. See "*Description of the Notes—Change of Control*."

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 Notes. Except as described under "*Description of the Notes—Change of Control*," the Notes will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

Furthermore, the occurrence of certain events that might otherwise constitute a change of control under the Indenture will not be deemed to be a change of control if at the time our consolidated net leverage ratio is less than certain specified levels. See "*Description of the Notes—Certain Definitions—Specified Change of Control 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, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The term "all or substantially all" in the context of a change of control has no clearly established meaning under relevant law and is subject to judicial interpretation such that it may not be certain that a change of control has occurred or will occur.

Upon the occurrence of a transaction that constitutes a change of control under the Indenture, the Issuer will be required to make an offer to repurchase all outstanding Notes tendered. The definition of "change of control" in the Indenture will include (with certain exceptions) a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (taken as a whole), to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," it has no clearly-established meaning under applicable law, varies according to the facts and circumstances of the subject transaction and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person, and therefore it may be unclear whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

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Use of proceeds

We estimate that the gross proceeds from the sale of the Notes will be €340.0 million. We expect to refinance (the "**Refinancing**") amounts outstanding under the Existing Senior Facilities and the Shareholder Loans that funded the Acquisition and to pay fees and expenses in connection with the Transactions using proceeds from the Notes and cash on hand. See "*Summary—The Transactions,*" "*Capitalization*," "*Description of other indebtedness*" and "*Description of the Notes*." Following the date on which the Acquisition closed, the LMCS Group had no third party indebtedness outstanding, but certain local working capital and receivables facilities remain available for future drawings. See "*Description of other indebtedness—LMCS Group facilities*." We refer to the Acquisition and the Refinancing collectively as the "**Transactions**." See "*Description of other indebtedness*" and "*Description of the Notes*."

Sources of funds	Amount	Uses of funds	Amount
	(in € millions)		(in € millions)
Proceeds from the Notes offered hereby(1)	340.0	Repayment of Existing Term Loan A Facility(2)	50.1
Cash on hand	2.5	Repayment of Existing Term Loan B Facility(2)	100.1
		Repayment of Existing Revolving Credit Facility(2)	15.0
		Repayment of Shareholder Loan(3)	165.7
		Estimated transaction fees and expenses(4)	11.6
Total Sources	**342.5**	**Total Uses**	**342.5**

(1) Represents the gross proceeds from the issuance of the Notes at a price of par.

(2) Represents the estimated amount required for repayment of such obligations as of the date of this Offering Memorandum. Actual amounts required may vary from these estimated amounts depending on several factors, and any changes may affect the amount of cash on hand used in connection with the Refinancing.

(3) The Shareholder Loans, together with approximately €5 million of cash on-hand, initially provided bridge funding for the Acquisition and associated transaction costs, pending completion of the Offering of the Notes. In connection with the Refinancing, the Shareholder Loans will be repaid with a portion of the proceeds from the Notes.

(4) Represents certain estimated fees and expenses associated with the Transactions, including commitment, placement and other financing fees, financial advisory costs, other transaction costs (including original issue discount, if any), settlement of the Norican Group's existing interest rate hedging arrangements and professional fees.

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Capitalization

The following tables should be read in conjunction with "*Use of proceeds*," "*Summary—Recent developments*," "*The Norican Group's management's discussion and analysis of financial condition and results of operations,*" "*The LMCS Group's management's discussion and analysis of financial condition and results of operations*," "*Description of other indebtedness*," "*Description of the Notes*," and the consolidated financial statements and the accompanying notes of the Norican Group appearing elsewhere in this Offering Memorandum. The following table sets forth the cash and cash equivalents and the capitalization as of December 31, 2016 for the Parent Guarantor and on an as adjusted basis to give effect to the consummation of the Transactions and the application of the proceeds from the Offering as described in "*Use of proceeds*," as if they had occurred on December 31, 2016. Unless otherwise noted, the adjustments table does not give effect to amounts borrowed or repaid after December 31, 2016. The capitalization of the LMCS Group as of December 31, 2016 is not presented. Following the date on which the Acquisition closed, the LMCS Group had no third party indebtedness outstanding, but certain local working capital and receivables facilities remain available for future drawings.

	Parent Guarantor	Adjustments	Combined Group as adjusted
Cash and cash equivalents(1)	**56.1**	**(1.2)**	**54.9**
Existing Term Loan A Facility(2)	55.1	(55.1)	—
Existing Term Loan B Facility	100.1	(100.1)	—
Existing Revolving Credit Facility(3)	12.0	(12.0)	—
Other borrowings of the Norican Group	0.3	—	0.3
Revolving Credit Facility(4)	—	—	—
Notes offered hereby(5)	—	340.0	340.0
Total financial debt	**167.5**		**340.3**
Total equity(6)	**177.8**		**162.6**
Total capitalization	**345.3**		**502.9**

(1) The amount in the adjustments column represents the addition cash and cash equivalents of the LMCS Group of €11.4 million as of December 31, 2016, less cash on hand utilized in connection with the Transactions and a €5.0 million amortization payment made on the Existing Term Loan A Facility after December 31, 2016.

(2) The amount in the adjustments column represents a €5.0 million amortization payment made on the Existing Term Loan A Facility after December 31, 2016 and amounts repaid under the Existing Term Loan A Facility using the proceeds of the Offering.

(3) The amount in the adjustments column represents amounts repaid under the Existing Revolving Credit Facility using the proceeds of the Offering.

(4) The Revolving Credit Facility Agreement will provide for a Revolving Credit Facility in the amount of €75.0 million, of which €55.0 million will be available for cash drawings to finance or refinance the general corporate and working capital needs of the Norican Group, to pay interest on the Notes or to fund acquisitions. The remaining €20.0 million will only be available for performance and other guarantees in connection with our operations. We currently expect that there will be no cash drawings outstanding under the Revolving Credit Facility as of the Issue Date. In addition, certain subsidiaries of the LMCS Group have unsecured working capital and guarantee facilities and other lines of credit available to them. The total original nominal value of such facilities and lines of credit is €36.5 million (equivalent), of which €6.6 million (equivalent) are available for cash drawings. Following the date on which the Acquisition closed, no amounts were outstanding under these facilities or lines of credit. See "*Description of other indebtedness—Revolving Credit Facility*" and "*Description of other indebtedness—LMCS Group Facilities*."

(5) Represents the aggregate principal amount of the Notes offered hereby.

(6) The amount in the Combined Group as adjusted column represents pro forma total equity for the Combined Group. See "*Summary—Summary consolidated financial and other information—Pro Forma Consolidated Financial Information for the year ended December 31, 2016.*"

Pro Forma Consolidated Financial Information

*The following Pro Forma Consolidated Financial Information for the year ended December 31, 2016 (the "**Pro Forma Consolidated Financial Information**") is presented to illustrate the expected effects of the Acquisition and the Offering on the Norican Group's historical financial position and results of operations. For a description of the Acquisition and the Offering, see "Summary—The Transactions" and "Use of proceeds."*

The Pro Forma Consolidated Financial information is prepared on a basis consistent with the accounting policies and presentation adopted by the Norican Group in its consolidated financial statements for 2016. The Pro Forma Consolidated Financial information is comprised of the Pro Forma Consolidated Income Statement for the year ended December 31, 2016, as if the Acquisition and the Offering had taken place on January 1, 2016, and the Pro Forma Consolidated Balance Sheet as at December 31, 2016, as if the Acquisition and the Offering had taken place at that date.

The Pro Forma Consolidated Financial information is prepared using the acquisition method of accounting in accordance with IFRS, under which the assets and liabilities of the LMCS Group are recorded by the Norican Group at their respective fair values as at the date the Acquisition is completed. The accounting for the Acquisition is dependent upon certain valuations that are provisional and subject to change. The Norican Group will finalize these amounts as it obtains the information necessary to complete the measurement process.

The pro forma adjustments are preliminary and are prepared solely to illustrate the estimated effect of the Acquisition and the Offering based on currently available information and certain assumptions, described in the accompanying notes to the Pro Forma Consolidated Financial Information that management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying Pro Forma Consolidated Financial Information.

The Pro Forma Consolidated Financial Information is not necessarily indicative of the consolidated financial position or results of operations that would have been realized had the Acquisition and the Offering occurred as of the dates indicated, nor is it meant to be indicative of any anticipated consolidated financial position or results of operations that the Combined Group will experience after such transactions.

In addition, the accompanying Pro Forma Consolidated Financial Information do not reflect any cost savings, operating synergies or revenue enhancements that the Combined Group may achieve as a result of the Acquisition and the related Offering, the cost to integrate the operations of the Norican Group and the LMCS Group or the costs necessary to achieve such cost savings, operating synergies and revenue enhancements.

The historical consolidated financial statements of Norican Group have been prepared in accordance with IFRS. LMCS Group's historical consolidated financial statements were prepared in accordance with German GAAP, which differ in certain respects from IFRS. For the purposes of this Pro Forma Consolidated Financial Information, adjustments are made to the LMCS Group's consolidated financial statements to align these with the Norican Group's accounting policies and presentation under IFRS. These adjustments reflect management's best estimates based upon the information available to date and are preliminary and subject to change, once more detailed information is obtained.

This Pro Forma Consolidated Financial Information should be read in conjunction with the accompanying notes as well as the consolidated financial statements of the Norican Group and the LMCS Group and related notes included in this Offering Memorandum and "Summary—The Transactions," "Use of proceeds," "Capitalization," "The Norican Group's management's discussion and analysis of financial condition and results of operations," and "The LMCS Group's management's discussion and analysis of financial condition and results of operations.

Pro Forma Consolidated Income Statement for the Year Ended December 31, 2016

	Historical financial information		Pro Forma Adjustments						
(Unaudited)	**Norican Global A/S IFRS**	**Light Metal Casting Group GmbH German GAAP**	**Accounting adjustments (note 2)**	**Notes**	**Acquisition adjustments (note 3)**	**Notes**	**Financing adjustments (note 4)**	**Notes**	**Pro Forma Combined Group 2016**
Revenues	375.5	180.9							556.4
Cost of sales	250.2	115.1	21.7	a					387.0
Gross margin	**125.3**	**65.8**	**(21.7)**		**0.0**		**0.0**		**169.4**
Operating expenses:									
Selling, general and administrative	84.8	42.8	(22.6)	a,b,c					105.0
Amortisation expense	7.1	7.3	(2.2)	a,d					12.2
Total operating expenses	**91.9**	**50.1**	**(24.8)**						**117.2**
Operating income	**33.4**	**15.7**	**3.1**		**0.0**		**0.0**		**52.2**
Non-operating Income:	**0.0**	**1.0**	**(1.0)**	a	**0.0**		**0.0**		**0.0**
Non-operating expense:									
Finance costs	10.4	4.3	0.4	a,b			(13.9)	i,j	1.3
Restructuring charges	0.4	0.0							0.4
Foreign exchange	3.3	0.0	0.1	a					3.4
Transaction costs	1.0	0.0	0.4	a	(1.2)	i			0.2
Other	1.1	0.0	1.2	a					2.3
Total non-operating expense	**16.2**	**4.3**	**2.1**		**(1.2)**		**(13.9)**		**7.6**
Income before tax	**17.1**	**12.4**	**0.0**		**1.2**		**13.9**		**44.6**
Tax expense	0.6	5.0	(0.3)	b			3.5	k	8.8
Net income	**16.5**	**7.4**	**0.3**		**1.2**		**10.4**		**35.8**

Pro Forma Consolidated Balance Sheet as of December 31, 2016

	Historical financial information		Pro Forma Adjustments						
(Unaudited)	**Norican Global A/S IFRS**	**Light Metal Casting Group GmbH German GAAP**	**Accounting adjustments (note 2)**	**Notes**	**Acquisition adjustments (note 3)**	**Notes**	**Financing adjustments (note 4)**	**Notes**	**Pro Forma Combined Group December 31, 2016**
Assets									
Current assets:									
Cash and cash equivalents	56.1	11.4			(111.6)	g	108.2	l,m,o	64.1
Trade and other receivables	62.0	61.3	(1.3)	c					122.0
Inventory	61.5	28.4	(1.6)	f					88.3
Other current assets	14.4	7.2							21.6
Total current assets	**194.0**	**108.3**	**(2.9)**		**(111.6)**		**108.2**		**296.0**
Property, plant and equipment	29.4	2.8							32.2
Goodwill and other intangible assets	283.6	52.2	2.7	d,e,f	69.6	g			408.1
Deferred tax assets	21.9	2.3							24.2
Other non-current assets	2.2	0.0	2.0	c					4.2
Total assets	**531.1**	**165.6**	**1.8**		**(42.0)**		**108.2**		**764.7**
Liability and equity									
Current liabilities:									
Trade and other payables	28.0	28.7							56.7
Accrued liabilities and provisions	58.1	10.3							68.4
Deferred revenue	37.8	10.0							47.8
Current portion of long-term debt	22.3	14.6	(0.8)	e			(36.1)	l,m	0.0
Other current liabilities	4.4	7.0			9.6	h	0	l	21.0
Total current liabilities	**150.6**	**70.6**	**(0.8)**		**9.6**		**(36.1)**		**193.9**
Long-term debt	139.3	39.4					151.3	l,m,o	330.0
Pension and other liabilities	39.4	3.3	0.8	b			(2.0)	n	41.5
Deferred tax liabilities	24.0	12.4	(0.3)	b			0.4	n	36.5
Equity:									
Share capital	1.5	0.1			(0.1)	g			1.5
Other reserves	152.3	27.7			(27.7)	g	1.6	n	153.9
Retained earnings	20.6	12.2	2.1	b,c,d	(23.9)	g,h	(7.1)	m	3.9
Non-controlling interest	3.4	0.0							3.4
Total equity	**177.8**	**39.9**	**2.1**		**(51.7)**		**(5.5)**		**162.6**
Total liabilities and equity	**531.1**	**165.6**	**1.8**		**(42.0)**		**108.2**		**764.7**

Notes to the Pro Forma Consolidated Financial Information

1. Basis of presentation

The Pro Forma Consolidated Financial Information are prepared on the basis outlined in the notes to the Pro Forma Consolidated Financial Information, and present the Pro Forma Consolidated Balance Sheet and Pro Forma Consolidated Income Statement of the Combined Group based upon the historical data of the Norican Group and the LMCS Group. The Pro Forma Consolidated Financial Information is not prepared in accordance with and does not purport to comply with the rules and regulations of the Securities and Exchange Commission.

The Pro Forma Consolidated Financial Information includes pro forma adjustments that are (i) directly attributable to the Acquisition and the Offering, (ii) factually supportable, and (iii) with respect to the Pro Forma Consolidated Income Statement, expected to have a continuing impact on the results of operations of the Combined Group.

2. Adjustments to the LMCS Group financial information ("Accounting Adjustments")

The LMCS Group's historical consolidated financial statements have been prepared in accordance with German GAAP. The Pro Forma Consolidated Financial Information reflect certain adjustments to align LMCS Group's historical consolidated financial statements with the Norican Group's accounting policies and presentation under IFRS.

(a) Reclassification of expenses

The Norican Group present expenses by function, whereas the LMCS Group present expenses by nature. The presentation of expenses of the LMCS Group are adjusted by reclassifying in total €21.7 million to cost of sales from selling, general and administrative expenses (€21.2 million) and amortization expense (€0.5 million).

In addition, certain other reclassifications are made including reclassifying transaction costs of €0.4 million and non-operating expenses of €1.2 million from selling, general and administrative expenses to transaction costs and other non-operating expenses, respectively, depreciation of €0.5 million from amortization expense to selling, general and administrative expenses, foreign exchange losses of €0.7 million from selling, general and administrative expenses to foreign exchange, and net finance costs €0.4 million from amortization expense (€0.2 million) and selling, general and administrative expenses (€0.2 million).

(b) Post-employment benefits

The long-term post-employment benefit plans in the LMCS Group are remeasured in accordance with IFRS, which results in an additional selling, general and administrative expense of €0.9 million, a finance cost of €0.2 million and a related tax income of €0.3 million for the year ended December 31, 2016 as well as an increase in post-employment benefit liabilities of €0.8 million as at December 31, 2016.

(c) Trade receivables

The LMCS Group included receivables of a long-term nature of €2.0 million in trade receivables, which are reclassified to other non-current assets.

In addition, bad debt provisions of a general nature are reversed, resulting in €0.1 million reduction of selling, general and administrative expense for the year ended December 31, 2016 and an increase in trade receivables of €0.7 million as at December 31, 2016.

(d) Goodwill amortization

Goodwill amortization of €0.9 million for the year ended December 31, 2016 and the accumulated goodwill amortization of €1.9 million are reversed in respectively the Pro Forma Consolidated Income Statement and the Pro Forma Consolidated Balance Sheet.

(e) Debt issuance costs

The LMCS Group included debt issuance costs of €0.8 million in other intangibles, which are reclassified to long-term debt.

(f) Development projects in progress

The LMCS Group included development projects in progress of €1.6 million in inventories, which are reclassified to other intangible assets.

Further review of the LMCS Group' detailed accounting policies may identify additional differences between the accounting policies of the two companies that, when conformed, could have a material impact on the consolidated financial statements of the Combined Group. At this time, the Norican Group is not aware of any differences that would have a material impact on the consolidated financial statements of the Combined Group.

3. Preliminary purchase price allocation for the Acquisition ("Acquisition Adjustments")

As described under "The Transactions," on April 28, 2017, the Norican Group purchased 100% of the share capital of the LMCS Group for a cash purchase price. The purchase price is subject to future adjustment under the terms of the Acquisition Agreement. In addition, the Norican Group repaid existing indebtedness of the LMCS Group of €53.0 million (as of December 31, 2016) in connection with the Acquisition and incurred €10.4 million in estimated fees and expenses related to the Acquisition, including fees and expenses related to the bridge financing.

The Pro Forma Consolidated Financial Information are prepared on the basis that the Acquisition will be treated as a business combination in accordance with IFRS 3 Business Combinations, under which the assets and liabilities of the LMCS Group will be recorded by the Norican Group at their respective fair values as at the date the Acquisition was completed. However, for the purposes of this Pro Forma Consolidated Financial Information, the purchase price allocation is preliminary and does not reflect any fair value adjustments to the acquired assets and liabilities because the Acquisition has closed very recently on April 28, 2017 and definitive data is not currently available. The excess purchase consideration over the carrying amount of the net assets of the LMCS Group is attributed to goodwill and other intangibles. The fair value adjustments, when finalized following Completion of the Acquisition, may be material.

(g) Purchase consideration in excess of net assets

The preliminary goodwill of €69.6 million arising from the Acqusition is calculated as the purchase price less the net assets of LMCS Group of €42.0 million (after accounting adjustments described in note 2 above).

(h) Acquisition related costs

The estimated fees and expenses related to the Acquisition amount to approximately €10.4 million, of which €0.8 million have already been accrued or paid in the historical financial statements of the Norican Group. These estimated costs are reflected in the Pro Forma Consolidated Balance Sheet as a reduction to retained earnings and an increase in accrued liabilities.

As there is no continuing impact of the Acquisition related costs, the impact of these costs is not included in the Pro Forma Consolidated Income Statement.

The Norican Group and the LMCS Group incurred a total of €0.8 million and €0.4 million in costs related to the Acquisition during the year ended December 31, 2016, respectively. An adjustment of €1.2 million is reflected to reverse these charges that are directly attributable and incremental to the Acquisition and are not expected to have a continuing impact on the results of operations of the Combined Group.

4. *Adjustments to reflect the expected capital structure of the Combined Group ("Finance Adjustments")*

As described under "The Transactions" and "The Refinancing," the Norican Group funded the Acquisition including the repayment of existing indebtedness of the LMCS Group of €53.0 million through the borrowing of €165.4 million in aggregate principal amount of the Shareholder Loans. The Norican Group intends to refinance the Shareholder Loans plus interest as well as the Existing Senior Facilities of €167.2 million, to terminate interest rate swaps and to pay fees and expenses related the Offering estimated at €11.6 million, with proceeds from the Notes of €340.0 million and cash on hand.

(i) Finance costs

The Norican Group incurred €9.2 million and the LMCS Group incurred €4.7 million in finance costs during the year ended December 31, 2016, related to respectively the Existing Senior Facilities and the existing indebtedness of the LMCS Group. These costs will be replaced by interest expense associated with the Notes after the Refinancing and accordingly an adjustment of €13.9 million is reflected to reverse the historical interest expense in the Norican Group and the LMCS Group.

(j) Interest expense associated with Notes

A pro forma interest expense adjustment is included in relation to the Notes as though the Notes were issued as at January 1, 2016. The interest expense adjustment is calculated using an interest rate of %. A 100 basis point increase or decrease in interest rates would result in a change in interest expense of €3.4 million for the year ended December 31, 2016.

(k) Income tax

This adjustment reflects the income tax impact of the pro forma adjustments above related to the finance costs using the stated corporate tax rate that applied in the year ended December 31, 2016 for the headquarters of Norican Group and the LMCS Group of approximately 22% and 30%, respectively.

(l) Refinancing

The Pro Forma Consolidated Balance Sheet includes an adjustment assuming that the Notes (€340.0 million) were issued and that the Existing Senior Facilities (€167.2 million) and existing indebtedness in the LMCS Group (in total €53.0 million) both were repaid as at January 1, 2016.

(m) Deferred borrowing costs

Deferred borrowing costs related to the Existing Senior Facilities and the existing indebtedness of the Norican Group and the LMCS Group of €5.9 million and €0.8 million, respectively, are reversed through an increase of debt and a reduction of retained earnings.

(n) Interest rate swaps

The negative fair value of interest rate swaps of €2.0 million in the Norican Group as at December 31, 2016 and the related deferred tax asset of €0.4 million have been eliminated from the Pro Forma Consolidated Balance Sheet on the basis that they have been entered to hedge the interest rate of the Existing Senior Facilities and are expected to be terminated together with the Existing Senior Facilities.

(o) Offering related fees and expenses

The estimated fees and expenses related to the Offering amount to approximately €10.0 million. These estimated costs are considered paid and are reflected in the Pro Forma Consolidated Balance Sheet as debt issuance costs and are included as a reduction of long-term debt.

Non-GAAP financial measures in respect of Pro Forma Consolidated Financial Information

We have included certain non-GAAP financial measures in this Offering Memorandum that are not recognized by IFRS or German GAAP and that may not be permitted to appear on the face of the financial statements or in the footnotes thereto. Set forth below are the non-GAAP financial measures used in respect of the Pro Forma Consolidated Financial Information.

Pro forma reported EBITDA and pro forma adjusted EBITDA

We define pro forma reported EBITDA as pro forma net income plus pro forma tax expense, pro forma net finance cost, pro forma foreign exchange, pro forma depreciation and pro forma amortization, pro forma transaction costs, pro forma restructuring charges and pro forma other non-operating expenses, in respect of the Consolidated Group on a Pro Forma Basis.

We define pro forma adjusted EBITDA as pro forma reported EBITDA as further adjusted to reflect the run-rate effect of certain cost synergies which we expect to realize within 12-30 months following the Acquisition.

We define pro forma adjusted EBITDA margin as pro forma adjusted EBITDA divided by pro forma revenue.

Pro forma reported EBITDA and pro forma adjusted EBITDA can be reconciled to net income as follows:

Pro formas

	Norican Global A/S IFRS	Light Metal Casting Group GmbH German GAAP	Pro Forma adjustments	Pro forma Combined Group Year ended Dec. 31, 2016
Pro forma net income	16.5	7.4	11.9	35.8
Pro forma income tax expense	0.6	5.0	3.2	8.8
Pro forma net finance cost	10.5	4.3	(13.5)	1.3
Pro forma depreciation	4.5		1.1	5.6
Pro forma amortization	7.1	7.3	(2.2)	12.2
Pro forma EBITDA	**39.2**	**24.0**	**0.5**	**63.7**
Pro forma restructuring charges	0.4			0.4
Pro forma foreign exchange	3.3		0.1	3.4
Pro forma transaction costs	1.0		(0.8)	0.2
Pro forma other non-operating expense	1.1		1.2	2.3
Pro forma reported EBITDA	**45.0**	**24.0**	**1.0**	**70.0**
Cost savings synergies expected from the Acquisition				3.5
Pro forma adjusted EBITDA				**73.5**

Pro forma net trade working capital and pro forma tangible capital expenditure

We define pro forma net trade working capital as pro forma trade and other receivables, plus pro forma inventory, plus pro forma other current assets, less pro forma trade and other payables, less pro forma deferred revenue, whereas we define pro forma change in net trade working capital as the difference in net trade working capital at December 31, 2016 compared to January 1, 2016.

Pro forma net trade working capital can be specified as follows:

Pro formas

	Norican Global A/S IFRS	Light Metal Casting Group GmbH German GAAP	Pro Forma adjustments	Pro Forma Combined Group year ended Dec. 31, 2016
Trade and other receivables	62.0	61.3	(1.3)	122.0
Inventory	61.5	28.4	(1.6)	88.3
Deferred revenue	(37.8)	(10.0)		(47.8)
Trade and other payables	(28.0)	(28.7)		(56.7)
Pro forma net trade working capital	**57.8**	**51.1**	**(2.9)**	**105.8**
Trade and other receivables	2.8	(5.4)	2.0	(0.6)
Inventory	9.4	4.5	(0.3)	13.6
Deferred revenue	(0.6)	2.5		1.9
Trade and other payables	4.2	(5.7)		(1.5)
Change in net trade working capital	**15.9**	**(4.0)**	**1.7**	**13.4**

We define pro forma tangible capital expenditures as additions for the year ended December 31, 2016 to pro forma property, plant and equipment.

Pro forma tangible capital expenditure can be specified as follows:

	Norican Global A/S IFRS	Light Metal Casting Group GmbH German GAAP	Pro Forma adjustments	Pro Forma Combined Group year ended Dec. 31, 2016
Capital expenditures				
Tangible	4.6	0.9		5.5
Pro forma capital expenditures	**4.6**	**0.9**	**0.0**	**5.5**

Selected historical consolidated financial information of the Norican Group

The tables below set forth selected historical consolidated financial information and other data of the Norican Group as of the dates and for the periods indicated.

The historical audited financial information of the Norican Group as of and for the periods ended December 31, 2016, 2015 and 2014, including the Parent Guarantor 2015 Supplementary Pro Forma Results of Operations, has been derived from (i) the Parent Guarantor 2016 Audited Financial Statements, (ii) the Parent Guarantor 2015 Audited Financial Statements and (iii) the Norican Holdings 2014 Audited Financial Statements, each of which was prepared in accordance with IFRS and is included elsewhere in this Offering Memorandum.

Selected historical consolidated financial information of the Norican Group

Selected consolidated income statement information of the Norican Group in accordance with IFRS

	Year ended December 31,			
	Norican Holdings	Parent Guarantor Supplementary pro forma	Parent Guarantor	
	2014	2015(2)	December 11, 2014 to December 31, 2015(3)	2016
	(in € millions)			
Revenues	361.4	401.1	350.7	375.5
Cost of sales	241.6	266.6	233.8	250.2
Gross Margin	**119.8**	**134.5**	**116.9**	**125.3**
Operating Expenses:				
Selling, general and administrative	78.9	89.7	75.9	84.8
Amortization expense	6.6	7.0	5.9	7.1
Total operating expenses	85.5	96.7	81.8	91.9
Operating Income	**34.3**	**37.8**	**35.1**	**33.4**
Non-Operating Income/(Expense):				
Finance costs	(18.8)	(11.4)	(8.1)	(10.4)
Restructuring charges	(0.2)	(1.5)	(1.5)	(0.4)
Foreign exchange	(2.6)	1.6	(5.3)	(3.3)
Transaction costs	—	(5.5)	(5.5)	(1.0)
Other(1)	(1.9)	(2.5)	(2.4)	(1.1)
Total non-operating expense	**(23.5)**	**(19.3)**	**(22.8)**	**(16.2)**
Income before income tax	**10.8**	**18.5**	**12.3**	**17.1**
Income tax expense	(6.0)	(10.4)	(7.4)	(0.6)
Net income	**4.7**	**8.1**	**4.9**	**16.5**
Net income attributable to the Parent	4.7	7.6	4.6	16.0
Net income attributable to the non-controlling interest(1)	—	0.5	0.3	0.5

(1) Net income attributable to non-controlling interest of €0.5 million is included in other non-operating expense for the year ended December 31, 2014.

(2) Amounts are shown for the period from January 1 to December 31, 2015 for the Parent Guarantor, and include (i) the amortization costs attributed to intangibles of Norican Holdings for the period from January 1, 2015 to February 26, 2015 and (ii) the amortization costs of intangibles corresponding to the purchase price allocation adjustments resulting from the acquisition of Norican Holdings ApS by Norican A/S, in February 2015. See "*Presentation of financial information and other data*."

(3) The consolidated income statement information of the Parent Guarantor for the period from December 11, 2014 to December 31, 2015, is presented in the Parent Guarantor 2015 Audited Financial Statements on an actual basis. While December 11, 2014 is the date on which the Parent Guarantor was formed, the Altor Acquisition in which the Issuer acquired all of the issued share capital of Norican Holdings closed on February 26, 2015. As a result, the consolidated income statement information of the Parent Guarantor for such period only covers an operational period from February 26, 2015 to December 31, 2015 and is not comparable to other periods presented. See "*Presentation of financial information and other data*."

Selected consolidated balance sheet information of the Norican Group in accordance with IFRS

	As of December 31,		
	Norican Holdings	Parent Guarantor	
	2014	2015	2016
	(in € millions)		
Assets			
Current Assets:			
Cash and cash equivalents	56.1	40.0	56.1
Trade and other receivables	60.3	64.9	62.0
Inventory	65.9	71.0	61.5
Other current assets	14.9	10.2	14.4
Total current assets	**197.2**	**186.1**	**194.0**
Property, Plant and Equipment	31.0	29.6	29.4
Goodwill and Other Intangible Assets	171.2	288.6	283.6
Deferred Tax Assets	16.6	15.5	21.9
Other Non-Current Assets	1.1	2.6	2.2
Total Assets	**417.1**	**522.4**	**531.1**
Liabilities And Equity			
Current Liabilities:			
Trade and other payables	22.8	23.7	28.0
Accrued liabilities and provisions	64.3	60.4	58.1
Deferred revenue	44.0	38.4	37.8
Current portion of long-term debt	67.2	26.6	22.3
Other current liabilities	6.6	2.4	4.4
Total current liabilities	**204.9**	**151.5**	**150.6**
Long-Term Debt	114.9	148.5	139.3
Pension and Other Liabilities	31.9	36.4	39.4
Deferred Tax Liabilities	13.9	25.1	24.0
Shareholders' Loans	31.3	—	—
Equity:			
Share capital	0.7	1.5	1.5
Other reserves	44.6	150.9	152.3
Retained earnings/deficit	(25.2)	4.6	20.6
Non-controlling interest(1)	—	3.9	3.4
Total equity	**20.1**	**160.9**	**177.8**
Total Liabilities and Equity	**417.1**	**522.4**	**531.1**

(1) Equity attributable to non-controlling interest as at December 31, 2014 is not separately presented.

Selected cash flow statement information of the Norican Group in accordance with IFRS

	Norican Holdings	Parent Guarantor	
	Year ended December 31, 2014	December 11, 2014 to December 31, 2015[(1)]	Year ended December 31, 2016
		(in € millions)	
Net cash from operations	9.2	(5.3)	36.2
Net cash used in investing activities	(2.9)	(65.8)	(4.4)
Net cash used in financing activities	(24.1)	109.3	(15.6)
Foreign currency effect on cash and cash equivalents	3.6	1.7	(0.0)
Net (decrease)/increase in cash	**(14.1)**	**40.0**	**16.1**
Cash, beginning of period	70.2	—	40.0
Cash, end of period	56.1	40.0	56.1

(1) The cash flow statement information of the Parent Guarantor for the period from December 11, 2014 to December 31, 2015, is presented in the Parent Guarantor 2015 Audited Financial Statements on an actual basis. While December 11, 2014 is the date on which the Parent Guarantor was formed, the Altor Acquisition in which the Issuer acquired all of the issued share capital of Norican Holdings closed on February 26, 2015. As a result, the cash flow statement information of the Parent Guarantor for such period only covers an operational period from February 26, 2015 to December 31, 2015 and is not comparable to the other periods presented. See "*Presentation of financial information and other data*."

Selected historical consolidated financial information of the LMCS Group

The tables below set forth selected historical consolidated financial information and other data of the LMCS Group as of the dates and for the periods indicated.

The historical audited financial information of LMCS as of and for the periods ended December 31, 2016 and 2015 has been derived from (i) the audited consolidated financial statements of LMCS as of and for the year ended December 31, 2016 and (ii) the audited consolidated financial statements of LMCS as of and for the period between March 6, 2015 and December 31, 2015, in each case prepared in accordance with German GAAP and included elsewhere in this Offering Memorandum.

Summary historical consolidated financial information of LMCS

Selected consolidated income statement information of LMCS on the basis of German GAAP

	LMCS	
	March 6 to December 31, 2015[(1)]	Year ended December 31, 2016
	(in € millions)	
Revenues	149.4	180.9
Increase or decrease in finished goods and work in process	(2.9)	(0.4)
Other own work capitalized	0.2	0.3
Other operating income	1.5	1.0
Total output	**148.2**	**181.7**
Material costs	(93.7)	(114.9)
Personnel expenses	(22.2)	(28.3)
Depreciation and amortization of intangible and tangible fixed assets	(6.1)	(7.3)
Other operating expenses	(14.1)	(14.6)
Interest income and similar income	0.3	0.3
Interest expenses and other expenses	(3.9)	(4.7)
Income from ordinary activities	**8.4**	**12.4**
Income tax	(2.4)	(4.7)
Other taxes	(0.3)	(0.3)
Net income	**5.7**	**7.4**
Net income applicable to minority shareholders	(0.0)	(0.1)
Consolidated net income	**5.6**	**7.3**

(1) Amounts are shown for LMCS from March 6, 2015, the date on which LMCS began operations, to December 31, 2015. As a result, the income statement information of LMCS for such period is not comparable to the income statement information of LMCS for the year ended December 31, 2016. See "*Presentation of financial information and other data.*"

Selected consolidated balance sheet information of LMCS on the basis of German GAAP

	LMCS	
	As of December 31,	
	2015	2016
	(in € millions)	
Assets		
Fixed assets		
Intangible assets:		
Concessions, industrial and similar rights	47.4	43.3
Goodwill	9.9	8.9
Advance payments and assets under construction	0.5	0.0
Total intangible assets	**57.8**	**52.2**

	LMCS	
	As of December 31,	
	2015	2016
	(in € millions)	
Tangible assets:		
Land, property rights and buildings	0.4	0.3
Equipment & machinery	1.4	1.1
Other equipment, operating and office equipment	1.2	1.3
Advance payments and assets under construction	0.0	0.1
Total tangible assets	**3.0**	**2.8**
Shares in affiliated companies	0.0	0.0
Total fixed assets	**60.8**	**55.0**
Current assets		
Inventories:		
Raw materials, auxiliary materials, consumables	15.9	13.3
Unfinished goods	13.5	13.0
Finished goods and merchandise	2.7	3.3
Prepaid inventory	0.9	0.4
Advance payments	(0.1)	(1.6)
Total inventories	**32.9**	**28.4**
Receivables and other assets:		
Trade receivables	55.9	61.3
Other assets	3.9	6.8
Total receivables and other assets	**59.8**	**68.2**
Cash on hand, bank balances	8.7	11.4
Prepaid expenses	0.4	0.4
Deferred taxes asset	2.9	2.3
Total assets	**165.6**	**165.7**
Equity and Liabilities		
Equity:		
Subscribed capital	0.1	0.1
Capital surplus	27.6	27.6
Profit/Loss carried forward	(0.7)	4.9
Net income	5.6	7.3
Difference in equity due to currency conversion	0.1	(0.1)
Minority interest	0.0	0.0
Total equity	**32.7**	**39.9**
Provisions		
Provisions for pensions and similar obligations	4.3	3.3
Tax provisions	1.5	1.7
Other provisions	7.9	8.5
Total provisions	**13.7**	**13.6**
Liabilities:		
Liabilities to banks	44.4	38.1
Payments received on account for orders	7.4	10.0
Trade payables	33.8	28.5
Liabilities to shareholders	14.7	15.9
Other liabilities	4.9	7.0
Total liabilities	**105.2**	**99.5**
Deferred income	**0.6**	**0.2**
Deferred tax liability	**13.4**	**12.4**
Total Equity and Liabilities	**165.6**	**165.7**

Selected cash flow statement information of LMCS on the basis of German GAAP

	LMCS	
	March 6 to December 31, 2015	Year ended December 31, 2016
	(in € millions)	
Net cash from operating activities	7.2	14.9
Net cash used in investing activities	(1.8)	(1.3)
Net cash used in financing activities	(14.7)	(11.0)
Net increase in cash	(9.2)	2.7
Cash, beginning of period	**17.9**	**8.7**
Cash, end of period	**8.7**	**11.4**

The Norican Group's management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of the Norican Group's financial condition and results of operations is based on the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flow as of and for the periods ended December 31, 2014, 2015 and 2016, which have been derived from (i) the Parent Guarantor 2016 Audited Financial Statements, (ii) the Parent Guarantor 2015 Audited Financial Statements and (iii) the Norican Holdings 2014 Audited Financial Statements, prepared in accordance with IFRS and included elsewhere in this Offering Memorandum. See "Presentation of financial information and other data" in this Offering Memorandum. This section should be read in conjunction with the above consolidated financial statements, including the notes thereto, as well as other financial information contained elsewhere in this Offering Memorandum. A summary of certain critical accounting estimates, judgments and policies that have been applied to the financial statements is set forth below in "—Critical accounting policies."

The financial statements have been prepared in accordance with IFRS. In making an investment decision, investors must rely upon their own examination of the Norican Group, the terms and conditions of the Notes and the financial information included herein. Potential investors should consult their own professional advisors in order to gain an understanding of the differences between IFRS and other accounting frameworks and how these differences might affect the financial statements and information herein. Certain financial and operational information presented in tables in this section has been rounded to one decimal place. As a result of this, related information appearing within the narrative under this caption and throughout this Offering Memorandum may vary in minor respects from the information presented in such tables, due to rounding.

The following discussion also contains forward-looking statements. Our actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly under "Forward-looking statements" and "Risk factors."

Overview

The Norican Group is one of the world's leading providers of technology and services for metallic parts enhancement. The Norican Group provides equipment, parts, technology and services to our customers globally, enabling them to mold, melt, cast, clean, strengthen or polish their metallic parts. Our businesses have the ability to supply and service global clients locally, and our constituent businesses bring more than 100 years of operational experience and customer contacts to bear. For the year ended December 31, 2016, the Norican Group had revenues of €375.5 million, net income of €16.5 million, reported EBITDA of €45.0 million and reported EBITDA margin of 12.0%.

The Norican Group as of December 31, 2016 was made up of the following leading technology brands:

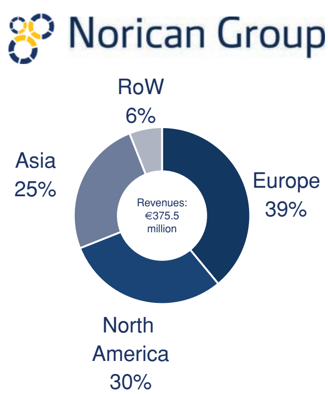
- DISA, the world's #2 technology provider (equipment, parts and services) to the ferrous molding industry and the world's #1 player in the vertical molding segment; and
- Wheelabrator, the world's #1 technology provider of wheelblast and airblast technology (equipment, parts and services) in the cleaning, strengthening and polishing segment of the metallic parts preparation market.

The Norican Group operates in the parts formation and parts preparation segments of the metallic parts enhancement value chain, and we believe as of December 31, 2016, the Norican Group was the number one or number two market participant in each of the niche markets in which we operate.

Our parts formation and parts preparation operations have an equipment sales component and an aftermarket sales component (consisting of replacement or wear parts and associated services). For the year ended December 31, 2016, aftermarket sales accounted for 54% of the revenues for the Norican Group. We believe, based on our experience in the market, and public reporting by certain of our capital goods peers, that our percentage of aftermarket sales compares favorably to such capital goods peers. By increasing our equipment sales, we help grow our installed base. By leveraging our installed base, we, in turn, help grow our aftermarket sales. Our aftermarket sales have a higher margin than our equipment sales and tend to remain more stable than our equipment sales through economic cycles, providing us with steady source of revenues over 10-20 years. As a result, we enter into equipment sales with the intention to secure aftermarket parts sales and services, and consciously compete for aftermarket even if we are not the original supplier. The Norican Group has established an integrated global technology and supply chain, with global product innovation centers located in the United States and Europe, shared supply centers strategically located around the world and a centralized, integrated technology platform which optimizes order fulfillment and gives us a clear insight into aftermarket potential for each equipment order.

The Norican Group's business model is to provide local sales and services to a diverse set of customers around the globe, with a significant presence in mature, transitioning and emerging markets. In developed, industrialized markets (including North America, Europe and Japan), the Norican Group's revenue is weighted toward servicing our large installed equipment base by providing aftermarket parts and services. In developing markets (including China, India, Brazil, Russia, Eastern Europe and Mexico), the Norican Group's revenue is directed toward equipment sales, though, as these markets mature, we expect the share of aftermarket parts and services to eventually exceed the share of equipment sales.

The following chart represents the geographic sales split of the Norican Group (based on the enterprise resource planning systems of the Norican Group and primarily based on the destination to which goods are shipped) for the year ended December 31, 2016:



We leverage our experience and technology platforms built up over decades in our developed markets to help establish both product offerings and local manufacturing capabilities in our developing markets. Our parts preparation business serves customers in the aerospace, medical, defense, automotive, steel fabrication, foundry/forge, infrastructure and construction, energy, shipyard, rail and consumer goods sectors whereas our parts formation business primarily serves foundries which have end markets that include the automotive and consumer goods sectors.

On April 28, 2017, we completed the acquisition of the LMCS Group, a leading group of companies in the non-ferrous, light metal casting industry with a global presence and a lean production model. The LMCS Group includes the StrikoWestofen, Italpresse and Gauss Automazione businesses. We expect the acquisition of the LMCS Group to further enhance the scale and diversification of our group and provide the opportunity to realize meaningful synergies, in particular by bringing the LMCS Group onto the Norican Group's operating model and apply a greater focus on aftermarket sales of the LMCS Group to bring them in line with the strategy of the Norican Group, using the Norican Group's global sales and services network. The Acquisition also provides the Norican Group with exposure to the high-growth cast aluminum market. In addition, we expect the Combined Group to benefit from the market-leading technological know-how of the LMCS Group.

The Norican Group together with the LMCS Group had an estimated 40,000 machines installed at over 10,000 customer sites in approximately 100 countries (which we refer to as our "installed base") as of December 31, 2016. We believe that our installed base of equipment is the largest globally, in our industry (estimated to be double the size of our nearest direct competitor). Together with our global industry sales and service network, our installed base provides us with a significant advantage over our competitors, as it enables us to capture higher margin aftermarket sales of parts and services (including replacement parts and consumables, equipment upgrades and maintenance and other service programs) and thereby enhances our profitability and the stability of our cash flows. We are at the forefront of technological innovation in our industry, and we focus on our customers' needs to lower their overall costs per produced part, to increase uptime and throughput and lower operating costs.

Key factors affecting our results of operations and significant market trends

The following discussion highlights the factors that we believe have had, and could continue to have, a material effect on our results of operations and financial condition. Certain of the factors below have historically been cyclical or volatile, much of which is due to circumstances that are beyond our control. As a result, past performance will not necessarily be indicative of future performance. In addition, important factors that could cause our actual operations or financial conditions to differ materially from those expressed or implied below also include, but are not limited to, factors described under "*Risk factors*."

General economic conditions and political conditions affecting the market

The metallic parts enhancement equipment industry is dependent on the level of activity of a number of markets, in particular in the aerospace, medical, defense, automotive, steel fabrication, foundry/forge, infrastructure and construction, energy, shipyard, rail and consumer goods sectors.

Macroeconomic or geopolitical factors in these sectors and in geographies in which we operate affect our results of operations. Transitions in political power (by any means) or changes in local governmental policy (especially related to manufacturing inputs like power consumption or labor laws, import tariffs or country sanctions) can have a short term impact on our business. Likewise, country-specific or broader regional economic downturns can have a similar impact on our customers' economic activity, which can also affect our business with them. We currently have direct operations in emerging economies (such as Russia, China, Central and Eastern Europe, India and Mexico), transition economies (such as Western Europe) and mature economies (such as Japan, North America and the United Kingdom), which allow us to diversify and allocate the risks of demand decreasing in any of these geographical sectors.

Emerging economies (such as Brazil, Russia, China, Central and Eastern Europe, India, Mexico and the rest of the world) accounted for 41.1% of the Norican Group's revenues for the year ended December 31, 2016 (compared to 40.1% for the year ended December 31, 2015). Performance in emerging markets is characterized by an increasingly broad distribution of wealth, high population growth, a reduction of trade and other barriers, an increased amount of retail and distribution infrastructure and growth in local manufacturing capabilities. As a result, the proportion of our sales attributable to emerging markets, particularly in Asia, has continued to grow in line with the expansion of these markets. Demand in emerging markets has grown in recent years, driven by public and private investment in new manufacturing facilities and changes in manufacturing standards.

Transition economies (such as Western Europe) and mature economies (such as Japan, South Korea, North America and the United Kingdom), represented 27.5% and 31.4% of the Norican Group's revenues, respectively, for the year ended December 31, 2016 (compared to 26.5% and 33.4%, respectively for the year ended December 31, 2015). Sales in mature markets are typically characterized by demand for more innovative and sophisticated products, high demand for aftermarket services, evolving regulatory environments for the manufacturing industry and the implementation of new manufacturing standards (for example, in respect of the automotive and aerospace industries). Mature markets where we operate were significantly impacted by recent financial crises. Although an improvement, or at least a stabilization, has been observed in most of these markets.

As the demand of our customers in each sector differs, our business prioritizes different revenue growth strategies based on the underlying maturity of the markets within each region. In emerging economies, our strategy is aimed at growing our installed base and achieving profitable equipment growth through sustainable innovation. We use our first mover advantage to gain market shares and, ideally, secure the aftermarket revenue. We are focused on innovation and the development of new products and technologies tailored to the specific needs of each growing industry and region in which we operate. In more mature economies, our strategy is aimed at servicing our installed base and using our already established markets to grow our aftermarket revenue. In mature markets with a well-established equipment base, we are focused on maximizing the aftermarket potential (including by winning the aftermarket sales of our competitors' installed base). We are focused on the investment in local sales and services offers in order to serve local customers' needs faster and better than our competitors, and improve our aftermarket retention through better parts availability and short response times. In transition economies, we are focused on developing our installed base, as well as enhancing our market share on the aftermarket services of the equipment already in place.

Political instability or changes in fiscal or other government policies, including environmental or monetary policies, may affect our industry. For example, as the environmental regulations, worldwide. are developing toward stricter carbon dioxide emission targets, the automotive and aerospace industries are under significant pressure to reduce the weight of new vehicles and machines in production, notably by increasing the share of lighter materials used. We are taking steps to adapt our offer to the growing demand, particularly in transition and mature markets, notably through the Acquisition, and to provide bespoke solutions with more efficient materials, such as aluminum and magnesium, to our customers.

Changes in prices of raw materials and energy and our ability to pass on cost increases to our customers

The costs of raw materials constitute a large portion of our production costs, and fluctuations in the price of our raw materials, especially steel and fuels, affect our results of operations.

The price of certain raw materials can fluctuate substantially over relatively short periods of time and, particularly in the case of materials that are acquired locally or regionally, can be impacted by local economic factors. Change in the supply and demand balance can lead to substantial price fluctuations. For example, the price for steel generally correlates to general economic conditions. As a result, steel prices peaked in 2008, subsequently declined as a result of the global economic downturn in 2009 and 2010 and increased sharply in the wake of economic recovery in 2011. Future spikes in the price for steel or other raw materials could significantly increase our cost of sales. While we believe we have generally been able to pass increased raw material prices through to our customers in the past, we cannot guarantee that we will continue to be able to do so.

Finally, as a result of operating large manufacturing facilities, the fuels necessary to power our facilities and operations constitute a significant portion of our cost of sales. We use large amounts of electricity and fuel in our production. Prices for these fuels have been highly volatile in recent years and have generally risen since 2005. While a potential decrease in oil prices might lead to a temporary reduction in fuel costs, any future increase in energy prices may adversely affect our business as we may not be able to pass these increased costs on to our customers.

Changes in raw material and fuel prices directly affect our working capital levels. In general, increases in raw material and fuel prices lead to an increase in our working capital requirements and decreases lead to a decrease in our working capital requirements. See "*Risk factors—Risks relating to our business and industry—We are exposed to fluctuations in prices of raw materials and energy costs*."

Foreign currency and exchange rates

Our reported results of operation and financial condition are affected by exchange rate fluctuation and we are exposed to both transactional and translational risk due to these fluctuations.

Transactional risk arises when our subsidiaries execute transactions in a currency other than their functional currency. The Norican Group had production facilities in ten different countries and regions (including China, Czech Republic, Denmark, France, Germany, India, Mexico, Poland, the United Kingdom, and the United States), and sell our products in approximately 100 countries. As a result, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than euro, our reporting currency. The primary currencies in which we generated revenues in the year ended December 31, 2016 were the euro and the U.S. dollar, and we expect the portion of our sales and costs denominated in Chinese renminbi and Indian rupee to increase as we continue to expand our operations. Where we are unable to match sales received in foreign currencies with costs paid in the same currency, our results of operations are affected by currency exchange rate fluctuations. For example, a stronger euro will increase the cost of euro-denominated supplies for our non-euro businesses and conversely decrease the cost of non-euro supplies for our euro businesses. In addition, a strengthening of the euro against the U.S. dollar, British pound, Chinese renminbi or Indian rupee will result in a decrease in our revenue and costs in those regions, as reported in euro. As a significant number of our subsidiaries operate in markets other than the Eurozone, these effects have been and may continue to be significant. Our subsidiaries generally aim to execute their sales and incur most of their materials costs in the same currency.

Moreover, we present our consolidated financial statements in euro. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than euro into euro at then-applicable exchange rates. Consequently, increases or decreases in the value of these currencies against the euro may affect the value of our assets, liabilities, revenue and expenses with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency, which creates translation risk. These translations could significantly affect the comparability of our results between financial periods and result in significant changes to the carrying value of our assets, liabilities and stockholders' equity.

Market trends and innovation

In order to support our leading positions in our markets and maintain our technological advantage, we are required to continually develop new products and improve existing products. Our research and development ("**R&D**") activities primarily focus on optimizing the quality and complementary nature of our existing portfolio of products and services, adding innovative functions and applications to our existing product range and ensuring continued acceptance of our products by our customers. We also focus a significant portion of our R&D capabilities on developing new products and materials and adding innovative functions and applications to our existing product range. This is achieved through the development of more responsive local services and a broader array of world-class innovations, notably by partnering with our customers on their unique engineer-to-order requirements and with the development of next-generation standardized products and cutting-edge engineer-to-order solutions.

For example, we have implemented a number of regionally focused "value creation programs" in China and India, focusing on three areas, including: (i) new product innovation and pipeline; (ii) sales channel expansion; and (iii) technology transfers from maturing markets to developing markets. As such, between 2011 and 2012, we developed the first fully localized vertical molding machine for India and China, and in 2015, we successfully launched a new molding machine, purpose built for the Chinese market and developed through the cooperation between our Danish technology center, Indian development center and Chinese manufacturing and sales organization.

To expand our business operations in new markets and acquire property, plant and equipment, the Norican Group incurred capital expenditures of €4.6 million, or 1.2%, of revenue. We expect to incur tangible capital expenditures of €7.5 million for the Combined Group in the year ending December 31, 2017, particularly with respect to our information technology and ERP systems enhancements. We believe that we are well-positioned to capture future modernization and maintenance opportunities resulting from these factors, particularly in China and India where we are one of few companies with long- standing modernization and maintenance experience as a result of our operations in Europe.

We believe that the Acquisition, through the LMCS Group's expertise in aluminum, magnesium and zinc alloys, will allow us to further improve our offer of products, and that the combination of our advance R&D facilities with the LMCS Group's R&D programs will ensure the development of bespoke and specialized high quality products to reinforce our products and services offering, especially in the automotive sector.

Acquisitions and synergies

We continually evaluate opportunities for acquisition and expansion, and we believe that our increased size, resulting from the Acquisition, creates an opportunity for us to consider a broader range of potential targets as a result of our greater resources and increased geographic reach. As we have in the past, and in particular through the Acquisition, we may undertake major expansion projects in the future to either support growth in our business or to improve the breadth and quality of our product offering to customers. These investments can lead to volume increase, customer retention and improved margins with existing customers, in particular in the aftermarket segment. In addition, we may undertake acquisitions to improve market positions within existing markets, support expansion in growth markets or to enter new markets. Both expansion and acquisition can impact on our profitability, and acquisitions affect our results of operations in several ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired entity into our consolidated results. Second, the results of the acquired businesses after their acquisition may be positively affected by synergies. Additionally, we may experience an increase in operating expenses, including staff costs, as we integrate the acquired business into our network. Finally, because acquired entities are consolidated from their date of acquisition, unless the acquiree is under common control, the full impact of an acquisition or disposition is only reflected in our financial statements in the subsequent period.

The Acquisition closed on April 28, 2017. See "*Summary—The Transactions—The Acquisition.*" We effectuated the Acquisition because we believe that the LMCS Group offers us complementary product lines, customer bases, technologies and geographic reach. Following the Acquisition, the LMCS Group's offer will be integrated into each step of our supply chain. However, the LMCS Group's new consulting and engineering company, LMCS Tech, created in

September 2016, will be a new offer to our customers, focused on project management, process design for gravity, high and low pressure casting and project implementation. See "*Summary—The Transactions—The Acquisition*," and "*The LMCS Group's management's discussion and analysis of financial condition and results of operations.*"

The LMCS Group's portfolio of modern products for light metal parts formation, is tailored for a market evolving towards more environment friendly technologies, in particular in the aerospace and automotive industries, and is complementary to our own metallic parts enhancement value chain, allowing us to diversify our offer. Aluminum is the fastest growth segment in the automotive industry, as developments in aluminum technology have allowed aluminum to be increasingly deployed across several vehicle parts. Most automobile manufacturers already use aluminum extensively for wheels and within the engine (e.g. engine block), but its use for structural parts and body work is expected to be the main driver of increasing aluminum penetration moving forward. The Acquisition will allow us to grow this segment of our offer exponentially.

In this case, we believe that operating as a single business will position us to achieve further growth in sales and profitability primarily by:

- increasing our overall sales to new and existing customers by leveraging our combined product line and distribution network to offer global and innovative, value-added products that can be delivered quickly and reliably throughout the world;
- increasing our sales of products and aftersales services to existing customers and our market share in select product types by leveraging the existing leadership positions of our Norican Group at different levels in the value chain;
- broadening the set of production technologies that enable us to respond to a wide variety of customer product demands;
- consolidating our research and development functions and further increasing the speed with which we are able to deliver new product and services innovations;
- achieving further synergies by integrating our manufacturing footprint and sales, general and administrative functions; and
- pursuing targeted strategic acquisition opportunities.

Seasonality of revenues

The Norican Group's equipment business is driven by the timing of our customers' investment decisions, which are in turn driven by this annual capital expenditure budgets. As a result, we typically generate peak revenue and earnings from equipment sales in the fourth quarter of most years, followed typically by significantly lower revenue and earnings from equipment sales in the first quarter of the following year.

Comparability of financial information presented

On February 26, 2015, the Issuer acquired all of the issued share capital of Norican Holdings in the Altor Acquisition. Norican Holdings was the entity at which consolidated results of operations were previously presented for the Norican Group. In order to provide a comparable basis of analysis, pro forma results of operations for the year ended December 31, 2015 were presented in the Parent Guarantor 2015 Audited Financial Statements on the basis of the accounting principles of the Parent Guarantor and reflecting operations for the period from January 1, 2015 to December 31, 2015, which is the normal annual reporting period for the Norican Group. Amortization attributed to intangibles of Norican Holdings for the period from January 1, 2015 to February 26, 2015, and amortization of intangibles corresponding to the purchase price allocation adjustments resulting from the Altor Acquisition are included in the Parent Guarantor 2015 Supplementary Pro Forma Results of Operations. The audited balance sheet of the Parent Guarantor as of December 31, 2015, together with the cash flow statement of the Parent Guarantor for the period December 11, 2014 to December 31, 2015, is presented in the Parent Guarantor 2015 Audited Financial Statements on an actual basis, December 11, 2014 being the date on which the Parent Guarantor was formed. Prior to the date of the Altor Acquisition on February 26, 2015, the Parent Guarantor did not have any business operations or material assets or liabilities other than those incurred in connection with its incorporation and the Altor Acquisition. In order to provide a comparable basis of analysis, we have included unaudited pro forma cash flow statement information for net cash from operations for the year ended December 31, 2015, which is presented on the basis of the accounting principles of the Parent Guarantor and reflecting operations for the period from January 1, 2015 to December l31, 2015, which is the normal annual reporting period for the Norican Group. As a result of this presentation, certain other cash flow statement information in respect of the year ended December 31, 2015, is not available for the Parent Guarantor, and the cash flow statement information presented for the period from December 11, 2014 to December 31, 2015, only covers an operational period from February 26, 2015 to December 31, 2015 and is not comparable to the cash flow statement information for other periods.

Key income statement line items

For the purposes of the following discussion of our results of operations, the key line items from the statement of operations include the following:

Revenues

Revenues include sales of standard and custom engineered parts formation and parts preparation equipment and sales of aftermarket parts and services providing replacement parts and consumables, equipment upgrades, maintenance and service programs, training, foundry optimization, and surface preparation aftermarket services. Equipment sales include wheelblast, airblast and mass finishing systems under the Wheelabrator brand name and vertical, horizontal and match plate molding technology for mainly ferrous and non-ferrous foundries under the DISA brand name.

Revenues from product sales are generally recognized upon shipment of products provided there are no significant uncertainties regarding customer acceptance, persuasive evidence of an arrangement exists, the sales price is fixed and determinable and it is probable that the sale is collectible.

Revenues from provision of services are recognized in the period in which the services are performed.

Cost of sales

Cost of sales is comprised primarily of direct and indirect (overhead) costs incurred in the manufacture and warehousing of our products. These costs are comprised primarily of material purchased, payroll and fringe benefit costs for employees involved both directly and indirectly in the manufacturing process, manufacturing facility and warehouse rent, warranty costs, travel and vehicle costs, manufacturing depreciation, utilities, supplies, freight, maintenance property costs and shipping supplies.

Selling, general and administrative expenses

Selling, general and administrative expenses is comprised primarily of payroll and fringe benefit costs for employees involved in a selling, general or administrative capacity, selling commissions, office supplies, bad debts, professional fees, marketing costs, insurance costs, information technology, office rent, maintenance, utilities, and depreciation of office property and equipment.

Amortization expense

Amortization expense includes costs related to the amortization of customer relationships, patents, and capitalized research and development costs.

Finance costs

Finance costs relate to interest expense on bank borrowings under the senior financing agreement, shareholder loans, amortization of debt issuance costs and other borrowings.

Restructuring charges

Restructuring charges are comprised primarily of severance costs.

Foreign exchange

Foreign exchange costs comprise costs arising from currency exposures with respect to currencies other than functional currencies of our subsidiaries.

Transactions in foreign currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. In order to hedge exposure to certain foreign exchange risks, we enter into forward contracts. Gains and losses arising on exchange are included in net income for the period.

Monetary assets and liabilities denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date.

On consolidation, the assets and liabilities of our operations are translated into presentation currency (euros) at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

Where loans are made between two subsidiaries with different functional currencies, currency translation differences arise in one or both subsidiaries. In accordance with IAS 21, currency translation differences for intercompany loans that not are considered part of the investment in subsidiaries are recognized in net income.

Amounts are presented within non-operating income/(expense).

Transaction costs

Transaction costs are comprised primarily of legal and due diligence costs directly associated with the Acquisition or the Altor Acquisition.

Other non-operating income/(expense)

Other non-operating income and expense are comprised primarily of management fees paid to the controlling shareholder, legal costs associated with due diligence relating to acquisitions, gain or loss on the sale of fixed assets and other miscellaneous costs.

Income tax expense

Income tax expenses are comprised of current income tax expense and deferred tax benefit/(expense) relating to the origination and reversal of temporary tax differences.

Net income attributable to the parent

Net income attributable to the parent is comprised of earnings of the Parent, excluding the Indian subsidiary non-controlling interest share of earnings.

Net income attributable to the non-controlling interest

Net income attributable to the non-controlling interest is comprised of the non-controlling interest share of earnings of the subsidiary in India.

Results of operations

The following table presents the consolidated statement of operations data for each of the years ended December 31, 2014, 2015 and 2016, which has been derived from the consolidated financial statements of the Norican Group, presented elsewhere in this Offering Memorandum:

	Year ended December 31,		
	Norican Holdings	Parent Guarantor Supplementary Pro Forma	Parent Guarantor
	2014[(1)]	2015[(2)]	2016[(3)]
			(in € millions)
Revenues	361.4	401.1	375.5
Cost of sales	241.6	266.6	250.2
Gross Margin	**119.8**	**134.5**	**125.3**
Operating Expenses:			
Selling, general and administrative	78.9	89.7	84.8
Amortization expense	6.6	7.0	7.1
Total operating expenses	85.5	96.7	91.9
Operating Income	**34.3**	**37.8**	**33.4**
Non-Operating Income/(Expense):			
Finance costs	(18.8)	(11.4)	(10.4)
Restructuring charges	(0.2)	(1.5)	(0.4)
Foreign exchange	(2.6)	1.6	(3.3)
Transaction costs	—	(5.5)	(1.0)
Other[(4)]	(1.9)	(2.5)	(1.1)
Total non-operating expense	**(23.5)**	**(19.3)**	**(16.2)**
Income before income tax	**10.8**	**18.5**	**17.1**
Income tax expense	(6.0)	(10.4)	(0.6)
Net income	**4.7**	**8.1**	**16.5**
Net income attributable to the parent	4.7	7.6	16.0
Net income attributable to the non-controlling interest[(4)]	—	0.5	0.5

(1) Amounts are shown for Norican Holdings for the year ended December 31, 2014.

(2) Amounts are shown on a pro forma basis for the Parent Guarantor for the year ended December 31, 2015, and includes (i) the amortization costs attributed to intangibles of Norican Holdings for the period from January 1, 2015 to February 26, 2015 and (ii) the amortization costs of intangibles corresponding to the purchase price allocation adjustments resulting from the acquisition of Norican Holdings ApS by Norican A/S, in February 2015.

(3) Amounts are shown for the Parent Guarantor for the year ended December 31, 2016.

(4) Net income attributable to non-controlling interest of €0.5 million is included in other non-operating expense for the year ended December 31, 2014.

Year ended December 31, 2016 compared to year ended December 31, 2015

Revenues

Revenue decreased to €375.5 million in the year ended December 31, 2016 from €401.1 million in the year ended December 31, 2015, a decrease of €25.6 million, or 6.4%. The decrease in sales revenue is caused primarily by reduced revenue from equipment and aftermarket sales of €13.4 million, or 7.1% and €12.2 million, or 5.7% respectively. Included in these amounts are the effects of fluctuations in currency translation rates which reduced revenue by €4.2 million during the year ended December 31, 2016, as compared to the translation rates of the year ended December 31, 2015. The net decline in revenues of €21.4 million, or 5.3%, after taking into account currency effects, is attributed primarily to economic contraction in the markets in which our customers operate.

Cost of sales

Cost of sales decreased to €250.2 million in the year ended December 31, 2016 compared to €266.6 million in the year ended December 31, 2015, a decrease of €16.4 million, or 6.2%, corresponding with the decrease in sales volume.

Selling, general and administrative expenses ("SG&A")

SG&A decreased to €84.8 million in the year ended December 31, 2016 compared to €89.7 million in the year ended December 31, 2015, a decrease of €4.9 million, or 5.5%. Changes in currency fluctuations resulted in decreased SG&A of €1.2 million. Net of the effect of currency exchange rate changes, SG&A decreased €3.7 million, or 4.1%. As a percent of sales, SG&A of 22.6% in the year ended December 31, 2016 is approximately equal to that for the year ended December 31, 2015 of 22.4%. On a constant currency basis, the most significant relative declines in SG&A were in external selling commissions which declined €0.7 million, or 11%, administrative expense which declined €1.4 million, or 8.2%, and marketing expense which decreased €0.4 million, or 12.6%. Included in SG&A are non-customer specific research and development expenses of €4.9 million and €5.0 million in the years ended December 31, 2016 and 2015, respectively.

Amortization expense

Amortization expense increased to €7.1 million in the year ended December 31, 2016 compared to €7.0 million in the year ended December 31, 2015, an increase of €0.1 million, or 1.4%. This represents the amortization of customer relationships, patents and other intangibles on a straight-line basis over a ten to 20 year useful life, and capitalized research and development expense which is amortized on a straight-line basis over a six year useful life.

Finance costs

Finance costs decreased to €10.4 million in the year ended December 31, 2016 from €11.4 million in the year ended December 31, 2015. The decrease in interest expense is due to lower average debt balances. Finance costs include €1.2 million in amortization of debt issuance costs and €0.9 million in pension related interest expense for the year ended December 31, 2016, compared to €2.4 million and €0.8 million, respectively, for the year ended December 31, 2015.

Restructuring charges

During the year ended December 31, 2016, the Norican Group recorded a restructuring charge of €0.4 million for severance costs related to the restructuring of the Canadian subsidiary.

Foreign exchange

Foreign exchange loss in the year ended December 31, 2016 is €3.3 million compared to a gain of €1.6 million in the year ended December 31, 2015.

Transaction costs

Transaction costs decreased to €1.0 million in the year ended December 31, 2016 from €5.5 million in the year ended December 31, 2015. Transaction costs for the year ended December 31, 2016 include €0.8 million relating to legal and due diligence costs for the acquisition of the LMCS Group in 2017, and €0.2 million in transaction costs related to two smaller foundry acquisitions in 2016. Transactions costs incurred in 2015 relate to legal and due diligence costs associated with the February 26, 2015 acquisition of Norican Holdings ApS and its subsidiary companies by Norican A/S.

Other non-operating income/(expense)

Other non-operating expenses, net in the year ended December 31, 2016 is €1.1 million compared to other non-operating expenses, net, in the year ended December 31, 2015 of €2.5 million, a decrease of €1.4 million. In the year ended December 31, 2016 other expenses include €0.4 million pension curtailment costs relating to the UK subsidiary pension plan, €0.5 million in management fees paid to the controlling shareholder and other miscellaneous expenses of €0.2 million. In the year ended December 31, 2015 other non-operating expenses include €1.6 million in legal costs associated with the senior credit facility executed effective February 24, 2015 in conjunction with the acquisition of Norican Holdings ApS and the subsidiary companies by Norican A/S; €1.6 million in management fees paid to the controlling shareholder; and €0.3 million in other miscellaneous costs, partially offset by €1.0 million in gains recognized on the sale of fixed assets.

Income tax expense

Income tax expense decreased to €6.0 million in the year ended December 31, 2016 from €10.4 million in the year ended December 31, 2015. The reduction in income tax expense is due primarily to the tax effect of the write-off of the U.S. subsidiary's loan receivable from the Canadian subsidiary and the related write-off of the investment in the subsidiary as part of the Canadian restructuring, higher non-deductible expense in the year ended December 31, 2015 relating to transaction costs in connection with the Altor Acquisition resulting in increased tax expense comparatively for the year ended December 31, 2015 of €3.5 million as well as lower consolidated income before income tax, partially offset by other miscellaneous changes. The difference between expected income tax expense, computed by applying the Danish statutory rate to income from continuing operations, and recognized income tax expense results primarily because of (i) permanent differences for non-deductible expenses including finance costs, (ii) the tax rate differential on foreign earnings, (iii) the effect of unused tax losses and tax offsets not previously recognized as deferred tax assets and (iv) tax benefits arising from tax amortization, primarily in the U.S.

Net income attributable to the parent

Net income attributable to the parent in the year ended December 31, 2016 of €16.0 million compares to net income in the year ended December 31, 2015 of €7.6 million. The increase in net income attributable to the Parent Guarantor is due primarily to the net effect of lower income before income tax, offset by significantly lower tax expense.

Net income attributable to the non-controlling interest

Net income attributable to the non-controlling interest in the years ended December 31, 2016 and 2015 was approximately equal at €0.5 million. Net income attributable to the non-controlling interest represents the non-controlling interest share of income of the Indian subsidiary.

Year ended December 31, 2015 compared to year ended December 31, 2014

Revenues

Revenue increased to €401.1 million in the year ended December 31, 2015 from €361.4 million in the year ended December 31, 2014, an increase of €39.7 million, or 11.0%. The increase in sales revenue is due to increased revenue from equipment and aftermarket sales. Included in these amounts are the effects of fluctuations in currency translation rates which increased revenue by €27.1 million during 2015, as compared to 2015 translation rates. The net increase in revenues of €12.6 million, or 3.5%, after taking into account currency effects, is attributed primarily to strong economic conditions in the markets in which our customers operate.

Cost of sales

Cost of sales increased to €266.6 million in the year ended December 31, 2015 compared to €241.6 million in the year ended December 31, 2014, an increase of €25.0 million, or 10.4% due primarily to increased sales volumes.

Selling, general and administrative expenses ("SG&A")

SG&A increased to €89.7 million in the year ended December 31, 2015 compared to €78.9 million in the year ended December 31, 2014, an increase of €10.8 million, or 13.7%. Changes in currency fluctuations resulted in increased SG&A cost of €6.7 million, or 8.5% As a percent of sales, SG&A increased to 22.4% in the year ended December 31, 2015 from 21.8% in the year ended December 31, 2014. Increases in marketing, other administrative and IT costs of 28.3%, 23.4% and 16.3%, respectively, contributed to the increase. Employee salaries, commissions and related benefit costs comprise approximately 62% of SG&A costs in the year ended December 31, 2015 compared to 64% in the year ended December 31, 2014. Included in SG&A is a non-customer specific research and development expense of €5.0 million and €4.6 million in the years ended December 31, 2015 and 2014, respectively.

Amortization expense

Amortization expense increased to €7.0 million in the year ended December 31, 2015 from €6.6 million in the year ended December 31, 2014, an increase of €0.4 million, or 6.1%. This represents the amortization of customer relationships, patents and other intangibles on a straight-line basis over a 10 to 20 year useful life and a capitalized research and development expense which is amortized on a straight-line basis over a six year useful life.

Total operating expenses

Total operating expenses increased to €96.7 million in the year ended December 31, 2015 from €85.5 million in the year ended December 31, 2014. The increase in total operating expenses is due to increased SG&A and amortization expense of €10.8 million and €0.4 million, respectively.

Finance costs

Finance costs decreased to €11.4 million in the year ended December 31, 2015 from €18.8 million in the year ended December 31, 2014. The decrease in finance costs is due primarily to lower average debt balances. In the year ended December 31, 2015, finance costs include €2.4 million in amortization of debt issuance costs and €0.8 million in pension related interest expense.

Restructuring charges

During the year ended December 31, 2015, the Norican Group recorded a restructuring charge of €1.5 million primarily for severance costs related to the German subsidiary. During the year ended December 31, 2014, Norican Group recorded a restructuring charge of €0.2 million for primarily for severance costs related to the French subsidiary.

Foreign exchange

Foreign exchange gain in the year ended December 31, 2015 is €1.6 million compared to a loss of €2.6 million in the year ended December 31, 2014.

Other non-operating income/(expense)

Other non-operating expenses, net in the year ended December 31, 2015 is €2.5 million compared to other non-operating expenses, net in the year ended December 31, 2014 of €1.9 million, an increase of €0.6 million. Other non-operating expenses for the year ended December 31, 2015 include €1.6 million in legal costs associated with the senior credit facility executed effective February 24, 2015 in conjunction with the acquisition of Norican Holdings ApS and the subsidiary companies by Norican A/S; €1.6 million in management fees paid to the controlling shareholder; and €0.3 million in other miscellaneous costs, partially offset by €1.0 million in gains recognized on the sale of fixed assets. Other non-operating expenses for the year ended December 31, 2014 include €1.6 million in management fees paid to the controlling shareholder, partially offset by net other income of €0.3 million.

Income tax expense

Income tax expense increased to €10.4 million in the year ended December 31, 2015 from €6.0 million in the year ended December 31, 2014. The increase in income tax expense is due primarily to higher consolidated income before taxes and the tax effect of higher non-deductible expense in the year ended December 31, 2015 relating to transaction costs in connection with the Altor Acquisition. The difference between expected income tax expense, computed by applying the Danish statutory rate to income from continuing operations, and recognized income tax expense results primarily because of (i) permanent differences for non-deductible expenses including finance costs, (ii) the tax rate differential on foreign earnings, (iii) tax losses and tax offsets not recognized as deferred tax assets and (iv) tax benefits arising from tax amortization, primarily in the U.S.

Net income attributable to the parent

Net income attributable to the parent in the year ended December 31, 2015 of €7.6 million compares to net income in the year ended December 31, 2014 of €4.7 million. The increase in net income attributable to the Parent Guarantor is due primarily to the net effect of the increase in income before income tax and higher income tax expense.

Liquidity and capital resources

Liquidity

Our business has required, and will continue to require, liquidity primarily to meet our debt service requirements, to fund capital expenditures (including for scheduled maintenance of our production facilities) and to fund growth in our working capital.

Historically, our principal sources of liquidity have been accumulated cash generated from our operating activities and a revolving credit facility. Cash includes cash on hand and in banks and investments in money market instruments totaling €56.1 million, €40.0 million and €56.1 million as of December 31, 2016, 2015 and 2014, respectively. During these periods our current liabilities were €150.6 million, €151.5 million and €204.9 million, respectively, including trade and other payables of €28.0 million, €23.7 million, and €22.8 million, respectively, and including current portions of long-term debt of €22.3 million, €26.6 million and €67.2 million for these periods, respectively.

In addition, certain of our activities are located in countries whose legal system impose restrictions on the circulation of liquidity out of their borders, such as China. As of December 31, 2016, the Norican Group has approximately €11 million of cash which could be difficult to move out of our Chinese subsidiary and which we expect to use for investment in growth opportunities and working capital of our Chinese business.

In support of our operations we use a dedicated portion of the Revolving Credit Facility for the issuance of performance bonds. These performance bonds are typically used to support our participation in project bid scenarios, customer down payments or for security during a warranty period. As of December 31, 2016, 2015 and 2014 we had outstanding performance bonds of €26.2 million, €17.0 million and €23.1 million, respectively. These performance bonds have never been drawn at the date of this Offering Memorandum.

Based on our current level of operations we believe our cash flow from operations, available borrowings under the Revolving Credit Facility, and cash and cash equivalents will be adequate to meet our liquidity needs. Our liquidity resources are subject to change as market and general economic conditions evolve. A decrease in liquidity could result from lower than expected cash flow from operations, including decreases caused by lower demand for our products, weaker selling prices for our products or higher input costs. In addition, any potential acquisitions, in which all or a portion of the consideration would be payable in cash, could have a significant effect on our liquidity resources. Our liquidity could also be impacted by any limitations on the availability of our existing debt and our ability to refinance existing debt or raise additional debt and the associated terms of such debt. This specifically includes a cash pooling agreement currently in place throughout much of our European operations.

Cash flows

The following table summarizes net cash flows from operating, investing and financing activities for each of the financial years ended December 31, 2014, 2015 and 2016, respectively:

	Norican Holdings	Parent Guarantor	
	Year ended December 31, 2014(1)	December 11, 2014 to December 31, 2015(2)	Year ended December 31, 2016(2)
		(in € millions)	
Net cash from operations	9.2	(5.3)	36.2
Net cash used in investing activities	(2.9)	(65.8)	(4.4)
Net cash used in financing activities	(24.1)	109.3	(15.6)
Foreign currency effect on cash and cash equivalents	3.6	1.7	(0.0)
Net (decrease)/increase in cash	**(14.1)**	**40.0**	**16.1**
Cash, beginning of period	70.2	—	40.0
Cash, end of period	56.1	40.0	56.1

(1) Amounts are shown for Norican Holdings for the year ended December 31, 2014.

(2) The cash flow statement information of the Parent Guarantor for the period from December 11, 2014 to December 31, 2015, is presented in the Parent Guarantor 2015 Audited Financial Statements on an actual basis. While December 11, 2014 is the date on which the Parent Guarantor was formed, the Altor Acquisition in which the Issuer acquired all of the issued share capital of Norican Holdings closed on February 26, 2015. As a result, the cash flow statement information of the Parent Guarantor for such period only covers an operational period from February 26, 2015 to December 31, 2015 and is not comparable to the other periods presented. See "*Presentation of financial information and other data*."

Net cash from operations

Net cash from operations amounted to €36.2 million for the year ended December 31, 2016 which is primarily attributable to increased net income and increases in cash provided by working capital changes, primarily inventory, trade and other payables and trade and other receivables.

Net cash from operations amounted to €9.2 million for the year ended December 31, 2014. Changes in working capital reduced net cash from operations by €13.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to €(4.4) million for the year ended December 31, 2016, which is primarily attributable to capital expenditures of €4.6 million. Capital expenditures are comprised primarily of investments in property, plant and equipment, including information technology of €1.7 million and machinery and equipment of €1.6 million.

Capital expenditures

The following table presents our tangible capital expenditures for the years ended December 31, 2014, 2015 and 2016:

	Year ended December 31,		
	2014	2015	2016
			(in € millions)
Tangible capital expenditures	**2.9**	**2.7**	**4.6**

Net cash used in investing activities amounted to €(2.9) million for the year ended December 31, 2014, which was primarily attributable to tangible capital expenditures. Tangible capital expenditures are comprised primarily of €0.7 million invested in machinery and equipment and €1.4 million invested in information technology.

Net cash used in financing activities

Net cash used in financing activities amounted to €(15.6) million for the year ended December 31, 2016. This primarily related to the repayment of debt facilities.

Net cash used in financing activities amounted to €(24.1) million for the year ended December 31, 2014 which is related to the repayment of debt facilities.

Contractual obligations and commercial commitments of the Combined Group

The following table sets forth the contractual maturities for the liabilities specified below as of December 31, 2016, as adjusted to give effect to the Transactions and the use of proceeds therefrom as described in "*Use of proceeds*". This excludes certain earn-out obligations (valued at €3.1 million as of December 31, 2016) in respect of the combination of the predecessors to the LMCS Group:

	Payment due by period		
	Under 1 Year	**1 - 5 Years**	**5 years**
			(in € millions)
Notes offered hereby	—	—	340.0
Norican Group operating lease commitments(1)	4.5	11.9	9.4
LMCS Group operating lease commitments	2.0	5.1	1.1
Total	6.5	17.0	350.5

(1) The Norican Group leases certain facilities and equipment under various non-cancellable long-term and month-to-month leases accounted for as operating leases. The amounts presented represent minimum future rental payments under such leases.

Off-balance sheet arrangements

The Norican Group's most significant off-balance sheet financing arrangements as of December 31, 2016 are non-cancelable operating lease agreements, primarily for facilities and equipment, and performance bonds outstanding which are not reflected on the balance sheet but expose the Norican Group to a minimal, albeit potential, risk.

Qualitative and quantitative information on market risks

Our activities expose us to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. We use derivative financial instruments to hedge certain risk exposures.

Foreign exchange risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar, the Indian rupee and the Chinese renminbi. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. Our individual subsidiaries predominately transact their operational activities in their respective functional currencies. However, the global nature of the business leads to transactional risk at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Transactional committed risk for which we have a contractual obligation that is recorded on the balance sheet is primarily managed through the use of forward foreign exchange contracts.

Translation exposure arises from consolidation of foreign currency-denominated financial statements of our subsidiaries. The risk arising from translation of foreign subsidiary balance sheets (the effect of which is a currency- impact in the consolidated Norican Group equity) is partially hedged. We have certain principal balances of foreign currency denominated debt that is considered a hedge of the foreign currency exposure related to the investment in our foreign operations. The majority of our debt is denominated in euros; therefore, a significant portion of our debt is not exposed to foreign currency risk. A 10% change in the currency translation rate between the U.S. dollar and the euro could positively or negatively affect revenue by approximately €8.7 million, and the net income impact on equity is approximately €1.0 million based on results for the year ended December 31, 2016. The risk from equity fluctuations in other currencies is not considered significant.

Commodity price risk

Commodity price fluctuations also affect aspects of our business. Changes in commodity prices can affect the profitability of our operations and our net cash flows.

We do not consider commodity price risk to be a significant financial statement risk as most of the machine orders are completed within eight months and the portion of commodity cost in the cost of finished goods inventory is not considered significant. For large orders, we mitigate exposure to commodity price risk by committing to raw materials purchases periodically throughout the year as sales occur. Inventory pricing is reviewed periodically to reduce the risk of commodity purchase price changes.

Interest rate risk

We have historically been exposed to fluctuations in interest rates on our long-term borrowings. While a significant amount of the long-term debt under our Existing Senior Facilities is hedged through interest rate swap agreements to mitigate the risk of rising interest rates on the variable rate agreement, a portion of the facility is exposed to interest rate fluctuations.

Credit risk

The exposure to credit risk is represented by the balance sheet values of the receivables and positive market values of derivatives that are carried at the balance sheet date.

Credit quality of customers is assessed taking into account the customer's financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. The utilization of credit limits is regularly monitored. Although we monitor the credit ratings of our customers, changes in the financial position of our customers can adversely affect our future collection of the receivables and our cash flows.

Liquidity risk

Our principal source of liquidity consists of cash generated from operations and borrowings available under the Revolving Credit Facility. See "*Description of other indebtedness—Revolving Credit Facility*."

Capital risk management

Our objectives in managing capital are to safeguard the Norican Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce our cost of capital.

Estimates

Management of the Norican Group has made a number of estimates and assumptions related to the reporting of assets and liabilities in the preparation of the consolidated financial statements in accordance with IFRS. Actual results may differ from those estimates.

Critical accounting policies

Impairment review

As of December 31, 2016, we reviewed the recoverable amount of goodwill concluding no impairment charge was warranted. The recoverable amount of goodwill is based on the estimated value in use of the cash generating unit or group of cash generating units to which the goodwill is allocated based upon long-term business projections and a calculated terminal value without growth in the terminal period. The discount rate used to discount the estimated future cash flows included in the value in use calculations is based on the an estimated weighted average cost of capital (approximately 12% per annum).

In determining value in use, it is also necessary to make a series of assumptions to estimate future cash flows. The main assumptions include future sales prices and volumes, and future capital expenditures required to maintain future cash flows and profitability. The assumptions can be subject to significant adjustment from such factors as changes in industry demand, economic activity in the markets where the Norican Group operates, the effects of inflation on commodity prices or as a result of pricing pressure from competitor product sales. Furthermore, the development in earnings is a significant parameter.

Post-employment benefits

The assumptions used to measure the expense and liabilities related to our defined benefit pension plans are reviewed annually. The measurement of the expense for a period and of the benefit obligation at the period end requires judgment with respect to the following matters, among others: probable long-term rate of increase in pensionable pay; probable average future service lives of employees; probable life expectancy of employees; mix of investments in funded pension plans in the period; expected future rate of return on the investments in the funded pension plans, and how that rate will compare with the market rates of return which were observed in past economic cycles. Assumptions used to value the benefit obligation at December 31 are updated based on actual experience when appropriate. Variances are caused principally by external financial market movements in corporate bond yields used to benchmark the discount rate and in asset prices which affected the actual return on assets. These factors are outside the Norican Group's direct control and it is reasonably possible that future variances could exceed past variances.

Deferred tax assets

Tax losses are recognized as deferred tax assets when it becomes probable that they will be utilized in the future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized. In making this assessment, the Norican Group considers the scheduled reversal of deferred tax liabilities and projected future taxable income.

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, as of December 31, 2016, we believe that it is more likely than not that we will realize the benefits of these deductible differences. The amount of the deferred tax asset considered realizable could be reduced in subsequent years if estimates of future taxable income during the carry forward period are reduced or rulings by the tax authorities are unfavorable. Estimates are therefore subject to change due to both market and government related uncertainties, as well as our own future decisions.

Uncertain tax positions

Our policy is to comply fully with applicable tax regulations in all jurisdictions in which our operations are subject to income taxes.

Our estimates of current income tax expense and liabilities are calculated on the assumption that all tax computations filed by our subsidiaries will be subject to review or audit by the relevant tax authorities. Current income tax liabilities include our best estimate of the tax that will ultimately be payable when the review or audits have been completed. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense, net income and effective tax rates in future years' consolidated income statements. Several prior years' tax computations are still open for review or audit by the tax authorities for most of our subsidiaries at the balance sheet date. Our estimates of income tax expense and liabilities at each year end include management judgments about the eventual outcome of the reviews and audits of all open years based on the latest information available about the positions taken by each tax authority.

The LMCS Group's management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of the LMCS Group's financial condition and results of operations is based on the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flow as of and for the year ended, December 31, 2016 and as of and for the period between March 6, 2015 and December 31, 2015, which have been derived from LMCS 2016 Audited Financial Statements and the LMCS 2015 Stub Period Audited Financial Statements, respectively, which have been prepared in accordance with German GAAP and which are included elsewhere in this Offering Memorandum. The LMCS Group was formed by the combination of the StrikoWestofen GmbH group of companies and the Italpresse Industrie S.r.l. group of companies into LMCS on March 6, 2015. As a result, no consolidated financial statements for the LMCS Group exist in respect of any period prior to March 6, 2015, and so the results of operations presented in the LMCS 2015 Stub Period Audited Financial Statements are not comparable to those presented in the LMCS 2016 Audited Financial Statements. See "Presentation of financial information and other data." This section should be read in conjunction with the above consolidated financial statements, including the notes thereto, as well as other financial information contained elsewhere in this Offering Memorandum.

The LMCS Group Financial Statements have been prepared in accordance with German GAAP, which differs in certain significant respects from IFRS. In making an investment decision, investors must rely upon their own examination of the Norican Group and the LMCS Group, the terms and conditions of the Notes and the financial information included herein. Potential investors should consult their own professional advisors in order to gain an understanding of the differences between German GAAP and other accounting frameworks and how these differences might affect the financial statements and information herein.

The following discussion also contains forward-looking statements. The LMCS Group's actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly under "Forward-looking statements" and "Risk factors."

Key factors affecting the LMCS Group's results of operations and significant market trends

We believe that the following factors and market trends have significantly affected the LMCS Group's results of operations for the periods under review, and we expect that such factors and trends may continue to significantly impact the Combined Group's results of operations in the future.

General economic conditions and demand for lightweight metallic (particularly aluminum) parts

The market for lightweight metallic parts, and in particular, the aluminum premium casting equipment market, is benefiting from the increasing demand for the use of lighter materials from the manufactured parts industry as well as from the growing consumer demand for electric cars. This underlying market trend originating from both the industry and the consumers, is largely driven by the evolution of the worldwide environmental policies relating to the reduction of power consumption and carbon dioxide emissions and the underlying evolution of the automotive market. See "*Industry—Key market trends affecting our parts formation business—Carbon dioxide emissions drive demand for lightweight features*."

In addition, as compared to other materials used in the automotive industry, such as steel, carbon fiber and plastics, the use of aluminum parts allows for higher fuel efficiency and higher corrosion resistance than steel, cheaper production costs than carbon fiber and stronger products than plastics.

Moreover, the demand for increasingly more complex and technologically innovative products also increases. The LMCS Group's product range caters for these demands with a current range of high-end products tailored to the needs of its customer base. The LMCS Group's deep understanding of the evolutionary direction of its customers' product needs supports its ability to adapt its offers to service its customers' needs, from both a local and global perspective. The LMCS Group services the needs of nine out of ten of the most significant OEMs in the automotive market and its global footprint allows for each of its technologically innovative products to be offered to its full customer base.

Management of personnel expense

The LMCS Group's personnel expenses are managed on a dual system involving (i) direct employees, including highly qualified personnel in the areas of engineering, R&D, quality management and administration and (ii) a network of independent contractors for the manufacturing areas of production. The sales and services workforce is composed of both direct employees and independent agents. The independent agents, managed by the LMCS Group's direct employees, are hired to fulfill the backlog orders and the precisely tailored production needs of the LMCS Group, which allows for a highly scalable and efficient business as well as increased flexibility with respect to available capacities. The LMCS Group's manufacturing capabilities are outsourced to a large degree which allows for low capital expenditure and relatively low personnel expenses shifting part of the workforce costs into material costs. See "*Our Combined Business—Employees*."

Market trends and innovation

In order to maintain the LMCS Group's relationships and positioning with its customers, the LMCS Group is continuously improving and updating the range of products it offers, as well as maintain the quality of its existing product offerings. Through its R&D activities in both the Italpresse business in Italy and the StrikoWestofen business in Germany, the LMCS Group follows a stringent policy of updates and improvements for its entire product portfolio.

In addition, in September 2016, the LMCS Group created a new consulting and engineering company, LMCS Tech, focused on project management, process design for gravity, high and low pressure casting and project implementation. This allows the LMCS Group to broaden the range of services offered to its customers.

Through the Acquisition, the LMCS Group's expertise in aluminum, magnesium and zinc alloys, can be leveraged to further improve the Combined Group's offer of products and strengthen the development of bespoke and specialized high quality products and services offered, especially in the automotive sector.

Seasonality of revenues

The LMCS Group's equipment business is driven by the timing of our customers' investment decisions, which are in turn driven by their annual capital expenditure budgets. As a result, we typically generate peak revenue and earnings from equipment sales in the fourth quarter of most years, followed typically by significantly lower revenue and earnings from equipment sales in the first quarter of the following year. This effect has been more pronounced for the LMCS Group than for the Norican Group due to the larger revenue share of equipment sales.

Comparability of financial information presented

The LMCS Group was formed by the combination of the StrikoWestofen GmbH group of companies and the Italpresse Industrie S.r.l. group of companies into LMCS on March 6, 2015. As a result, no consolidated financial statements for the LMCS Group exist in respect of any period prior to March 6, 2015, and so the results of operations presented in the LMCS 2015

Stub Period Audited Financial Statements are not comparable to those presented in the LMCS 2016 Audited Financial Statements. See "*Presentation of financial information and other data*."

Key statement of income items

Set out below is a brief description of the composition of the key line items of the LMCS Group's profit and loss account under German GAAP.

Revenues

Revenues include sales of melting and dosing furnaces, die casting equipment and related services in the light metal casting industry, and in particular in the aluminum, magnesium and zinc alloys markets as well as related engineering consulting, project management, process design and project implementation. Sales from provision of services are recognized in the period in which the services are performed.

Increase or decrease in finished goods and work in progress

The increase or decrease in finished goods and work in progress is comprised primarily of unfinished goods and work in progress, and are impacted by the timing of the LMCS Group's customer orders.

Other own work capitalized

Other own work capitalized is comprised primarily of the LMCS Group's research and development activities.

Other operating income

Other operating income is comprised primarily of exchange rates gains, insurance refunds, public grants, reversal of provisions as well as sale of scrap and wood, which may vary year-on-year earnings.

Material costs

Material costs are comprised primarily of raw materials costs and costs of standard items purchased or custom-tailored alloys for melting and dosing furnaces, die casting equipment as well as associated spare parts in the light metal casting industry, and in particular in the aluminum, magnesium and zinc alloys markets. In addition material costs includes third party services costs as well as special direct cost of sales such as commissions and/or transport cost.

Personnel expenses

Personnel expenses are comprised primarily of payroll for engineering, sales and administrative staff, as well as for service, spare parts and workshop assembly employees. As a large portion of our workforce is hired as a third party service, this item remains typically comparatively low.

Depreciation and amortization of intangible and tangible fixed assets

Depreciation and amortization of intangible and tangible fixed assets is comprised primarily of the linear amortization of intangible assets such as goodwill capitalized in the course of certain acquisitions. It also includes patents and licenses including brands, customer base, technology and software. As certain of the LMCS Group's office and assembly premises are rented, and the LMCS Group does not require heavy machinery, equipment depreciation on tangibles assets remains comparably low.

Other operating expenses

Other operating expenses are comprised primarily of all operating expenses not directly attributable to the production of melting and dosing furnaces, die casting equipment and related services in the light metal casting industry, as well as external services related to service staff, technical and legal advisors including auditors, travel expenses incurred for service and sales staff as well as management, rent costs for land and buildings, car lease and tools, bad debts provisions, professional fees, marketing costs, insurance costs, information technology, maintenance, utilities, as well as bank charges and exchange rates losses.

Interest income and similar income

Interest income and similar income are comprised primarily of interest income from customers and gains from derivatives.

Interest expenses and other expenses

Interest expenses and other expenses are comprised primarily of interest incurred on refinancing loans.

Income taxes

Income tax are comprised primarily of trade and local taxes, current income taxes and deferred tax charges.

Other taxes

Other taxes are comprised primarily of motor vehicle taxes and local taxes not levied on income.

Net income applicable to minority shareholders

Net income applicable to minority shareholders represents the share of the profits and losses on ordinary activities attributable to the interests of minority shareholders, which were subsequently bought out as part of the Acquisition.

Results of operations

The following table presents the consolidated statement of operations data for the year ended December 31, 2016 and for the period between March 6, 2015 and December 31, 2015, which have been derived from the audited consolidated financial statements of Light Metal Casting Solutions Group GmbH as of and for the year ended December 31, 2016 and the audited consolidated financial statements of Light Metal Casting Solutions Group GmbH for the period between March 6, 2015 and December 31, 2015, both prepared in accordance with German GAAP and included elsewhere in this Offering Memorandum.

The LMCS Group's results of operations for the period between March 6, 2015 and December 31, 2015 discussed in this section are presented as a stub period because the operations of Light Metal Casting Solutions Group GmbH started on March 6, 2015 and Light Metal Casting Solutions Group GmbH did not conduct any business operations prior to that date. Due to the different length of period of operation, the results of operations of Light Metal Casting Solutions Group GmbH for the year ended December 31, 2016 and for the period between March 6, 2015 and December 31, 2015, as well as the cash flow statement, the capital expenditure and other data presented below, are not directly comparable. See also "*Presentation of financial information and other data.*"

	LMCS Group			
	March 6 to December 31, 2015(1)	Year ended December 31, 2016	March 6 to December 31, 2015(1)	Year ended December 31, 2016
		(in € millions)		(in % of Total output)
Revenues	149.4	180.9	—	—
Increase or decrease in finished goods and work in process	(2.9)	(0.4)	—	—
Other own work capitalized	0.2	0.3	—	—
Other operating income	1.5	1.0	—	—
Total output	**148.2**	**181.7**	—	
Material costs	(93.7)	(114.9)	63.2	63.2
Personnel expenses	(22.2)	(28.3)	15.0	15.6
Depreciation and amortization of intangible and tangible fixed assets	(6.1)	(7.3)	4.1	4.0
Other operating expenses	(14.1)	(14.6)	9.5	8.0
Interest income and similar income	0.3	0.3	0.2	0.2
Interest expenses and other expenses	(3.9)	(4.7)	2.6	2.6
Income from ordinary activities	**8.4**	**12.4**	**5.7**	**6.8**
Income tax	(2.4)	(4.7)	—	—
Other taxes	(0.3)	(0.3)	—	—
Net income	**5.7**	**7.4**	—	—
Net income applicable to minority shareholders	(0.0)	(0.1)	—	—
Consolidated net income	**5.6**	**7.3**	—	—

(1) Amounts are shown for LMCS from March 6, 2015, the date on which LMCS began operations, to December 31, 2015. See "*Summary—Summary consolidated financial and other information.*"

Revenue

Revenue for the year ended December 31, 2016 amounted to €180.9 million, primarily impacted by sales of holding and melting furnaces, spare parts and services, dosing furnaces and crucible furnaces and heat treatment.

Revenue for the period between March 6, 2015 and December 31, 2015 amounted to €149.4 million, primarily impacted by sales of die casting, gravity casting, spare parts and services, as well as melting furnaces, dosing furnaces and crucible furnaces.

Increase or decrease in finished goods and work in progress

Decrease in finished goods and work in progress for the year ended December 31, 2016 amounted to €0.4 million, primarily impacted by the number of orders for our equipment as of December 31, 2016 and predominantly influenced by the stage of completion of each order.

Decrease in finished goods and work in progress for the period between March 6, 2015 and December 31, 2015 amounted to €2.9 million, primarily impacted by the number of orders for our equipment as of December 31, 2015 and predominantly influenced by the stage of completion of each order.

Other own work capitalized

Other own work capitalized for the year ended December 31, 2016 amounted to €0.3 million, primarily impacted by the LMCS Group's research and development activities performed by a team of internal engineers to improve the production process.

Other own work capitalized for the period between March 6, 2015 and December 31, 2015 amounted to €0.2 million, primarily impacted by LMCS's Group's research and development activities performed by a team of internal engineers to improve the production process.

Other operating income

Other operating income for the year ended December 31, 2016 amounted to €1.0 million, primarily impacted by realized exchange rate gains, as well as insurance refunds, public grants, earnings from prior years, price differences, overpayments as well as release of provisions and sale of scrap and wood.

Other operating income for the period between March 6, 2015 and December 31, 2015 amounted to €1.5 million, primarily impacted by realized exchange rate gains due to the favorable development of the U.S. Dollar and Chinese Renminbi against the euro as well as subsides received by the local authorities for our research and development activities.

Material costs

Material costs for the year ended December 31, 2016 amounted to €114.9 million, or 63.2% of the total output, primarily impacted by the raw materials costs and costs of standard items purchased or custom-tailored alloys for melting and dosing furnaces, die casting equipment as well as associated spare parts in the light metal casting industry, and in particular in the aluminum, magnesium and zinc alloys markets in addition to third party services related to the manufacturing of our equipment. Material cost as a percentage of total output was unchanged from that for the period from March 6, 2015 to December 31, 2015.

Material costs for the period between March 6, 2015 and December 31, 2015 amounted to €93.7 million, or 63.2% of the total output, primarily impacted by the raw materials costs and costs of standard items purchased or custom-tailored alloys for melting and dosing furnaces, die casting equipment as well as associated spare parts in the light metal casting industry, and in particular in the aluminum, magnesium and zinc alloys markets in addition to third party services related to the manufacturing of our equipment.

Personnel expenses

Personnel expenses for the year ended December 31, 2016 amounted to €28.3 million, or 15.6% of the total output, primarily impacted by the addition of 15 new staff members following the acquisition of the heat treatment business. However, the average cost per employee remained stable. Personnel expenses as a percentage of total output increased slightly compared to personnel expenses as a percentage of total output for the period from March 6, 2015 to December 31, 2015.

Personnel expenses for the period between March 6, 2015 and December 31, 2015 amounted to €22.2 million, or 15.0% of the total output, primarily impacted by the addition of personnel (such as a R&D head, VP sales U.S.A. and a new sales team).

Depreciation and amortization of intangible and tangible fixed assets

Depreciation and amortization of intangible and tangible fixed assets for the year ended December 31, 2016 amounted to €7.3 million, or 4.0% of the total output, primarily impacted by linear amortization of intangible assets such as goodwill as well as patents and licenses including brands, customer base, technology and software. As certain office and assembly premises are rented and the LMCS Group does not require heavy machinery and equipment, depreciation on tangibles assets is comparably low. Depreciation and amortization of intangible and tangible fixed assets as a percentage of total output was roughly unchanged from that for the period from March 6, 2015 to December 31, 2015.

Depreciation and amortization of intangible and tangible fixed assets for the period between March 6, 2015 and December 31, 2015 amounted to €6.1 million, or 4.1% of the total output, primarily impacted by linear amortization of intangible assets with regards to goodwill as well as patents and licenses including brands, customer base, technology and software. As certain office and assembly premises are rented and the LMCS Group does not require heavy machinery and equipment, depreciation on tangibles assets is comparably low.

Other operating expenses

Other operating expenses for the year ended December 31, 2016 amounted to €14.6 million, or 8.0% of the total output, primarily impacted by travel, external services including legal, audit and other consulting fees, rent, marketing and sales promotion, freight, commissions and third party costs such as external personnel costs. Other operating expenses as a percent of total output decreased by 1.5% points compared to the period between March 6, 2015 and December 31, 2015 due to variations in freight costs, commissions, travel costs, marketing and sales promotions, relative to the period's projects.

Other operating expenses for the period between March 6, 2015 and December 31, 2015 amounted to €14.1 million, or 9.5% of the total output, primarily as a result of travel, external services, including legal, audit and other consulting fees, rent, marketing and sales promotion, freight, commissions, and third party costs such as external personnel costs.

Interest income and similar income

Interest income and similar income for the year ended December 31, 2016 amounted to €0.3 million, or 0.2% of the total output, primarily impacted by derivative gains. Interest income and similar income as a percentage of total output was unchanged from that for the period from March 6, 2015 to December 31, 2015.

Interest income and similar income for the period between March 6, 2015 and December 31, 2015 amounted to €0.3 million, or 0.2% of the total output.

Interest expenses and other expenses

Interest expenses and other expenses for the year ended December 31, 2016 amounted to €4.7 million, or 2.6% of the total output, primarily impacted by interest on bank liabilities (Loan Senior A and Senior B as well as Mezzanine Capital and various term loans or revolving facilities) and shareholder loans. Interest expenses and other expenses as a percentage of total output were unchanged from that for the period from March 6, 2015 to December 31, 2015.

Interest expenses and other expenses for the period between March 6, 2015 and December 31, 2015 amounted to €3.9 million, or 2.6% of the total output, primarily impacted by interest on bank liabilities (Loan Senior A and Senior B as well as Mezzanine Capital and various term loans or revolving facilities) and shareholder loans.

Income taxes

Income tax for the year ended December 31, 2016 amounted to €4.7 million, consisting primarily of trade and local taxes, current income taxes and deferred tax changes.

Income tax for the period between March 6, 2015 and December 31, 2015 amounted to €2.4 million, primarily impacted by corporate taxes such as corporate income tax and deferred tax charges.

Other taxes

Other taxes for the year ended December 31, 2016 amounted to €0.3 million, primarily impacted by regional taxes, as well as the motor vehicle taxes.

Other taxes for the period between March 6, 2015 and December 31, 2015 amounted to €0.3 million, primarily impacted by regional taxes as well as motor vehicle taxes.

Liquidity and capital resources

Liquidity

The LMCS Group's business has required liquidity primarily to meet its debt service obligations and to fund capital expenditures and working capital.

Historically, its principal sources of liquidity have been accumulated cash generated from its operating activities, prepayments from customers and proceeds from credit facilities. Cash includes cash on hand and banks balances totaling €11.4 million and €8.7 million as of December 31, 2016 and December 31, 2015, respectively. On such dates, LMCS's trade payables were €28.5 million and €33.8 million, respectively.

In addition, certain of our activities are located in countries whose legal systems impose restrictions on the circulation of liquidity out of their borders, such as China. As of December 31, 2016, the LMCS Group had approximately €2.5 million of cash which will have to remain within our Chinese subsidiary and which we expect to use for investments in growth opportunities and working capital of our Chinese business.

Cash flows

The following table summarizes net cash flows from operating, investing and financing activities for the period between March 6, 2015 and December 31, 2015 and the year ended December 31, 2016, respectively:

	Period from March 6, 2015 to December 31, 2015	Year ended December 31, 2016
		(in € millions)
Net cash from operating activities	7.2	14.9
Net cash used in investing activities	(1.8)	(1.3)
Net cash used in financing activities	(14.7)	(11.0)
Net increase in cash	(9.2)	2.7
Cash, beginning of period	**17.9**	**8.7**
Cash, end of period	**8.7**	**11.4**

Net cash from operating activities

Net cash from operating activities for the year ended December 31, 2016 amounted to €14.9 million, primarily impacted by the sales of die casting and gravity equipment as well as associated spare parts and services and holding and melting furnaces, dosing furnaces and associated spare parts and services.

Net cash from operating activities for the period between March 6, 2015 and December 31, 2015 amounted to €7.2 million, primarily impacted by the sales of die casting and gravity equipment as well as associated spare parts and services and holding and melting furnaces, dosing furnaces and associated spare parts and services.

Net cash used in investing activities

Net cash used in investing activities for the year ended December 31, 2016 amounted to an outflow of €1.3 million, primarily impacted by investments in R&D own work capitalized, information technology, machinery and equipment.

Net cash in investing activities for the period between March 6, 2015 and December 31, 2015 amounted to an outflow of €1.8 million, primarily impacted by investments in R&D own work capitalized, information technology and real estate expenses.

Net cash used in financing activities

Net cash used in financing activities for the year ended December 31, 2016 amounted to an outflow of €11.0 million, primarily impacted by redemption payments as per loan agreements for existing bank loans as well as interest expenses for existing bank and shareholder loans.

Net cash in financing activities for the period between March 6, 2015 and December 31, 2015 amounted to an outflow of €14.7 million, primarily impacted by redemption payments as per loan agreements for existing bank loans as well as interest expenses for existing bank and shareholder loans.

Tangible capital expenditures

The following table presents the LMCS Group's tangible capital expenditures for the period between March 6, 2015 and December 31, 2015 and the year ended December 31, 2016:

	From March 6 to December 31, 2015	Year ended December 31, 2016
		(in € millions)
Expenditure for fixed asset investments	0.8	0.9
Total net capital expenditures	**0.8**	**0.9**

Expenditure for fixed asset investments

Expenditure for fixed asset investments for the year ended December 31, 2016 amounted to €0.9 million, primarily impacted by investments in information technology, machinery tools and equipment.

Expenditure for fixed asset investments for the period between March 6, 2015 and December 31, 2015 amounted to €0.8 million, primarily impacted by investments in production tools.

Contractual obligations and commercial commitments of the Combined Group

See "*The Norican Group's management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Contractual obligations and commercial commitments of the Combined Group*."

Off balance sheet transactions

The automobile fleet of SWO Holding GmbH is leased and office, production and warehouse buildings of the LMCS group are leased, with certain administrative functions handled by the lessor. The subsidiaries of the LMCS Group in Poland and the United Kingdom have outsourced their accounts to external service providers. IT systems support is also partly outsourced. The annual liquidity impact of such off balance sheet activities is approximately €0.3 million. In addition, the LMCS Group enters into foreign exchange futures, primarily to hedge its U.S. dollar exposure.

Differences between German GAAP and IFRS

The audited consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2015 and 2016, and of Norican Holdings as of and for the year ended December 31, 2014, have been prepared in accordance with IFRS. The audited consolidated financial statements of Light Metal Casting Solutions Group GmbH as of and for the year ended December 31, 2016 and as of and for the period between March 6, 2015 and

December 31, 2015, have been prepared in accordance with German GAAP. There are significant differences between German GAAP and IFRS. The following paragraphs summarize certain significant differences between German GAAP and IFRS as of December 31, 2016.

The organizations that promulgate IFRS have ongoing projects that could have significant impact on future comparisons of German GAAP and IFRS. This description is not intended to provide a comprehensive listing of all such differences specifically related to us or the business in which the LMCS Group operates. We have not attempted to identify all disclosure, presentations or classification differences that would affect the manner in which transactions and events are presented in the Audited Consolidated Financial Statements or the notes thereto, included elsewhere in this Offering Memorandum.

We cannot assure you that the differences described below would, in fact, be the accounting principles creating the greatest material differences between the LMCS Group's Audited Consolidated Financial Statements prepared under German GAAP and under IFRS. In addition, we cannot estimate the net effect that applying IFRS would have on the LMCS Group's results of operations or the LMCS Group's financial position, or any part of them, in any of the presentations of financial information in this Offering Memorandum. The effect of such differences may be material and, in particular, total shareholders' equity (capital debit) and net income prepared on the basis of IFRS may be materially different due to these differences.

Financial statement presentation

Under IFRS, the presentation of the balance sheet is based on a current/non-current distinction of assets and liabilities. IFRS requires the presentation of assets and liabilities in order of liquidity only when a liquidity presentation provides information that is reliable and is more relevant than a current/non-current presentation. Under German GAAP, the presentation of the balance sheet is based on liquidity of the assets and liabilities. In addition, the regulations concerning the presentation of financial statements under IFRS could lead to different disclosures in the balance sheet and the income statements compared to German GAAP.

The disclosures required in the explanatory notes to the financial statements are more extensive under IFRS than under German GAAP.

Business combinations

Under German GAAP and IFRS, the acquisition method of accounting is applied. Similar to IFRS, German GAAP requires the recognition of the assets acquired and liabilities assumed on the basis of the fair value at the time of acquisition. Similar to IFRS, German GAAP requires recognizing goodwill from a business combination at the amount by which the purchase price for the acquisition exceeds the fair value of the net assets acquired at the date of the acquisition.

Under IFRS, transaction costs related to the acquisition are immediately recognized as an expense. Under German GAAP, certain costs directly attributable to the acquisition can be capitalized as goodwill along with the purchase price.

Impairment of assets

Under IFRS, an impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

Under German GAAP, an impairment loss for long-lived assets must only be recorded if a permanent impairment in value is anticipated. An impairment loss is recognized under German GAAP, if the fair value less cost to sell is permanently expected to be lower than the carrying amount of an asset. The concept of cash generating units is not applicable under German GAAP, and impairment loss is determined on an item-by-item basis.

Amortization, depreciation and impairment on intangible and tangible assets

Under IFRS and German GAAP, amortization and depreciation are based on the useful life of the asset. However, under German GAAP, all intangible and tangible assets are subject to amortization and depreciation, whereas under IFRS, intangible assets with an indefinite useful life, including goodwill, are not amortized but are only subject to an impairment test which is at least performed on an annual basis.

Leasing

Under IFRS, a lease has to be classified either as an operating lease or as a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of leased assets. Title may or may not eventually be transferred. For a finance lease, the lessee recognizes an asset and a liability at an amount equal to the lower of the fair value of leased property and the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognized as an asset. Operating leases are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Under German GAAP, accounting for leases is primarily due to certain decrees of the Federal Ministry of Finance, to determine whether capitalization at the lessee level is required. These rules differ from IFRS rules in several respects. Some leases specified as operating lease under German GAAP may qualify as a finance leases under IFRS.

Provision for pensions

Under German GAAP and IFRS, post-employment benefits are classified either as defined contributions or defined benefit plans. Under IFRS it is required to use the projected unit credit method to determine the present value of the entity's defined benefit obligation, whereas under German GAAP the use of the projected unit credit method is only one of the permissible actuarial valuation methods. The LMCS Group used the tax driven entry age normal method as the actuarial method to calculate the LMCS Group's pension liabilities.

A major difference between German GAAP and IFRS is the discount rate used to discount post-employment benefit obligations. Under IFRS, the discount rate is determined by reference to market yields of high quality corporate bonds at the end of the reporting period. Under German GAAP, the determination of the discount is determined on the average market yields for the past seven years.

Under German GAAP, all changes in the pension liability are recognized in the income statement, whereas under IFRS, certain changes in the pension liability are recognized in the other comprehensive income.

The amount which has to be accounted for as a liability from a defined benefit plan equals of the cash value of the defined benefit pension obligation, less the fair value of the plan assets which exist for the direct fulfillment of the obligation.

Provisions and contingencies

Under IFRS, provisions are recognized if an enterprise has a present obligation as a result of a past event, it is probable (meaning, more likely than not) that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Under German GAAP, the criteria for the recognition of provisions and contingencies are less detailed and prescriptive than under IFRS. Provisions must be carried at the amount required to settle the obligation based on sound business judgment in accordance with the principle of a prudent businessman. Under German GAAP the discount rate is determined on the average market yields for the past seven years, whereas the discount rate according to IFRS reflects current market assessments of the time value of money and the risks specific to the liability.

Derivative financial instruments and hedging

Under IFRS, derivative financial instruments (for example interest rate swaps) are recorded in the consolidated statements of financial position at fair value (mark-to-market) on the acquisition date. Changes in the fair value of derivatives are recorded each period in earnings or as separate component of equity, depending on whether a derivative is designated as a part of a hedge transaction and the type of the hedge transaction.

Under German GAAP, there is no distinction in the accounting treatment between fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. If a derivative financial instrument and its related underlying instrument are designated as a hedge for a particular risk exposure ("**Valuation Unit**"), and the hedge is considered to be effective, the changes of the fair value of the hedging instrument and the hedged item are netted in the income statement line of the hedged items. Therefore, the effective portion of the hedged item and the hedging instrument remains unrecognized. However, under German GAAP a provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the underlying transactions as well as for the ineffective portion of the Valuation Units. Unrealized gains are not recognized under German GAAP.

If the liabilities to banks relate to floating rate interest-bearing loans, respective swaps are entered into to fix the interest rates. If the requirements are met, hedging instruments and hedged items are combined to form a Valuation Unit and are accounted for using the net hedge presentation method. In accordance with the net hedge presentation method, the effective portion of the hedged item and the hedging instrument remains unrecognized as long as the hedge is effective. The hedge effectiveness is determined by means of the dollar-offset-method. A provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the hedged item as well as for the ineffective portion of the Valuation Units. Unrealized gains for the hedging instruments and the hedged items are not recognized.

Prepaid expenses for bank loans

Under German GAAP, prepaid expenses in connection with a bank loan are included in prepaid expenses on the assets side of the balance sheet and amortized by systematic annual charges over the full time of the liability. Under IFRS, transaction costs that are directly attributable to the originated bank loan are amortized through profit or loss over the term of the loan using the effective interest method.

Industry and market overview

Certain of the information set forth in this section has been derived from external sources, including information from reputable international consulting firms. 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 "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 "Forward-looking statements."

Overview

We are a leading global metallic parts enhancement group that designs, manufactures and supplies equipment and machinery used in the formation and preparation of ferrous and non-ferrous metallic parts. Equipment sales are complemented by an extensive sales and service network where we offer our clients a full range of aftermarket supplies. Our customers include some of the world's largest companies across a wide range of industrial sectors, including automotive suppliers, aerospace, construction, steel, aluminum, energy, transportation and kitchenware. Due to the nature of our business and natural position in some of the earliest parts of the value chain, the metallic parts created by our customers with our machines have broad applications, thereby creating indirect exposure to a large variety of sectors. We provide innovative and technologically advanced equipment and solutions that are critical to increasing cost efficiency and productivity in our customers' production processes.

Our underlying end-markets are exposed to positive long-term developments and growth from strong secular trends, including increasing wealth and urbanization, as well as an accelerating trend of foundry consolidation and automation, predominantly in China. Solid economic development strengthens the case for adding new, increasingly automated production capacity. An enhanced focus on energy efficiency and a reduced environmental footprint is further driving demand for using lightweight metals in various end-market applications across both developed economies and emerging markets. We believe these growth trends in combination with our strong presence in the aftermarket create a resilient financial profile with further growth potential.

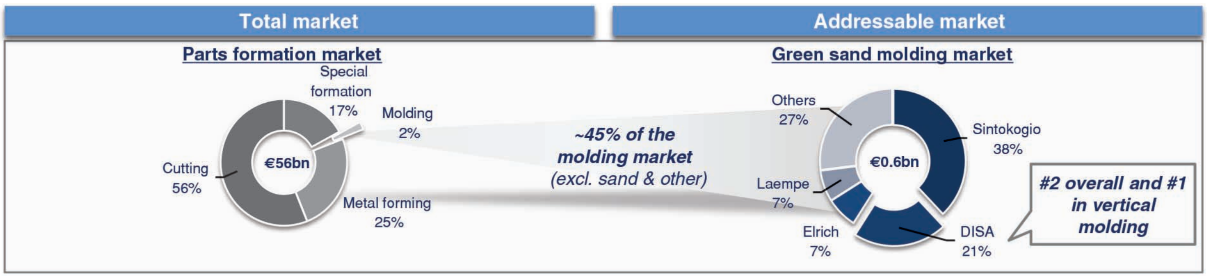
Leveraging our technology portfolio, engineering acumen, complex project management experience and in-house research and development expertise, we serve our clients through four customer-facing brands:

- *DISA.* Offers complete foundry solutions for green sand molding processes of mainly ferrous metals with various molding equipment, including vertical, horizontal and matchplate molding technology.
- *Wheelabrator.* Offers a wide range of both standard and customized shotblasts, surface preparation and peening equipment solutions and support, including parts, service, and equipment upgrades.
- *StrikoWestofen.* Offers a wide range of solutions for light metal (mainly aluminum) alloys within thermal-processing including melting, holding and dosing furnaces and heat treatment.

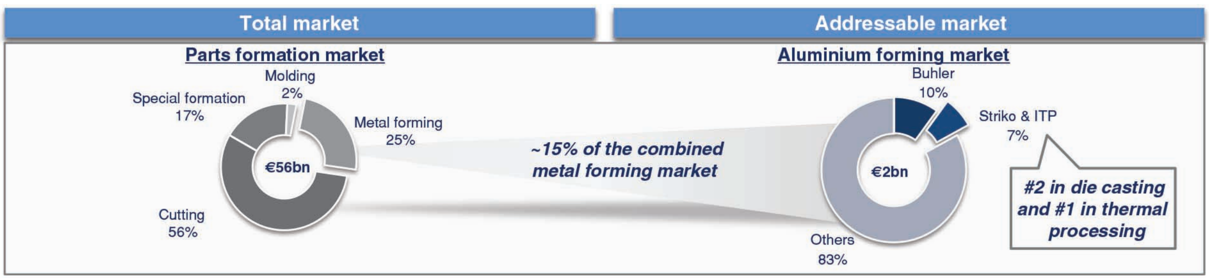
• *Italpresse & Gauss Automazione.* Offers a wide range of high-pressure die casting, gravity casting and low-pressure die casting equipment solutions for light metal (mainly aluminum) alloys.

The metallic parts enhancement value chain is comprised of the parts formation, parts preparation and parts coating segments.

• Parts formation: Parts formation consists of primary and secondary parts formation. Primary parts formation is the process of forming metallic parts from molten metal through die casting, green sand molding or other production technologies. Secondary parts formation comprises follow-on manufacturing processes including machining and gear cutting, forging and bending, as well as laser and plasma cutting that are required to create the product according to its dimensional specifications.



Source: Management estimates (2016); Machine Tools A Global Strategic Business Report, September 2011; The 2018-2023 World Outlook for Die Casting, 2017; A Global Analysis of Casting Production and Competitive Intelligence Information, 2013; The World Market for Casting Machines Used in Metallurgy or Metal Foundries: A 2016 Global Trade Perspective, 2017; The 2018-2023 World Outlook for Iron Foundries, 2017; The 2018-2023 World Outlook for Machine Tools, 2017.

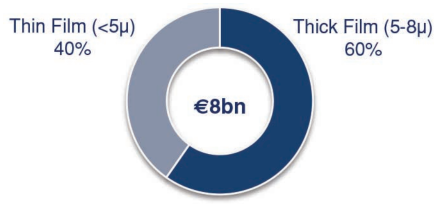


Source: Management estimates (2016); Machine Tools A Global Strategic Business Report, September 2011; The 2018-2023 World Outlook for Die Casting, 2017; A Global Analysis of Casting Production and Competitive Intelligence Information, 2013; The World Market for Casting Machines Used in Metallurgy or Metal Foundries: A 2016 Global Trade Perspective, 2017; The 2018-2023 World Outlook for Iron Foundries, 2017; The 2018-2023 World Outlook for Machine Tools, 2017.

• Parts preparation: Parts preparation is the process of making a metallic part suitable for end-usage in terms of finish, strength and hardness. Cleaning, strengthening and polishing of metallic parts is a sub segment of the parts preparation market and comprises processes to change the surface condition through direct contact with an abrasive medium. The surface preparation technologies used in cleaning, strengthening and polishing include wheelblasting (accelerating abrasives by applying centrifugal forces generated by a spinning wheel), airblasting (abrasives is pneumatically accelerated by compressed air and projected by nozzles onto a metallic surface) and mass finishing (immersing parts in a medium and finishing by vibratory action). A customer's choice of surface preparation technology is largely determined by production volume requirements, geometric part complexity, the precision required for the blasting pattern, the surface area being treated and the energy and abrasive consumption requirements. Another subset of the parts preparation market is that of precision surfaces, which includes grinding (an abrasive machining process that uses a grinding wheel as the cutting tool), lapping (a machining process in which two surfaces are rubbed together with an abrasive between them, either by hand movement or by way of a machine) and honing (an abrasive machining process that produces a precision surface on a metal workpiece by scrubbing an abrasive stone against it along a controlled path).

Source: Management estimates (2016); Shot-Blasting Global Study, 4th Edition 2014; The Metallic Abrasives Industry, 3rd Edition 2012; The 2018-2023 World Outlook for Iron Foundries, 2017; The 2016 World Forecasts of Metal Honing or Lapping Machines Export Supplies.

- Parts coating: Parts coating is the process of applying a very thin metallic or ceramic coating to a metallic part to protect it against long-term wear and tear. The parts coating market is regularly divided into thick film coating and thin film coating.



Source: Management estimates; Thin Layer Deposition Equipment: A Global Strategic Business Report, 2011.

We deliver a complete range of equipment, parts and service within parts formation, marketed through the DISA (mainly ferrous metals), the StrikoWestofen and the Italpresse & Gauss Automazione (non-ferrous metals) brands to ferrous (iron-based) and non-ferrous foundry (a foundry is a factory that specializes in metal casting) customers in the primary parts formation industries. In parts preparation, we provide the entire range of surface preparation technology (wheelblast, airblast and mass finishing) through our Wheelabrator-branded equipment, parts, technology and service to various industries engaged in manufacturing metallic parts throughout the world. We do not currently have any parts coating operations, but we consider this to be a natural area of future expansion for Norican.

Both the parts formation and the parts preparation operations have an equipment sales component and an aftermarket sales component.

The aftermarket sales component for the parts formation and parts preparation markets is the provision of spare parts and services to the customers' installed equipment. Customers with more sophisticated procurement processes may source non-proprietary parts (such as metal guides milled from standard dimensional steel) from other distributors or metal fabricators. In addition, depending on in-house engineering capabilities and their capacity utilization, customers may conduct their own maintenance operations.

Production process

Parts formation and parts preparation are separate segments of the metallic parts enhancement value chain; however, our DISA and Wheelabrator brands share the same basic production processes, as described below:

- Conceptual design is completed as part of the sales process. Once an order is accepted, long-lead items are released for purchase.
- Detailed assembly drawings and the associated bill of materials is created from the conceptual drawing. These are subsequently released to the internally designated supply chain site for production.

- Parts and components required for production are sourced through a procurement function where Norican manufacturers some parts in-house but the majority is outsourced. For LMCS, all manufacturing of components are fully outsourced through its established network with strategic partners and suppliers and the assembly is done at their global assembly locations. For Norican, these parts are delivered to one or several workcells for module or sub-component manufacturing.
- For Norican, the modules or sub-components are moved to a final workcell for complete equipment assembly (which includes all control system wiring, hydraulics and power). Some procured parts are sent directly to the complete equipment assembly workcell. In some cases, the customer requires the manufacturer to demonstrate machine functions in accordance with agreed contract terms. In these cases, the customer may visit the assembly facility to observe final testing in person. Once final testing is done, the machines are disassembled and sent to a paint room for a final touch-up prior to shipment.
- Machine components are packaged for shipment (typically in wooden shipping crates) and loaded onto a truck for shipment directly to the customer, or to a local port. This process is fully outsourced to third party providers.
- The final step is on-site installation of the machine at the customer location. This is usually performed by an installation crew sent from one of our center for product innovation ("**CPIs**"), but it could also be performed local service technicians. The manufacturer receives a completion certificate from the customer upon completion of installation, thereby triggering the start of the warranty period.

Market structure

Parts formation

While we estimate that the parts formation market had annual aggregated revenues of approximately €56 billion in 2016 (management estimates), overall we focus on specific niche segments within this market. Through our DISA, StrikoWestofen and Italpresse & Gauss Automazione brands, we cater to an estimated €0.6 billion per annum (Management estimates, 2016) green sand molding technology and equipment segment and an estimated €2 billion per annum (Management estimates, 2016) aluminum forming equipment segment. Green sand molding accounts for roughly half of the total molding segment and is a fragmented market, with competitors largely consisting of small- and medium-sized local players. We estimate that, in terms of revenue, we had a market share of 21% in the global green sand molding technology and equipment market in 2016 and 7% in the global aluminum forming equipment market (Management estimates, 2016).

The parts formation industry is characterized by significant barriers to entry, reducing the threat of new players entering the market. Our market research has shown that a strong track record is important to our customers, with an equipment providers' reputation shown to be a critical purchasing criterion. Without an installed equipment base, equipment manufacturers have limited access to the higher-margin aftermarket sales and are more reliant on the lower-margin equipment sales market. Since many of the machines have a long life span, establishing a sizeable installed base takes time and investment. This further reduces the attractiveness of entering the market. Good reputation and strong customer relationships are essential to a successful parts formation business since the machines we sell are typically procured by senior management in foundries and both factors influence the likelihood of customers placing repeat equipment and spare parts purchases. In addition to established relationships and a top-of-the-mind reputation among decision-makers, new entrants are required to have a high degree of specialized technical and engineering capabilities in order to be able to deliver the customized products that are required by higher-value customers. As a result, we believe that entry barriers make it difficult for new companies to enter the parts formation market.

We are one of the world's leading providers of vertical, horizontal and matchplate molding technology, as well as ancillary equipment (such as sand plants) for green sand foundries. Moreover, we are a leading supplier of non-ferrous thermal processing and die casting equipment. The molding and die casting equipment sold through our DISA, StrikoWestofen and Italpresse & Gauss Automazione brands are exclusively delivered to foundry customers; the single largest end-user of products and parts manufactured by our customers is the automotive industry. In terms of customer characteristics, emerging markets tend to have a large number of small, manual foundries, while the European and North American foundry markets are more consolidated with a higher degree of foundry automation.

Parts preparation

We offer machinery and equipment for an estimated €3 billion per annum (Management estimates, 2016) cleaning, strengthening and polishing segment of the parts preparation market. Products are marketed through the Wheelabrator brand and our target segment accounts for about a third of the total parts preparation market with aggregate revenues of circa €9 billion per annum (Management estimates, 2016). According to our estimations, the Wheelabrator brand had a market share of approximately 17% by revenue in 2016 (Management estimates).

We believe that the parts preparation industry is fragmented with a competitor pool largely consisting of small- and medium-sized local players. Barriers to entry in the parts preparation market are lower than in the parts formation market, but we believe that industry players with a large installed base and broad sales and service coverage still benefit significantly from the resulting competitive advantages. Current and potential competitors with a smaller or no installed equipment base are more reliant on the lower-margin equipment sales market. Since many of the machines have a long life span, establishing a sizeable installed base takes time and investment. This further reduces the attractiveness of entering the market. Breadth and depth of the supplier's sales and service coverage is particularly important in this part of our business since it allows international customers to use the same equipment supplier across their production sites around the world. Naturally, all locations require some kind of aftermarket service. Aftermarket sales represent a significant proportion of total equipment lifetime cost in the parts preparation industry. Current market participants in the parts preparation industry have developed a wide range of products and technologies and some have created the international networks necessary to deliver products and provide aftermarket service worldwide, thereby creating a significant barrier to entry for new participants, who would not immediately benefit from such cost efficiencies and global networks.

Below is a table that sets out a list of key competitors in certain of our niche markets.

	Norican Group	Segment	Key competitors
Green sand molding	DISA	Horizontal molding	Sintokogio, Kunkel Wagner, Savelli
		Vertical molding	Loramendi, Koyo
		Matchplate molding	Sintokogio, Koyo, Tokyu, Hunter
		Sand & Core	Sintokogio, Laempe, Elrich, NANIWA, Loramendi
Aluminium forming	StrikoWestofen, GAUSS, ITALPRESSE	Melting and dosing furnaces	Insertec
		Die casting	Bühler, UBE
		Heat treatment	Insertec
Parts preparation	wheelabrator	Airblast	Sintokogio, Rösler
		Wheelblast	Sintokogio, Rösler
		Mass finishing	Rösler, Sintokogio

Market trends

We believe we benefit from positive market trends that are applicable to the parts formation and parts preparation markets that we serve as further described below. In addition, our key end-markets are subject to specific trends and growth drivers that we believe will affect us favorably going forward.

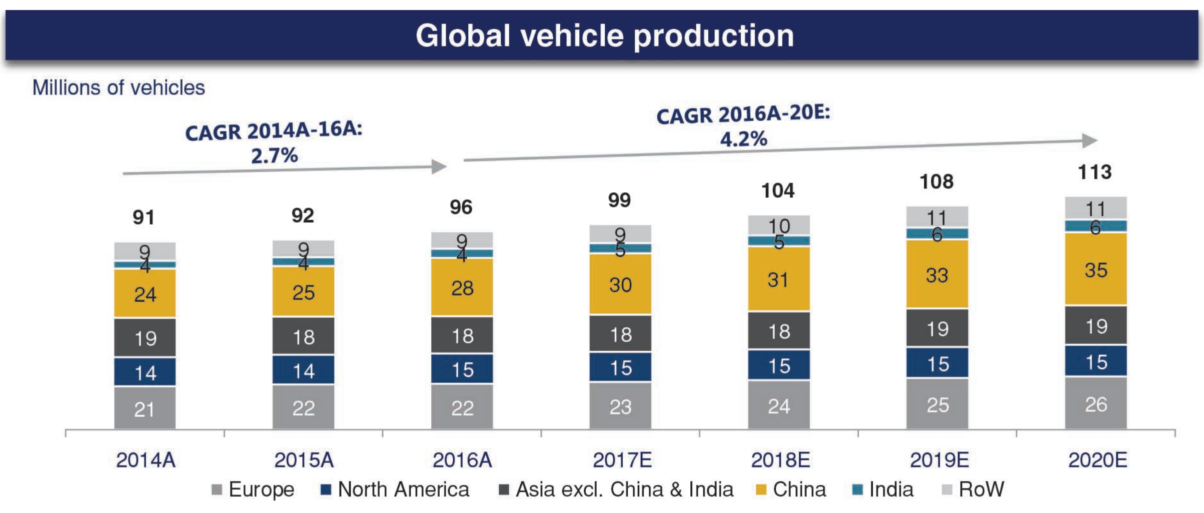
Key market trends affecting our parts formation business

Global growth in foundry equipment spending is forecast at 6.0% CAGR between 2016 and 2020, as calculated in billion of euros (*Source*: Technavio, Global Foundry Equipment, February 2016), driven particularly by India and China, which benefit from strong underlying drivers (e.g., automotive sector growth), but also increases in ferrous foundry automation as a means of improving productivity. We expect DISA's growth to continue to benefit from the market shift to vertical molding equipment, away from horizontal technology; however, this growth is expected to be partly offset by a shift in end-market material usage toward non-ferrous metals (mainly aluminum). The market growth rate for global aluminum casting, calculated in metric tons, is expected to be 5.9% CAGR between 2016 and 2020 (*Source*: Technavio, Global Non-ferrous Casting Market, December 2015).

Key underlying market drivers

Automotive production

As a global player addressing, amongst other markets, the most significant automotive markets in the world, we believe that demand for the products and solutions we provide to the automotive industry is driven largely by the worldwide production of automobiles and upgrade investments made by global vehicle manufacturers in their production chain, namely in their final assembly plants and powertrain assembly plants. We believe that demand for automobiles and investments made by vehicle manufacturers are subject to a number of key trends that are favorable for the outlook of our business. We also believe that the projected growth of automotive production in our key geographical markets will provide us with an opportunity to increase the equipment sales to automotive foundries. Below is the forecasted automotive production by region between 2014A-2020E.



Source: BMI Research, March 2017

Automotive production in Europe recovered post-crisis but experienced a small slump in 2015-2016 and is expected to start growing again in 2017. In general, a solid but more tempered growth rate in automotive production is expected by third party sources from 2017 onwards, in line with forecasted stable demand in developed economies and stronger growth in emerging markets.

The U.S. experienced strong automotive production growth between 2009 and 2013 on the back of its post-crisis economic recovery. Automotive production is expected to remain at this level in the U.S., with stable demand driven by an economy with high levels of employment, a robust jobs market, increased household income and increased consumer confidence.

In China, strong automotive production growth has been, and is expected to be, driven by increased affluence and wealth of the middle class, rapid urbanization and changes in lifestyle trends and aspiration (including a growing "car culture"), as well as improving road infrastructure and driving conditions. Growth is expected to be c. 6% p.a. from 2016 until 2020 (*Source*: BMI Research, March 2017) on the back of these strong secular trends.

India experienced strong automotive production growth from 2009 to 2016, despite a decline in 2013 and 2016 as a result of the depreciation of the Indian rupee and "policy paralysis" due to the May 2014 elections and the withdrawal of high-value bills in 2016 to fight corruption and crime. Automotive production in India is projected to grow by c. 8% p.a. from 2016 until 2020 (*Source*: BMI Research, March 2017) on the back of an improved general business environment following elections and the assumption that the new government is expected to open up the Indian economy to foreign investments.

Developing countries such as Brazil, China and India are expected to account for a significant portion of the automotive market growth going forward. This increased level of production is due to the increase in life expectancy, wealth of developing countries and the establishment of a middle class with aspirations similar to those harbored in developed markets since the end of WWII. Concurrently, population growth expands the target customer group and an increased level of urbanization further supports automotive production growth.

General industrial drivers

We believe that the projected growth of industrial production and business investment in both emerging and developed markets in which we operate will provide us with the opportunity to increase equipment sales to foundries serving non-automotive markets through our parts formation business.

Emerging markets

The growth of business investment and real industrial production in the emerging markets in which we operate, in particular in China and India, has been a strong driver of growth for both the parts formation and parts preparation markets that we serve. China is expected to deliver continuously rapid growth in real GDP at rates of 6.0% to 6.5% (*Source*: Global Insight, February 2017) over the coming years, slightly slower than previously as the Chinese economy moves closer to convergence with developed economies. Business investment and real industrial production in China is expected by management to increase.

Developed markets

We believe that developed markets will continue to provide a stable source of growth for the Combined Group within the parts formation and parts preparation markets that we serve.

The U.S., in particular, has proven resilient with a solid growth in real GDP since the global financial crisis of 2008-2009, low inflation, high employment and industrial drivers pointing to an increasingly positive business sentiment. We believe that the infrastructure spending plans that are contemplated by the new U.S. administration would improve the quality of American roads, thus underpinning end-market growth.

Technological changes

End-market materials usage

There is an ongoing shift from ferrous to non-ferrous components in vehicles since lightweight metals increase fuel efficiency through reduced weight, in particular in electric vehicles. While the global aluminum casting market is expected to grow by 5.9% p.a. from 2016 until 2020

(*Source*: Technavio, Global Non-ferrous Casting Market, December 2015), recently reduced fuel costs have acted as a mitigating factor. Meanwhile, the global steel casting market for automotive and transportation applications is expected to grow by 3.9% p.a. from 2016 until 2020 (*Source*: Technavio, Global Steel Casting Market, January 2016). Growth rates are expected to increase for both markets over time.

Foundry consolidation and automation

Three types of foundries exist: automated, semi-automated and manual. Automated foundries, which are equipped with high pressure integrated molding lines producing high quality products at high productivity rates, are the key target market for DISA-branded equipment. Semi-automated foundries utilize some automated equipment (e.g., shot blasting machines), however, certain elements of the production remains manual (e.g., metal pouring). Manual foundries are mostly smaller, family-owned businesses that produce lower quality, low volume products. The ongoing foundry consolidation trend is typically driven by a need for economies of scale, improved product quality and standardization of cast parts. Foundry consolidation and an underlying trend towards increased automation enlarge the addressable market of the parts formation business.

We believe that a projected increase in foundry consolidation and foundry automation will allow us to increase the addressable market for molding equipment, with varying impact on the geographical markets in which we operate. It is expected that the trend will have a limited impact in Europe and North America since these markets are already highly consolidated and largely automated. Increased consolidation and automation is expected in the Chinese foundry market, which is driven by stringent government targets (targeting the increase of production per foundry from 1.7kt in 2013 to 5.0kt by 2020 according to China Foundry Association), which, we believe will contribute to growth in demand for the molding equipment. A chronic oversupply in the global steel market, coupled with low utilization rates at Chinese foundries, is prompting the Chinese government to reduce both steel supply and the number of foundries, to improve productivity. The improved productivity and foundry consolidation are expected in turn to improve utilization rates and reduce overcapacity. When foundries become larger and more automated, the demand for the type of advanced technology we provide increases. In India, the penetration of automated foundries is lower than in China, and further automation is therefore expected.

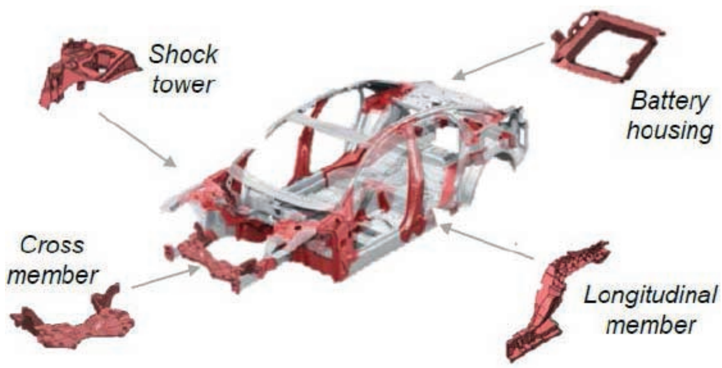
Horizontal to vertical shift

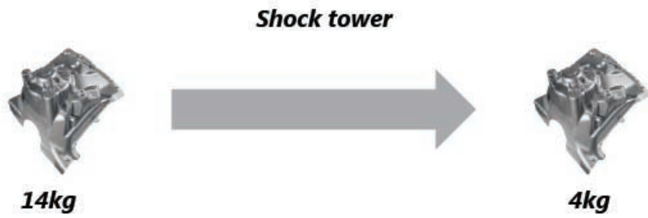
Our parts formation business has identified automotive components that are currently made via a horizontal molding process, but are suitable for vertical molding. Our parts formation business has demonstrated the ability to convert customers who use horizontal molding processes to instead use vertical molding processes in a number of situations across the globe with a focus on brake discs and drums, engine blocks and crankshafts.

We believe that a projected shift from horizontal to vertical molding driven by foundries looking for higher productivity will provide us with the opportunity to increase our market share.

Carbon dioxide emissions drive demand for lightweight features

The global automotive industry has grown over the last five years, culminating in record U.S. vehicles sales in 2015. Automotive machinery equipment sales are currently focused on the increasing demand for lightweight vehicles that ensure greater fuel efficiency and lower carbon dioxide emissions. Using aluminum and other lightweight metals significantly reduces vehicle weight, and a 10% weight reduction will improve fuel efficiency by 6.0% to 8.0%. Further, the European Commission has set mandatory emission reduction targets on cars, which are responsible for nearly 12% of carbon dioxide emissions in the region. By 2021, new cars in the EU cannot emit more than 95 grams of carbon dioxide per kilometer. This effort and others like it are likely to drive future growth in the end-markets served by StrikoWestofen and Italpresse & Gauss Automazione.





Key market trends affecting our parts preparation business

Unlike our parts formation business, we believe there are no significant external drivers of parts preparation equipment growth beyond the direct effect of end-market growth in the regions we are present in. In particular, we do not foresee major technological changes in this industry in the near future.

Key underlying market drivers

Automotive production

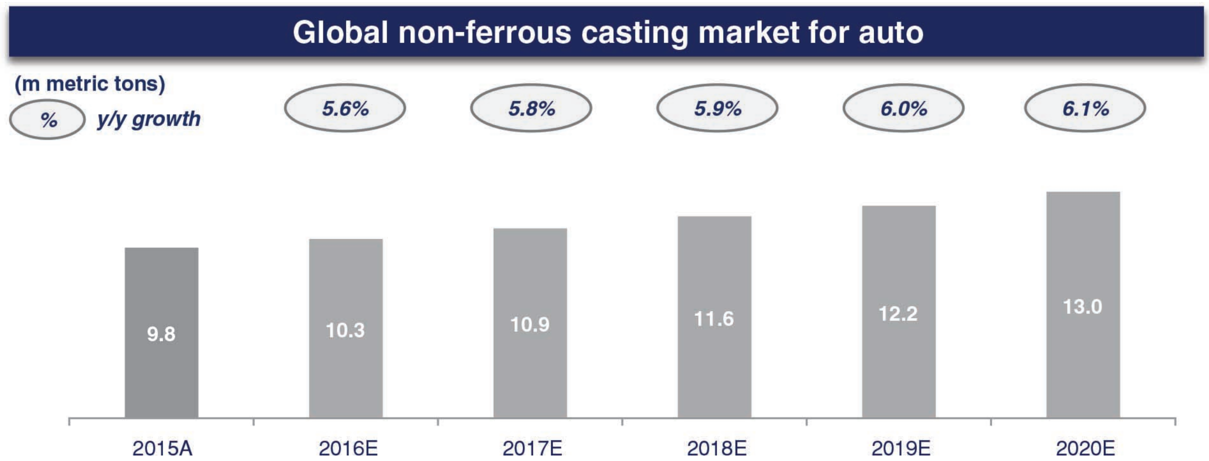
The trends in automotive production and demand discussed above in relation to our parts formation business are equally applicable to our parts preparation business. We believe that the projected growth of automotive production will provide us with opportunities to increase our equipment sales to automotive foundries and other automotive component manufacturers.

Aluminum production and consumption

Increasing demand from the automotive industry for parts of small appliances and other machinery is driving growth in this market. The primary driver for the growth in the global aluminum market is the weight reduction strategy mentioned above and applied by most automotive original equipment manufacturers (for example, aluminum is replacing grey iron cylinder blocks in the engine). Aluminum is the second most used metal in automobiles after steel. It is expected to eventually in several instances replace steel in the future due to the following advantages:

- *Efficiency and cost.* Light, strong advanced aluminum alloys reduce the weight of the vehicle while maintaining the same size, thus reducing fuel usage. Aluminum vehicles achieve around 13.5% better fuel economy than comparable steel vehicles.
- *Sustainability.* Aluminum is one of the most abundant metallic elements found in the Earth's crust. It is recyclable and reduces total carbon emissions in automobile production as compared to when steel and other metals are used. While the creation of new aluminum from bauxite is energy intensive, 90% of the total aluminum can be recycled at the end of a vehicle's life span.

- *Safety.* Aluminum is designed to absorb more destructive crash energy forces. In addition, its lighter nature shortens the breaking distances. During a crash, large vehicles made from aluminum have been found to be safer than small vehicles of other metals of the same weight.
- *Durability.* Rust-resistant and long-lasting, using aluminum entails less frequent rust maintenance and a longer vehicle life span.
- *Performance.* Lighter vehicles can be accelerated faster, handled better, and can be stopped at shorter distances.



Source: Technavio, Global Non-ferrous Casting Market, December 2015

Non-auto transportation

We believe that projected growth in aircraft demand and rail investment will increase our equipment sales to customers serving aerospace and rail markets.

We believe that in mature markets, demand for more efficient and technically evolved aircraft will drive production. In emerging markets, growth in passenger traffic is expected to drive aircraft production. Annual commercial aircraft fleet is expected to grow at a CAGR of 4.2% in the period from 2016 to 2020 (*Source*: Airline monitor, February 2017).

In the railway market, large investment projects in Africa, Middle East and South America are expected to drive steady infrastructure segment growth. In Europe, the investment is expected to largely be in the rolling stock and services segments, but infrastructure projects in the UK and France are also expected to have an impact.

Infrastructure spending in the U.S. is also expected to increase over the next coming years as the new administration has consistently called for further investments in infrastructure.

Business of the Combined Group

Overview

We are one of the world's leading providers of technology and services for metallic parts enhancement. We provide equipment, parts, technology and services to our customers globally, enabling them to mold, melt, cast, clean, strengthen or polish their metallic parts. Our businesses have the ability to supply and service global clients locally, and our constituent businesses bring more than 100 years of operational experience and customer contacts to bear. For the year ended December 31, 2016, on a Pro Forma Basis, the Combined Group had pro forma revenues of €556.4 million, pro forma net income of €35.8 million, pro forma adjusted EBITDA of €73.5 million and pro forma adjusted EBITDA margin of 13.2%.

On April 28, 2017, we completed our acquisition of the LMCS Group, a leading group of companies in the non-ferrous, light metal casting industry with a global presence and a lean production model. The LMCS Group includes the StrikoWestofen, Italpresse and Gauss Automazione businesses. We expect the acquisition of the LMCS Group to further enhance the scale and diversification of our group and provide the opportunity to realize meaningful synergies, in particular by bringing the LMCS Group onto the Norican Group's operating model and apply a greater focus on aftermarket sales of the LMCS Group to bring them in line with the strategy of the Norican Group, using the Norican Group's global sales and services network. The Acquisition also provides the Norican Group with exposure to the high-growth cast aluminum market. In addition, we expect the Combined Group to benefit from the market-leading technological know-how of the LMCS Group.

We had an estimated 40,000 machines installed at over 10,000 customer sites in approximately 100 countries (which we refer to as our "installed base") as of December 31, 2016. We believe that our installed base of equipment is the largest globally, in our industry (estimated to be double the size of our nearest direct competitor). Together with our global industry sales and service network, our installed base provides us with a significant advantage over our competitors, as it enables us to capture higher margin aftermarket sales of parts and services (including replacement parts and consumables, equipment upgrades and maintenance and other service programs) and thereby enhances our profitability and the stability of our cash flows. We are at the forefront of technological innovation in our industry, and we focus on our customers' needs to lower their overall costs per produced part, to increase uptime and throughput and lower operating costs.

The Combined Group is made up of the following leading technology brands:

- DISA, the world's #2 technology provider (equipment, parts and services) to the ferrous molding industry and the world's #1 player in the vertical molding segment;
- Wheelabrator, the world's #1 technology provider of wheelblast and airblast technology (equipment, parts and services) in the cleaning, strengthening and polishing segment of the metallic parts preparation market;
- StrikoWestofen, the world's #1 technology provider in the light metal (primarily aluminum) melting and dosing furnace market, with a growing position in heat treatment; and
- Italpresse / Gauss Automazione, Europe's #2 technology provider in the light metal (primarily aluminum) high pressure die casting market and the world's #2 technology provider of automated cell production in the low pressure die and gravity casting market.

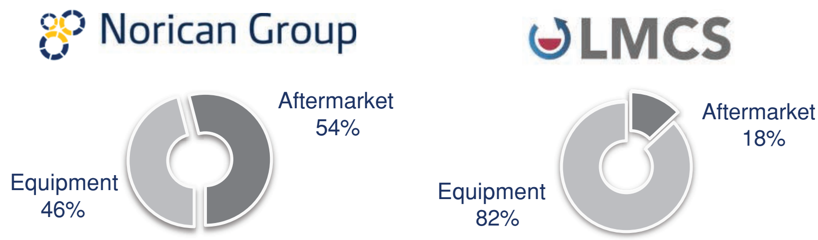
We operate in the parts formation and parts preparation segments of the metallic parts enhancement value chain, and we believe we are the number one or number two market participant in each of the niche markets in which we operate.

- Parts formation: Primary parts formation is the process of forming metallic parts from molten metal through either casting or molding manufacturing processes. Secondary parts formation refers to follow-on manufacturing processes, including machining, forging, bending, cutting and stamping, that are required to complete the product's dimensional specifications. We deliver a complete range of equipment, parts and services, which we market under our DISA brand to primarily ferrous (iron-based) foundry customers in the primary parts formation industries and to non-ferrous, light metal (primarily aluminum) parts formation industries through StrikoWestofen, Italpresse and Gauss. The size of the global parts formation market has been estimated at €56 billion (*Source*: Management estimates; The 2018-2023 World Outlook for Machine Tools, 2017). The parts formation market can be sub-divided into the following segments (with the corresponding estimated percentage of the parts formation market): (i) cutting (56%), (ii) special formation (17%), (iii) non-aluminum metal forming (21%), (iv) aluminum forming (4%) and (v) molding (2%). We estimate the addressable market for our DISA business to be approximately 50% of the molding segment of the parts formation market, an addressable market of approximately €0.6 billion, and the addressable market for StrikoWestofen, Italpresse and Gauss is the aluminum forming segment of the parts formation market, an addressable market we estimate as approximately €2 billion.

- Parts preparation: Parts preparation consists of the manufacturing processes which make a formed metallic part suitable in terms of finish, strength and hardness for its ultimate use. A subset of this market segment is cleaning, strengthening and polishing technology, which includes the manufacturing processes for changing a metallic part's surface condition through the direct contact of an abrasive media to clean, strengthen or polish that part. Our products span a range of surface preparation technologies (including wheelblast, airblast and mass finishing) through our Wheelabrator-branded equipment, parts, technology and services and are provided to various industries manufacturing metallic parts throughout the world. We estimate the size of the global parts preparation market at €9 billion (*Source*: Management estimates; The Metallic Abrasives Industry, 4th Edition, 2014). The parts preparation market consists of: (i) the precision surface technology segment and (ii) the cleaning, strengthening and polishing technology segment. We estimate that the precision surface technology segment represents approximately 69% of the parts preparation market, while the cleaning, strengthening and polishing technology segment represents approximately 31% of the parts preparation market. We estimate Wheelabrator's addressable market to be approximately 50% (or €1.5 billion) of the cleaning, strengthening and polishing technology market. We do not consider the abrasive media to be part of our addressable market.

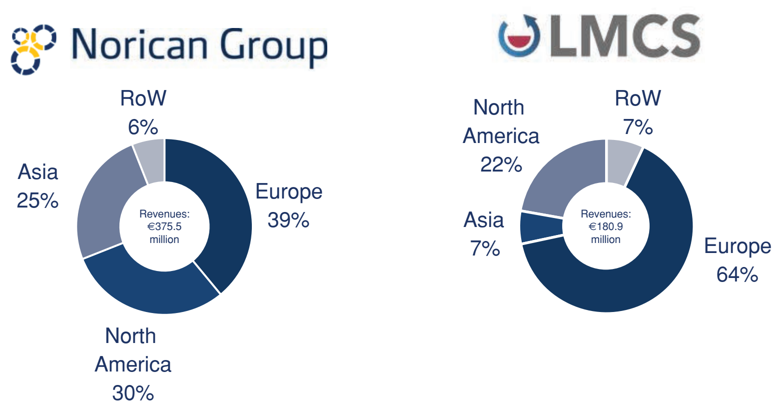
Our parts formation and parts preparation operations have an equipment sales component and an aftermarket sales component (consisting of replacement or wear parts and associated services). For the year ended December 31, 2016, aftermarket sales accounted for 54% of the revenues for the Norican Group. We believe, based on our experience in the market, and public reporting by certain of our capital goods peers, that our percentage of aftermarket sales compares favorably to such capital goods peers. By increasing our equipment sales, we help grow our installed base. By leveraging our installed base, we, in turn, help grow our aftermarket sales. Our aftermarket sales have a higher margin than our equipment sales and tend to remain more stable than our equipment sales through economic cycles, providing us with steady source of revenues over 10-20 years. As a result, we enter into equipment sales with the intention to secure aftermarket parts sales and services, and consciously compete for aftermarket even if we are not the original supplier. The Norican Group has established an integrated global technology and supply chain, with global product innovation centers located in the United States and Europe, shared supply centers strategically located around the world and a centralized, integrated technology platform which optimizes order fulfillment and gives us a clear insight into aftermarket potential for each equipment order. We see a significant opportunity to increase aftermarket revenue in the LMCS Group, which, for the year ended December 31, 2016, generated 18% of its sales from aftermarket sales, as part of integrating the LMCS Group into the Norican platform.

The following charts illustrate our revenue split by aftermarket sales and equipment sales for the Norican Group and the LMCS Group for the year ended December 31, 2016:



Our business model is to provide local sales and services to a diverse set of customers around the globe, with a significant presence in mature, transitioning and emerging markets. In developed, industrialized markets (including North America, Europe and Japan), our revenue is weighted toward servicing our large installed equipment base by providing aftermarket parts and services. In developing markets (including China, India, Brazil, Russia, Eastern Europe and Mexico), our revenue is directed toward equipment sales, though, as these markets mature, we expect the share of aftermarket parts and services to eventually exceed the share of equipment sales.

The following charts represent the geographic sales split of the Norican Group (based on the enterprise resource planning systems of the Norican Group and primarily based on the destination to which goods are shipped) and the LMCS Group (based on management estimates primarily based on the invoice address) for the year ended December 31, 2016:



We leverage our experience and technology platforms built up over decades in our developed markets to help establish both product offerings and local manufacturing capabilities in our developing markets. Our parts preparation business serves customers in the aerospace, medical, defense, automotive, steel fabrication, foundry/forge, infrastructure and construction, energy, shipyard, rail and consumer goods sectors whereas our parts formation business primarily serves foundries which have end markets that include the automotive and consumer goods sectors.

Our competitive strengths

Clear leader in niche markets, with the competitive advantage of the largest installed base of equipment across the globe

With an estimated 40,000 machines installed in over 10,000 customer sites in approximately 100 countries as of December 31, 2016, we believe we have the largest installed equipment base globally among our direct competitors in the metallic parts enhancement market, with our installed base estimated to be twice as large as that of our nearest direct competitor. The Combined Group is made up of the following leading technology brands:

- DISA, the world's #2 technology provider (equipment, parts and services) to the ferrous molding industry and the world's #1 player in the vertical molding segment;
- Wheelabrator, the world's #1 technology provider of wheelblast and airblast technology (equipment, parts and services) in the cleaning, strengthening and polishing segment of the metallic parts preparation market;
- StrikoWestofen, the world's #1 technology provider in the light metal (primarily aluminum) melting and dosing furnace market, with a growing position in heat treatment; and
- Italpresse / Gauss, Europe's #2 technology provider in the light metal (primarily aluminum) high pressure die casting market and the world's #2 technology provider of automated cell production in the low pressure die and gravity casting market.

Our large installed base, the result of more than 100 years of experience, reputation and customer relationships, demonstrates our strength in our markets and makes our business model difficult for competitors to replicate. We believe any such attempt to replicate our footprint would take decades and require a significant amount of upfront capital expenditures. We leverage our large installed base to drive attractive, higher margin aftermarket revenue, which also improves our resilience through economic cycles. Further, we believe that the broad geographic coverage of our installed base provides us with important geographical diversity for our revenues and hedges our exposure to any single country or region. Our longstanding track record and customer relationships also assist with new equipment sales.

Global sales network and service coverage which provides us with regional advantages and positions us for growth

We believe the breadth and depth of our sales and service network is one of our key competitive advantages as our proximity to our clients drives aftermarket revenue and gives us visibility of trends in demand. We are one of the world's leading providers of technology and services relating to metallic parts formation and parts preparation equipment, with the ability to supply and service clients locally across the world. We operate our sales and service networks in 50 locations in North America, Europe and Asia. In addition, we also have agreements with 74 sales agencies in 76 countries. Our broad sales network and service coverage area give us the ability to supply and service global clients at each of their local sites anywhere in the world. Our expansive local presence is critical to our customers as we are able to react to their aftermarket needs quickly. Our global network and local relationships also allows us to quickly adapt to changing customer demands with responsive innovation and designs.

This local service is critical for our aftermarket parts and services business as it allows us to minimize our reaction time, build strong relationships with local customers and to quickly adapt to changing local customer demands. We focus on providing a standard and consistent lean methodology throughout the entire Combined Group and across our whole network. To that end, we are working to optimize costs by matching the supply and production of our equipment and aftermarket sales with the jurisdiction from which the demand originates, giving us a regional and local advantage over our competitors who operate on a smaller scale out of fewer locations. Our large sales and service network allows us to capture revenue from both the equipment market segment and the aftermarket segment globally, and it provides us with an advantage over many of our smaller competitors who operate within smaller networks.

We see significant upside arising from bringing the LMCS Group onto our combined sales and services network, which we believe will allow the LMCS Group to benefit from our already-global sales and service network, our large installed base and our relationships around the world.

Strong track record and pipeline of technological innovation

We have a strong track record and pipeline of technological innovation. We have driven sector innovation by focusing on our customers' needs to lower their overall costs per produced part, increase uptime and throughput and lower operating costs. Based on our longstanding experience in the parts preparation and part formation sectors, our technology platform enables us to provide our customers with both standard and application-specific solutions, supported by aftermarket parts availability and application-specific services. We collaborate across our global network, using local sales and service coverage partnered with our global product innovation centers, to design and produce equipment that is tailored to customers' specific requirements. This collaborative approach increases the speed of customer feedback, enables a fast market response time and allows us to be quick to market with innovation. For example, using local feedback and global design innovation, we developed and designed a machine for a customer in China who required a machine solution which did not then exist in our product portfolio. This resulted in the sale of 41 such machines, 28 of which are in operation today. The result is a customer relationship built on technological innovation and facilitated by our regional and local sales and services.

By combining our DISA and Wheelabrator product range, we can offer complete solutions for mainly ferrous foundries: we can provide the molding machines, the sand plant, the core solutions and the dust filters through our DISA branded products, and we can provide wheelblast technology with our Wheelabrator-branded products. Our product portfolio lends itself to developing similar complete solutions for light metal, such as Italpresse-branded die casting technology paired with our Wheelabrator-branded products for surface preparation. We have established a global network of technicians and service engineers to support customers' changing requirements and to provide application-specific services to any customer throughout the world, including through innovative remote access diagnostics technology. We believe that being able to provide products and services to the precise needs of our customers helps us win equipment orders, maintain, and grow, our customer base, and contributes to customer retention in our aftermarket business. This overall approach allows us to reinforce our market share in both the equipment and the aftermarket markets, while maintaining our profit margin in aftermarket sales.

Globally integrated operating platform and shared supply chain to improve customer service and profitability

Our customers are located worldwide, and the Norican Group organizes its operations so that its global technologies can be delivered where and when our customers demand. We have created a standard operating platform in order to increase customer service levels, provide operational flexibility to meet shifting demand and to increase productivity by employing consistent procedures across our business.

We manage the Norican Group on the basis of regional sales and service organizations acting on behalf of the global product groups, both of which are supported by our shared services and supply chain organization. Each organizational element is tied together through a common view of the customer (our internal CRM system), a common Product Development software tool (BlueStar), a common underlying ERP system (Dynamics AX4) and a centralized accounting and financial reporting platform (Hyperion Financial Management). This provides the entire organization with a common operating platform for the business. The anticipated Acquisition synergy benefits are predicated upon the successful integration of the LMCS businesses with this existing operating platform.

Our global and regional sales and service organization is responsible for all aftermarket activities acquire-the-order and fulfill-the-order activity within their designated geographical area of responsibility. They work with the global supply chain team in setting and meeting local customer satisfaction levels. Additionally, the regional sales and service organization also owns the development of all leads for equipment orders within their region, either through a direct sales force or working with third party agents. During this process, the regional sales and service teams work closely with the Global Product Groups' Centers for Product Innovation ("**CPI**") to analyze business opportunities from both a technical and commercial perspective. When the customer places an equipment order it is normally with one of the CPIs. Each CPI has the responsibility for managing product innovation and development for a narrow range of technology, as well as application and design control of their products through BlueStar. The CPI is also responsible for managing the equipment order on behalf of the customer. Since BlueStar is a shared application, the CPI only has to release the equipment drawing and associated bill of material to any of the available Norican supply chain manufacturing sites. The supply chain then fulfills the order, delivering the equipment to a point of the customer's choosing. The CPI then completes the start-up and commissioning activity and ensures customer sign off on the delivery. The CPI's choice of internal manufacturing site is driven by contractual delivery times, specific customer preferences (e.g., "Made in America") and the need to maximize our profitability. We intend to integrate the LMCS Group onto this existing Norican operating platform, and this makes up a significant portion of the estimated synergies expected to be realized in connection with the Acquisition.

Well-positioned to benefit from attractive end market dynamics

The niche markets in which we operate support our growth outlook. The automotive sector is the largest contributor to the overall demand for cast parts for the Combined Group, and global vehicle demand has been forecast by Global Foundry Equipment, February 2016, to increase by 4.2% per annum from 2016 to 2020. In addition, growth in foundry spending has been estimated to increase by 6.0% per annum over the same period by Technavio, aided in particular by government-driven consolidation in the Chinese foundry market which is expected to increase the addressable market for the Norican Group's molding products as outdated equipment is replaced. For the LMCS Group, the automotive industry in particular is undergoing a structural shift in the use of aluminum in cars (primarily as a replacement for steel components) due to two reinforcing market drivers: (i) restrictive governmental carbon dioxide targets requiring increased use of lightweight materials, with the shift pioneered by premium western OEMs and migrating further to mass market OEMs and (ii) continued consumer demand for increased automobile fuel efficiency, in particular through the growing demand for electric vehicles. We believe these dynamics benefit us as growth in our addressable end markets creates opportunities for us.

Resilient business model with recurring and diversified revenue streams from a consistent customer base

The focus of the Norican Group's business model is to grow our installed base through equipment sales and to monetize the resulting larger installed base through aftermarket sales. We evaluate potential orders on a net present value basis, taking into account both the upfront equipment order and the potential for aftermarket sales. In a typical equipment transaction, the Norican Group would acquire the equipment order, fulfill the equipment order and then seek to position the Norican Group for service and parts orders. Working capital management is a priority and Norican Group emphasizes cash flow positive equipment orders throughout the production cycle with down payment and milestone payment requirements, generally receiving 90% of the consideration for equipment orders before the product is shipped.

The Norican Group's equipment segment is technology focused and typically has a selling cycle (that is, the time from inquiry to order) of four months to two years, with expected equipment replacement every 10-30 years. The Norican Group's aftermarket segment is regionally focused and has a typical selling cycle of one to eight weeks. This cycle can take longer when we are not the original equipment supplier. We believe that the benefit of this emphasis on aftermarket sales and service at every step in the equipment life cycle is evidenced by such sales accounting for 54% of the Norican Group's revenues for the year ended December 31,

2016. With reference to certain other capital goods peers (at an estimated 40% for the same period) as further support, we see significant opportunity to increase the aftermarket revenue of the LMCS Group above the 18% it represented for the year ended December 31, 2016.

Our revenue streams are supported by our geographic diversity, our large installed base and our diversified customer base. We provide products and services to over 10,000 customers and to more than 30 end-user markets across a broad spectrum of sectors including automotive, transportation, steel processing, construction and power generation. For the Combined Group for the year ended December 31, 2016, no single customer accounted for more than 5% of the Combined Group's revenue, and our top ten customers accounted for less than 20%. We believe that this diversification reduces business volatility and our exposure to any single country, industry or customer. In addition to our diversified customer base, we also deliver a diversified range of products, with expertise and industry leadership in high volume melting, dosing, casting and molding for metallic parts formation and cleaning, strengthening and polishing solutions for metallic parts preparation.

Our track record and reputation attracts a wide range of customers, from local manufacturers to the Global 1000. We believe that our reputation, developed as a result of our operational history of more than 100 years, forms the basis of a competitive strength. Given the importance that customers in the metallic parts formation and parts preparation industry place on a supplier's track record, we believe we are more likely to be selected by customers as opposed to a new entrant or lesser known market participant. This helps drive our competitiveness in both the equipment sales and the aftermarket and positions us for further growth as the share of aftermarket sales increases in developing and emerging economies to approach a level we are already experiencing in mature economies. Furthermore, customer retention for aftermarket sales is supported by the small part it reflects of the total cost of ownership for our customers versus the significant downside risk of potential resulting production downtime following a switch to another supplier. We believe that approximately 70%-80% of our installed base is serviced in the aftermarket by us.

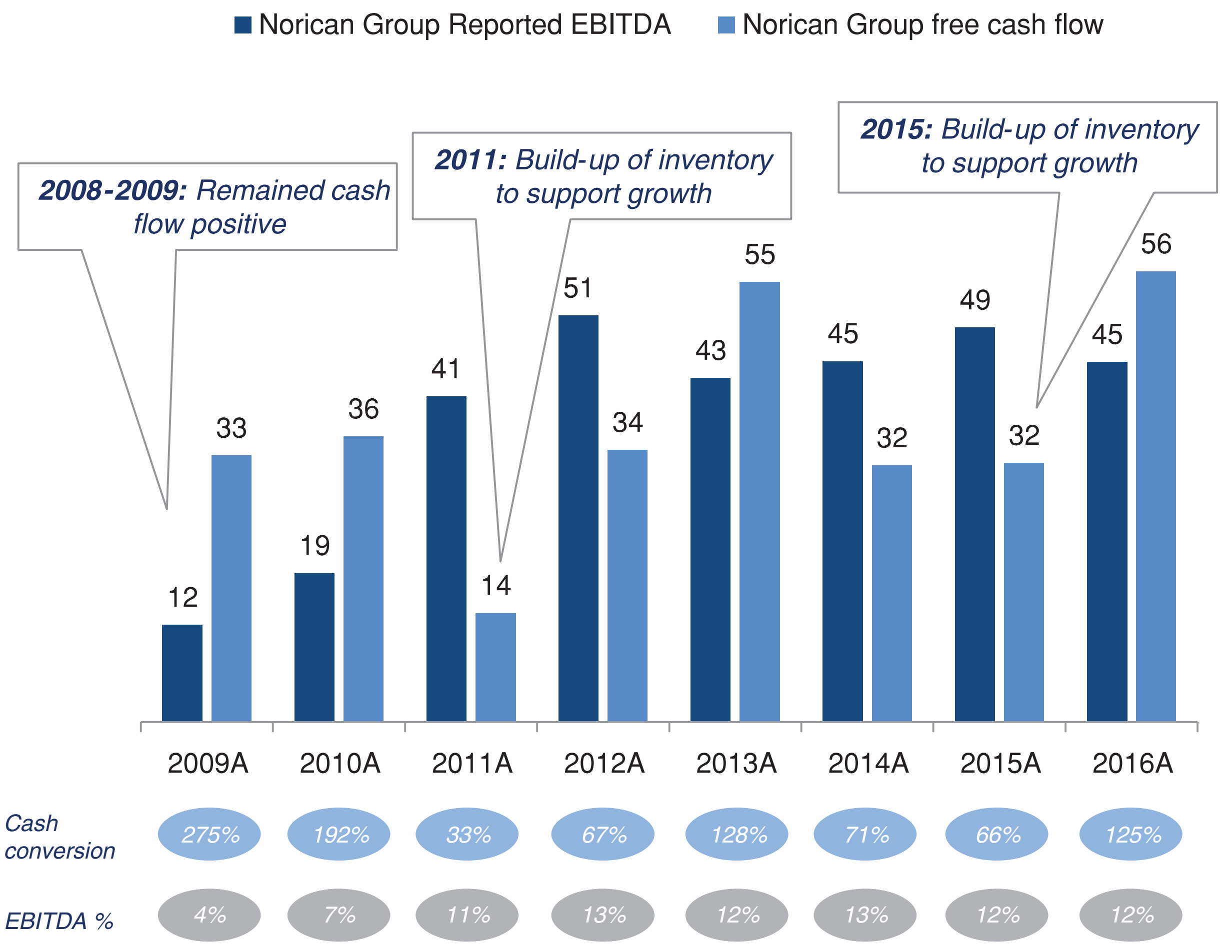
Asset light, flexible business model with visible revenue generation and stable cash flow generation

We are largely an assembly business without capital intensive manufacturing sites or expensive machinery (other than our three small foundries which make wear parts for internal use and for the aftermarket). Most of the capital employed in our operations is working capital, so there is a structural flywheel effect within the balance sheet if our order book declines. The tangible capital expenditures of the Norican Group ranged between 0.8% and 1.2% as a percentage of revenue for the years ended December 31, 2014 through December 31, 2016. As a result, the Norican Group benefits from a high level of cash conversion: 71.2%, 65.7% and 125.1% for the years ended December 31, 2014, 2015 and 2016, respectively, and pro forma cash conversion for the Combined Group as of December 31, 2016, of 94%.

The Norican Group's shared supply chain provides us with a flexible cost structure and is based upon two overarching objectives: (i) optimizing our gross profit margin through a disciplined "make-versus-buy" decision framework; and (ii) continually improving our business model by decreasing the fixed cost share of our total costs. Within our shared supply chain facilities, and supported by a common IT infrastructure across all sites, we have established clear procurement procedures for both the make-to-order and make-to-stock aspects of our order fulfillment. Within these procedures, our sites will analyze whether it is more cost effective to outsource certain tasks on a project to an external contractor, or whether our network can undertake the task at a lower cost.

Our order backlog gives us a high degree of visibility over our revenue generation and utilization of our cost base. As of December 31, 2016, the Norican Group had an order backlog of €102.6 million, equal to nearly seven months of revenue from the Norican Group's equipment sales for the year ended December 31, 2016. The LMCS Group as of December 31, 2016, had an order backlog of €92.3 million, equal to more than seven months of revenue from the LMCS Group's equipment sales for the year ended December 31, 2016. The Combined Group benefits from having a flexible workforce, which we proactively manage relative to the backlog of orders that we have outstanding. Since payroll is one of the largest cost items in our business, we ensure that we manage our number of employees according to the amount of business that we have booked and anticipate booking. The addition of LMCS Group reinforces this point, following from an emphasis on outsourcing to independent contractors.

We believe the result of our asset light and flexible business model based on a large and geographically diverse installed base, which underpins our aftermarket business, combined with our structural cash flow flywheel built into the balance sheet, matched with our flexible cost base and revenue visibility results in robust and stable cash flow generation. The resilience of this model is demonstrated during the global financial crisis of 2008-2009 and the European debt crisis of 2012-2013, when Norican remained significantly cash flow positive. The following table shows the free cash flow, cash conversion and reported EBITDA margin of the Norican Group for the years ended December 31, 2009 to 2016:*



* *For definitions of Reported EBITDA, free cash flow and cash conversion, please refer to "Summary consolidated financial and other information—Summary consolidated financial information of the Norican Group in accordance with IFRS—Other financial data and operating information of the Norican Group."*

Global and highly experienced management team with a strong track record and strong sponsor support

We have a highly experienced management team. Our CEO, CFO, COO and three Global Product Group presidents have a combined total of over 95 years of experience in our industry. Our management team has extensive experience across our industry and has a strong track record in optimizing our business model in recent years. In particular, the CEO and CFO have been with predecessor businesses since 2003, and the rest of our corporate team has an average of over 15 years of experience at our company or its predecessors. Our management team drives our global innovation, coordinates our global sales, ensures common product quality and technology application and establishes our line of business supply chain. Our management team is internationally diverse which we believe provides us with the local knowledge and experience to operate successfully in many different markets. The management team has delivered results under volatile and varied macroeconomic conditions, including the global economic downturn of the last ten years. Following the merger of DISA and Wheelabrator in 2008, our management team conducted an integration process with the goal of identifying and realizing cost savings and synergies. The integration process provided a detailed roadmap with numerous measures in five key areas of the business. Our focus on the elimination of fixed costs and the streamlining of the considerable overlap between DISA and Wheelabrator contributed to the successful integration process, demonstrated by an expansion of our EBITDA margin from 2008 to 2012 by approximately three percentage points in a business with similar scope and mix of business (2008 being measured on a pro forma basis after giving effect to the combination of DISA and Wheelabrator despite headwinds resulting from pricing pressure in the aftermath of the global financial crisis).

In addition, we benefit from the market expertise, business relationships, knowledge and experience of our Sponsor, Altor Fund Manager AB (in its capacity as manager to Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB). The Sponsor is a pre-eminent investment organization with its primary focus in the Nordic region. Other investments made by the Sponsor and the previous Sponsor funds in the industrials space include Haarslev, Meyn, PIAB and Aalborg Industries.

Our strategies

Expand market reach and leverage the Norican Group's operating platform by successfully integrating the LMCS Group onto the Norican Group's platform

We are undertaking the Acquisition to further enhance the Norican Group's leadership in the metallic parts formation sector and to create opportunities for economies of scale and diversification for the Combined Group. Under the supervision of our management team, the integration of DISA and Wheelabrator was successfully completed in 2011, and we will work to deliver the same type of results in connection with the Acquisition. Using the lessons learned from the successful DISA and Wheelabrator integration, we intend to bring the LMCS Group onto the Combined Group's global operating platform which integrates and automates key processes from order processing through to invoicing. We believe the presence of an integrated global operating platform will help unlock operating synergies not available to the Norican Group or the LMCS Group on a stand-alone basis.

The Acquisition provides the Combined Group with exposure to the high-growth cast aluminum market, which is supported by the two macro-trends in the automotive sector of reduced carbon dioxide emissions and consumer demand for greater fuel efficiency. These trends are driving the increased use of aluminum in cars (primarily as a replacement for steel components) worldwide, as is the potential for increased electrification of vehicles. The Acquisition also offers the opportunity to diversify into non-ferrous offerings and exposes us to new customers. In addition, we believe that the Norican Group will benefit from the LMCS Group's lean production model, workforce management techniques, market leading technologies and pipeline of innovation. We believe that significant upside exists to increase the LMCS Group's aftermarket sales to bring them in line with those of the overall Norican Group by integrating the LMCS Group into the Norican Group's regional sales and service platform. In connection with this, we target cost synergies as a result of the Acquisition in a number of areas, including the consolidation of regional and aftermarket structures, joint marketing savings, aggregated sourcing savings, combined footprint consolidation and certain other cost savings. We also aim for revenue integration synergies in the two broad categories of cross-selling of Norican Group products (in particular, Wheelabrator-branded products) to existing LMCS Group accounts and increased aftermarket revenue generation within the LMCS Group's installed base through its integration into the existing Norican Group regional sales and service organization.

Manage our business on the basis of regional sales and service, product groups and shared services & supply chain

We have organized our company and management systems for the Combined Group to focus on the themes of (i) regional sales and service representing the Voice of the Customer ("**VoC**"), (ii) Global Product Groups (which are made up of one or many individual CPIs) and (iii) shared services and supply chain ("**Increase productivity**"). We are transitioning from a product-centric go-to-market orientation to a customer-centric, regionally-based sales and service model that works with global product groups to "pull" innovation based on customer requirements and works with a shared services and supply chain to establish and then exceed customer service levels. We believe this will allow us to scale our technical product offering in the future without having to alter the existing customer interface. Our Global Product Groups are charged with driving our innovation pipeline, and using VoC as the primary prioritization tool. Additionally, our Global Product Groups are responsible for engineering "cost out" of our existing product designs. Finally, our shared services and supply chain includes all activities not specific to a product or region, with the goal of eliminating fixed cost overlap across regions and products to increase fulfill-the-order productivity, product quality, decrease the overall time to deliver a product, decrease the cost to manufacture our products ("cost down" versus the Global Product Group's "cost out" focus) and to lower manufacturing-related working capital (inventory less trade payables).

Use our installed base to grow our aftermarket revenues and increase the aftermarket focus at the LMCS Group

In mature markets, we seek to grow our aftermarket sales because aftermarket sales will usually overtake equipment sales once a market has a well-established installed equipment base. We implement this strategy by reinforcing and protecting our long-standing relationships with existing customers as well as by targeting the aftermarket sales of our competitors' installed base. We also increase our aftermarket revenues through the implementation of: (i) replacement part and equipment upgrades, (ii) new service offerings, (iii) regional sales channel expansion and (iv) technology transfers from maturing markets to developing markets. For each new equipment sale we analyze the expected net present value, including the aftermarket potential. As aftermarket services has not previously been a focus of the LMCS Group, we expect to be able to leverage our current global sales and service network to boost the LMCS Group's aftermarket revenue.

Profitably grow our installed base in developing markets through sustainable innovation

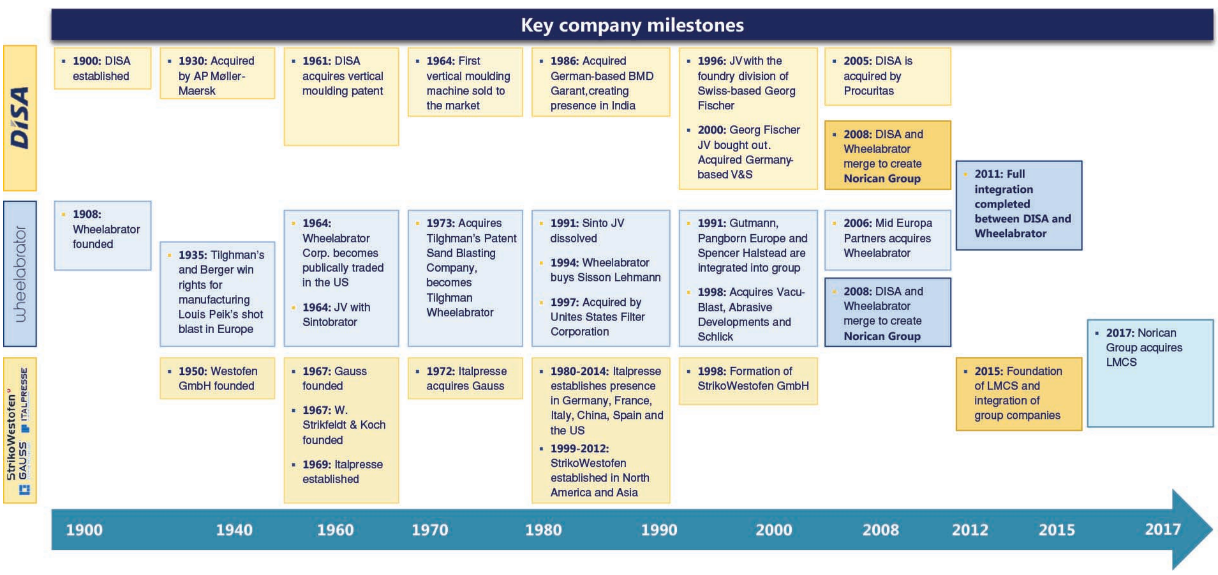
One of our overarching strategic objectives is to continue to build out our solid operating platform in developing markets, supported by our consistent and predictable cash flow generated from our sales in mature markets. In developing markets, equipment sales are our primary driver of revenue due to the demand for increasing manufacturing capability, which, in addition to increasing our equipment sales revenue, is a key factor for ensuring our future aftermarket revenue growth, as developing markets mature, as customers with Norican equipment are more likely to use a Norican aftermarket service. We are focused on providing both a more responsive, local service and a broader array of world-class innovations, including partnerships with our customers on their unique engineer-to-order requirements and on the development of next-generation standardized products and leading-edge engineer-to-order solutions. We also intend to build on the already strong presence of the LMCS Group in these markets to develop our light metal die casting and melting solutions.

Continue to generate sustainable profit growth by achieving our strategic objectives
We intend to leverage the Combined Group's regional sales and service channel management to acquire new customers and provide more value to existing customers. At the same time, we intend to increase our productivity by striving for lower cost, better quality and faster delivery in every aspect of our business. Our aim is to use this methodology to increase the number of customers we serve, provide more value to existing customers and increase productivity. Internally we have set short-term, medium-term and long-term operating objectives for the addition of new customers, and associated products and services. We have also set for ourselves aggressive, but we believe attainable, targets for reducing our product delivery cycle times, for decreasing our existing cash conversion cycle and for increasing our overall productivity on a revenue and reported EBITDA per FTE. We believe that the successful execution of both the Acquisition and the existing strategic objectives will allow us to progressively de-lever the Combined Group through sustained, post-merger growth in reported EBITDA and further improvement in cash flow generation.

Our history

We are the result of over 100 years of mergers and consolidation of a number of businesses. In particular, we are the result of the merger, in 2008, of the DISA brand and the Wheelbrator brand, and more recently the Acquisition of the LMCS Group, including the StrikoWestofen, Italpresse and Gauss Automazione brands. Norican Holdings, our operating holding company, is the beneficial owner of 100% of the share capital of all of our subsidiaries (other than DISA India Limited). See "*Summary—Summary corporate structure.*"

The following chart displays the key milestones of our history:



Our organization

We are one of the world's leading providers of technology, equipment, parts and services for the metal parts formation and surface preparation industries. Following the recent completion of the acquisition of the LMCS Group, we are in the process of implementing a modernized strategic planning framework across both the Norican Group and the LMCS Group, which organizes our operations into three segments:

- *Regional Sales & Service.* This segment manages our regionally based "customer centric" sales and services.
- *Global Product Groups (*"**GPGs**"*).* This segment is divided into three sub-segments of (i) Parts Formation Global Product Group, (ii) Parts Preparation Global Product Group and (iii) Parts

Finishing Global Product Group. Each GPG, in turn, is made up of one or more Centers of Product Innovation ("**CPIs**").

- *Shared Services & Supply Chain.* This segment is divided into two sub-segments of (i) Supply Chain and (ii) Shared Services.

Regional sales & service

Our framework allows us to evolve towards a customer-centric organization built around Strategic Regional Sales & Service organizations, responsible for selling the complete range of Norican-branded products. The Sales and Service segment provides our customers with a localized experience backed by our global expertise. The localized Sales & Services organizations will consider a number of criterions, including:

- market drivers, trends, threats and opportunities;
- competitor activity and the installed equipment bases of competitors;
- local product offerings and innovation;
- customers' unmet needs, pain points and potential;
- personnel requirements and assignments; and
- third-party management of agents, distributors and others.

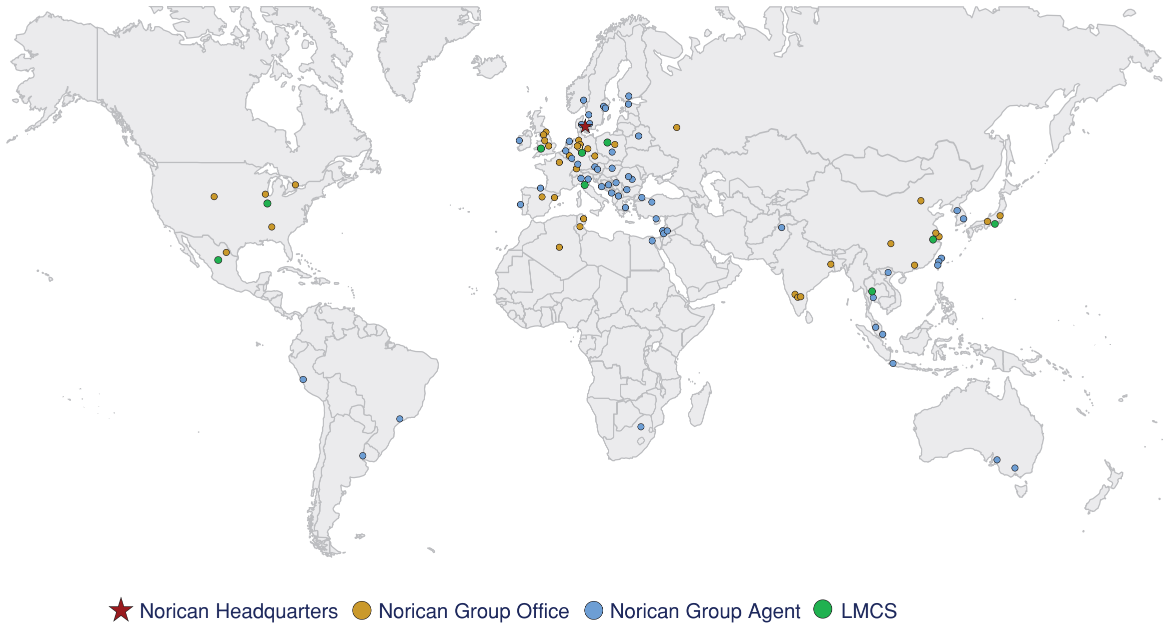
Our regional sales and service teams have three strategic objectives to (i) protect and grow our business with the existing installed equipment base, (ii) install new machines within the region, and (iii) bring new products and services into the region to acquire new customers.

Our regional sales and service teams are responsible for selling and servicing all branded products within their geographical zone of responsibility. They manage both the direct (company employees) and the indirect (independent agents and/or distributors) channels to market, secure and expand the business on behalf of the GPGs. They work with the GPG to set agreed upon customer service levels and then ensure timely order acquisition and the associated service delivery in support of our customers' local requirements.

Our regional sales and service teams also leverage our large equipment base to drive aftermarket revenues in our GPGs. Our aftermarket services represent a significant portion of the total lifetime revenue and gross profit derived from our equipment business. For example, we have a typical selling cycle of between four months to two years across our equipment business lines, with expected equipment replacement every 10-30 years. We have an average selling cycle of between one to eight weeks for our aftermarket business. In the mature markets where we have a well-established equipment base, we are focused on maximizing aftermarket potential through our aftermarket services. Typical aftermarket revenues in a majority of our GPGs can represent up to half of the lifetime revenue potential of our equipment.

We believe we have one of the broadest sales networks in the industry, with 50 sales and service offices in 16 countries around the world allowing us to service approximately 40,000 machines installed globally as of December 31, 2016. We operate our sales and service networks in 50 locations: ten in North America, 23 in Europe and 17 in Asia. In addition, we also have agreements with 74 sales agencies in 76 countries in Africa, Asia, Europe, Middle East, North America and South America. This large sales and service network allows us to capture revenue from both the equipment market segment and the aftermarket segment globally.

Our international presence is reflected in the chart below, as of December 31, 2016.

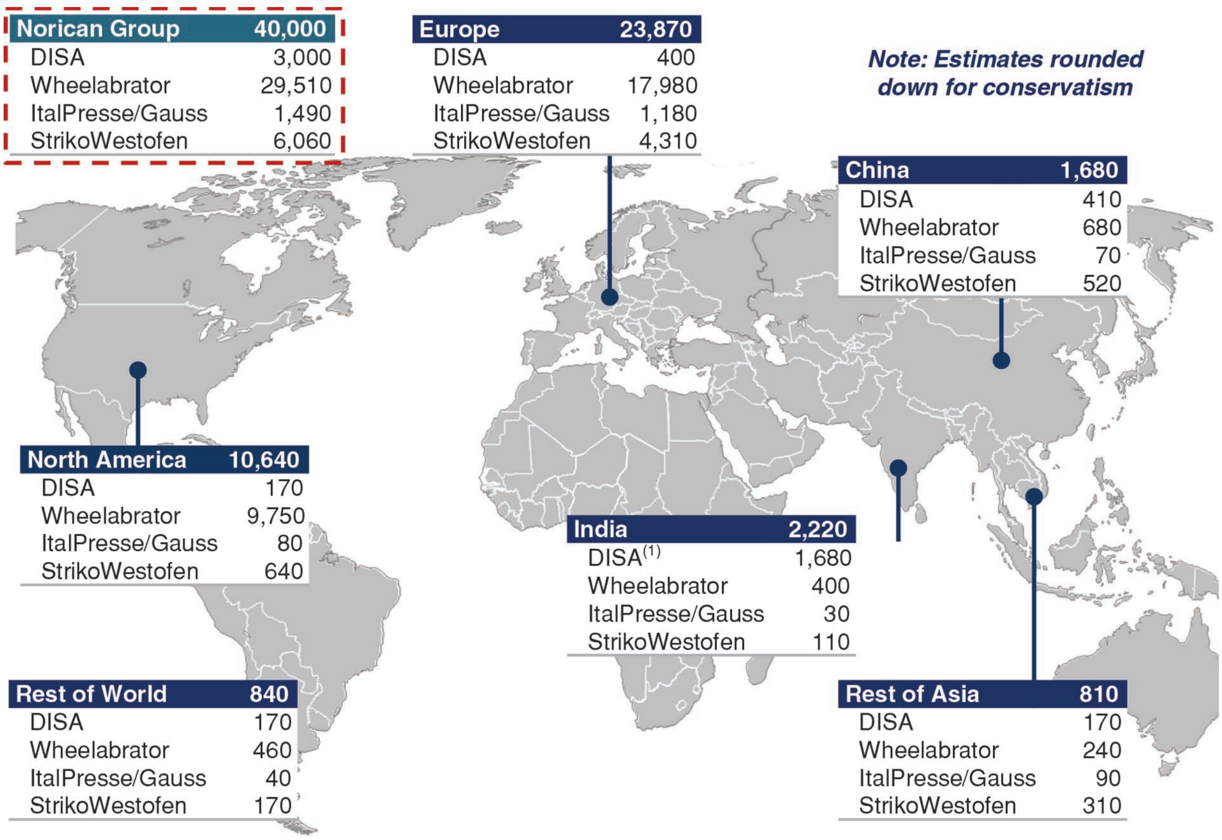


Source: Management estimates

Our large number of leased and owned sales and services offices, as well as manufacturing and technology sites allow us to service our customers in our key strategic regions of North America, Europe and Asia. Close proximity to our customers is a key feature of our sales model and allows us to meet our customers' demands on short notice, offer timely delivery and provide tailored solutions as required. We can deliver orders in a short time frame and keep our transportation costs low because we are located near many of our customers.

Our installed equipment bases

Our installed equipment base of approximately 40,000 machines installed globally as of December 31, 2016 is distributed amongst both developed and developing markets. The following chart represents the broad geographic distribution of our installed equipment base globally:

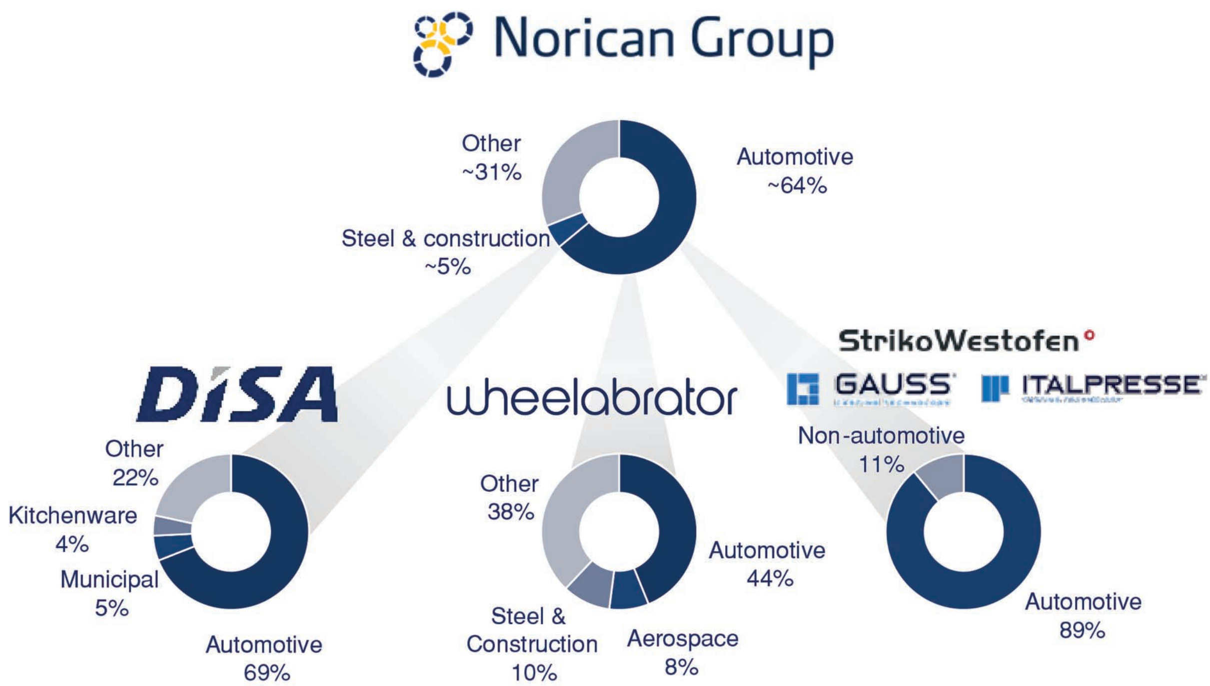


Source: Management estimates

Our customers

We have developed a large and highly diversified customer base and enjoy long-standing relationships with many of our largest customers. Our equipment customer base changes from year to year, reflecting the nature of the variation in demand for our different equipment, as these are not typically all recurring sales items and our customer concentration in aftermarket sales is low.

The chart below presents the distribution of our end-market sales for the year ended December 31, 2016:

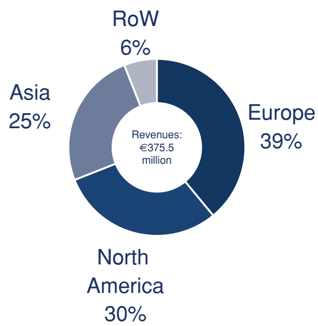


Source: Management estimates

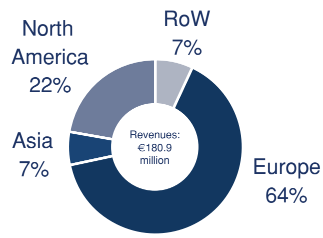
We do not typically have framework agreements in place with our customers, for either aftermarket or equipment orders. Equipment contracts are generally negotiated individually for each order on the basis of the new or continuing customer's specifications and technical requirements. A quotation is then issued with a general set of our standard terms and conditions. For example, our equipment contract general terms and conditions may include payment terms where 20% to 40% of the purchase price is due on receipt of the order confirmation, 50% to 60% of the purchase price is due upon delivery and acceptance and up to 10% of the purchase price is due within a specified warranty period following the on-site customer acceptance. In all cases, the resulting contractual terms and conditions are a result of specific negotiations with each customer in a way that mutually assigns performance risk.

We provide local sales and services to a diverse set of customers around the globe, with a significant presence in both developed and developing markets. In developed, industrialized markets (including North America, Europe and developed markets in Asia such as Japan), our revenue is weighted toward servicing our large installed equipment base by providing aftermarket parts and services. In developing markets (including China, India, Brazil, Russia, Eastern Europe and Mexico), our revenue is directed toward equipment sales. The following charts represent the geographic sales split of the Norican Group (based on the enterprise resource planning systems of the Norican Group) and the LMCS Group (based on management estimates primarily related to the destination to which the goods are shipped) for the year ended December 31, 2016:

Norican Group



LMCS



The Combined Group has a large and diversified customer base and (i) for the year ended December 31, 2016, no single customer accounted for more than 5% of its total equipment sales and (ii) no single customer accounted for more than approximately 5% of their aftermarket revenue.

The table below presents certain of the customers of the Norican Group and the LMCS Group by end-market:

End Market	Customers
HISTORICAL NORICAN GROUP	
Aerospace	Boeing, Airbus, Hawker Pacific Aerospace, MTU Maintenance, Eaton Aerospace
Automotive	Volkswagen, BMW, Daimler, Fiat, Renault, Peugeot, General Motors
Automotive Supplies	Hirschvogel Automotive Group, Federal-Mogul, Benteler, Bosch, Rolls Royce
Construction	Caterpillar, John Deere, Komatsu, CASE Construction, Ficep Corporation
Consumer Goods	Le Creuset, Jøtul
Energy	General Electric, Alstom, Vestas
Global Foundry	Hyundai WIA, Aisin Takaoka, Nemak, Grede, Winhere Brake Parts, GF Automotive, La Fonte Ardennaise, Victaulic, RBA Ferro, Brakes India
Medical	Biomet, DePuy, Stryker, Zimmer
Rail/Ship	Northrop Grumman, General Dynamics, Tsuneishi, Norfolk Naval Shipyard, Deutsche Bahn, Siemens, CSR Corporation Limited
HISTORICAL LMCS GROUP	
Commercial automotive	BMW, Volkswagen, Daimler, General Motors, Renault, Porsche, Tesla, Audi, KIA Motors, Hyundai, Ford, Chrysler, Tata Motors, Suzuki, Seat, Dacia, PSA Peugeot
Foundry automotive	Nemak, Montupet, GF Automotive, Le Bélier, Amtek, KSM Castings, ZF, CSABA, Magna, Schweizer, Rico Group, Handtmann, Belte AG, Brembo, ECSERE, Auerguss, Ljunghäll
Non-automotive	Pace Industries, Festo, Philips, Schindler, GIMA, TriMet, Ottobock, Electrolux, Michelin

Global Product Groups

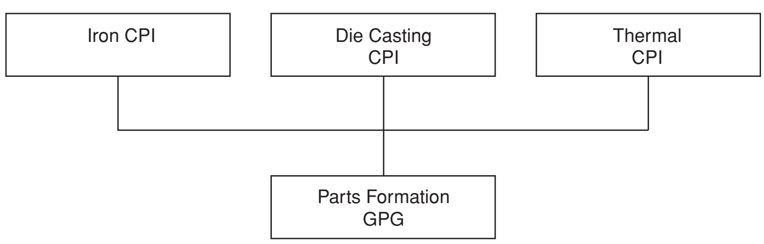
Our three Global Product Groups (“**GPGs**”)—Parts Formation, Parts Preparation and Parts Finishing—are responsible for driving innovation, managing the product portfolio, developing complete technical solutions for customers, managing specific product-related projects and managing the product-related brand in the market place. They also are responsible for the consistent application of their technology throughout the world. They can be standalone, or made up of multiple Centers for Product Innovation (“**CPIs”). As the owner of a Norican brand, they are responsible for how their brand is managed and positioned in the market place. Each CPI, in turn is responsible for a much narrower range of technology than the overall GPG. This allows us to achieve economies of scope around our innovation pipeline and the management of our technology application risk. By organizing our GPGs in this way, and separating out our regional sales and service organizations to represent all Norican products, we also create infinite scalability. We can continue to add to our technology portfolio without disrupting the local customer interface.**

Parts Formation Global Product Group

The role of the Parts Formation Global Product Group is to create global products which convert molten metal (ferrous or non-ferrous) to a near dimensionally accurate part at an appropriate price point for our customers. They will go to market under the DISA, Italpresse, Gauss Automazione and StrikoWestofen brand names. The Parts Formation GPG is responsible for driving innovation, managing the product portfolio, developing complete technical solutions for customers, managing specific product related projects and managing the product related brand in the market place. It also is responsible for the consistent application of its technology throughout the world.

The equipment offered by our Parts Formation GPG has a typical lead time of eight months. Prior to a first purchase of parts formation equipment, customers may conduct a pre-sales technical evaluation with a number of potential suppliers, before launching a tender process with selected suppliers. This process may be formal or informal. A pre-sales technical evaluation can take several months to complete, and typically involves more than one supplier. Once the technical evaluation has been completed, the tender process commences and the equipment supplier is subsequently selected by the customer. This process can take between one to three months.

The Parts Formation GPG is composed of three CPIs—Iron Products (based in Denmark, and going to market as DISA); Thermal Products (based in Germany, and going to market as StrikoWestofen); and Die Casting (based in Italy, and going to market as Italpresse or Gauss):



Our Iron CPI provides molding equipment products marketed under the DISA brand, which include the following mainly ferrous products and services:

- Vertical sand molding systems, marketed under the brand “DISAMATIC.” Vertical molding technology is predominately suited for high volume and high precision metal castings such as kitchenware and automotive aftermarket parts (for example brake discs). In vertical molding machines the molds are vertically poured, and the back of the previous mold is used as the front of the next mold. In 1964, the Norican Group introduced under the DISA brand the vertical molding “DISAMATIC” product line to meet the needs of this market segment. Our vertical molding equipment has been designed to be more weighted to automotive foundries due to customer requirements for higher productivity and quality standards. A typical vertical molding customer offers a small number of products (tens) to the market, but at high volume per products (tens of thousands).

- Matchplate sand molding systems, marketed under the brand "DISAMATCH." Match plate molding machines are used by foundries which require greater operational flexibility from their casting process. These are used to produce such items as large pipe and pump parts and fittings, but in small batches. Our match plate molding machines combine vertical and flaskless horizontal molding technologies, and offer high precision, speed and quality metal casting at a low capital cost. We introduced "DISAMATCH" product line under DISA brand to meet the needs of this market segment, and currently have four match plate molding products on the market. A typical matchplate molding customer offers a high number of products (thousands) to the market, but in low volumes per product (hundreds).

- Horizontal sand molding systems, marketed under the brand "DISAFLEX"; Horizontal molding technology is used for lower volume, larger castings. Foundries using horizontal technology often produce large, heavy and geometrically complex parts (such as boiler elements and engine blocks) with low volume requirements. In horizontal molding machines, sand is shot onto pattern plates in two flasks and hydraulically squeezed. Two separate halves of the mold are assembled into the final mold. Our horizontal "DISAFLEX" product line marketed under the DISA brand is aimed at this market segment and currently has three horizontal molding products on the market. Additionally, we offer a low pressure, manual horizontal product under the brand "DISA ARPA" to small foundries in the emerging markets.

In addition to the molding technology platforms set out above, our Iron CPI also provides the following complete integrated foundry lines which is also marketed under the DISA brand: complete sand plants; conveyor systems; cooling drums; cleaning solutions (from a sister Wheelabrator CPI); computer integrated manufacturing modules (which enable automatic machine adjustment during a pattern change and monitoring of production); and core machines.

They also work with the regional sales and service organizations to ensure ongoing customer satisfaction as it pertains to the delivery of DISA-branded parts and services. This includes, but is not limited to: supplying spare parts and upgrades; maintenance and servicing DISA-branded equipment; a premium aftercare service, which is marketed under the brand DISA "TOPS" (total optimization production service) which provides customer inspections, services and a maintenance program for owners of our molding equipment; a remote monitoring service which provides the customer with (i) an early warning and regular reporting diagnostic and (ii) continuous operational traceability and documentation; bespoke and standardized customer training programs covering any aspect of operating a DISA machine; and overall foundry optimization.

Our Thermal CPI provides melting, dosing and holding furnaces as well as heat treatment products marketed under the StrikoWestofen brand. As a general statement, StrikoWestofen focuses on melting aluminum, magnesium and zinc and then holding and transporting the resulting liquid metal throughout a customers' diecasting facility. The non-ferrous products and services provided from this CPI include the following:

- Melting furnaces offered under the StrikoMelter® trade name. StrikoMelters offer the lower energy consumption, higher yield on material and the lowest carbon dioxide emissions per ton of produced aluminum when compared to the available next best alternatives.

- Dosing furnaces offered under the Westomat® trade name, and Holding and Transport Furnaces offered under the Schnorkle® trade name. Westomat dosing furnaces offer higher metal quality, dosing accuracy, material yield, and at a lower energy consumption level than the traditional ladling systems available on the market. Similarly, the Schnorkle provides a much safer, integrated melt treatment (with StrikoMelter) within a closed system than other equipment providers.

- StrikoWestofen also offers both continuous and batch Heat Treatment solutions to the market. Heat treatment for aluminum is a precision process, requiring specialized machines. The machines must be capable of providing the specific thermal conditions required, and the associated control systems for delivering, the desired continuity and uniformity of the desired temperature-time cycles. Our customers use a heat treatment process solution following the diecasting process to improve the metallurgical characteristics of the resulting part. The specific post-diecasting heat treat process could include, but is not limited to, metallic phase homogenization (to improve the parts workability), annealing (to soften work-hardened parts), and age hardening (to provide hardening of the parts).

- StrikoWestofen also offer a number of branded ancillary equipment in support of a customer's melting operation. This includes holding basins integrated into melting furnaces, standalone furnaces and chip melters, tilting and non-tilting crucible furnaces (of multiple sizes and volumes and power sources).

In addition to the sales of individual pieces of equipment, our Thermal CPI also provides complete, integrated and synchronized melting systems for customers.

Our Die Casting CPI provides die casting equipment products (high pressure, gravity, low pressure) for aluminum and magnesium applications. This includes both individual machines as well as automatic work cells solutions marketed under the Italpresse or Gauss Automazione brand. The non-ferrous products and services provided from this CPI include the following:

- Two versions of high pressure diecasting machines are offered under the Italpresse® brand name: Toggle and toggle-free machines. Toggle machines have been in the market since the 1960s. The toggle linkage uses mechanical advantage to develop the clamping force (up to 4500 tonnes) required by the diecasting process. Italpresse's offer in this segment is the IP Series -Three Platen Machine with Toggle. Italpresse's newest high pressure die casting design is the Two-Platen Toggle Free series, introduced in 2005. As the name implies, there is no toggle linkage mechanism through which to apply the closing forces required of the diecasting process. Instead, the closing force is hydraulically delivered. Toggle-Free machines are a relatively new innovation within the industry, and currently offered by only two suppliers. As a result of the missing toggle linkage mechanism, the key advantage of the toggle-free design is space optimization, rigidity, flexibility and reliability / maintenance.

- Low pressure and gravity casting automation products and services offered under the Gauss® brand name. These include linear cell or carousel solutions to cover a wide range of part sizes and is comprised of the die casting machines (low pressure or gravity fed); control systems to manage the pouring, extraction, core setting functions using gantry systems or robots; extraction and core setting grippers; and pre-finishing integrated cells. In addition to the physical products, Gauss offers services ranging from engineering feasibility studies, installation designs, mechanical and electrical start-up support, and ongoing production assistance.

Parts Preparation Global Product Group

The role of the Parts Preparation Global Product Group is to create global products that clean or strengthen a customer's part at a mutually beneficial price point. This GPG's core technology offers for this GPG are wheelblast and airblast and include both equipment and aftermarket. All of the products offered by this GPG's CPIs go to market under the Wheelabrator brand. The Parts Preparation GPG is responsible for driving innovation, managing the product portfolio, developing complete technical solutions for customers, managing specific product related projects and managing the product related brand in the market place. It also is responsible for the consistent application of its technology throughout the world.

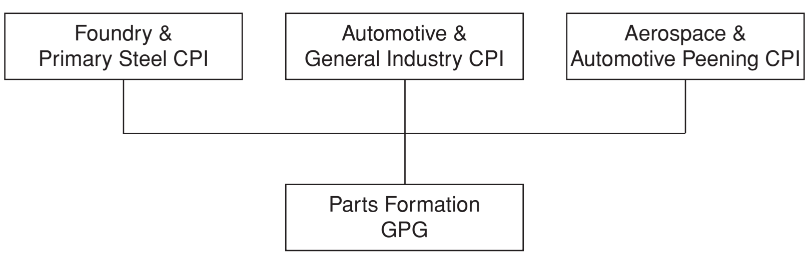
The Parts Preparation GPG focuses on two types of technology: wheelblast and airblast.

- Wheelblast surface preparation technology was first developed by Wheelabrator in 1932 and uses abrasives which are accelerated by applying centrifugal forces generated by a spinning wheel. The output of the wheel is adjusted on application depending on the product requirements and the size of the parts requiring treatment. Wheelblast technology is predominantly used in the automotive industry for deburring (which is the removal of unwanted piece of metal attached to a metal part after a modification process), strengthening and descaling of components, and in foundries removing sand from metal castings. Wheelblast surface preparation technology is a highly productive, long proven and simple technology with low operating costs. We offer one of the largest varieties of Wheelblast machines worldwide, including a complete range of standard designs and custom-designed solutions. Typical metallic parts which use our Wheelblast surface preparation technology include: steel plate and beams, general castings, springs, pump parts, engine blocks and metal kitchenware (such as saucepans).

- Airblast surface preparation technology is a process which accelerates an abrasive media by compressed air through venturi nozzles onto a metallic surface. This technology used when a precise and narrow strip of metal needs to formed, cleaned or strengthened, as is the case in aerospace industry for the shaping and strengthening of wing components, and in the automotive industry for the cleaning and strengthening of complex parts. It can also be used when covering non-standard sized, yet large work pieces, like an entire rail car, where the blasting is done in a room or a cabinet depending on the size of the component which requires attention. Airblasting is a more precise and accurate process than wheelblasting process and generally offers lower abrasives and consumption and reduced component wear, although energy costs can exceed that of wheelblast solutions.

Our Parts Preparation GPG serves leading companies in the foundry, automotive, aerospace, energy marine, rail, construction, medical and primary metal industries in approximately 100 countries. Based on our longstanding experience in the parts preparation sector, our technology platform enables us to provide our customers with both standard and application specific solutions to the precise specifications of our surface preparation customers.

The Parts Preparation GPG is composed of three CPIs—Foundry & Primary Steel Products (based in Switzerland, and responsible for providing heavy duty applications to primary and secondary metal customers); Automotive & General Industry (based in Germany, and responsible for providing general airblast and wheelblast solutions to a wide variety of industries, including auto, rail, medical, ship yards, steel fabricators); and Aerospace & Auto Peening (based in France, and responsible for high end strengthening applications for auto and aerospace customers throughout the world):



Our *Foundry & Primary Steel CPI* provides a wide range of heavy duty wheelblast equipment to customers in the iron foundry, aluminum smelting, steel mill, wire mill and mining products industries, to name a few. The main applications for all the products offered out of this CPI are sand removal, descaling, deburring and general cleaning. The following equipment products are typical of the technical offer being provided by this Zurich based CPI: tumble blast (both batch and continuous), spinner hanger, indexed table, wire, barrel and pass through machines.

Our *Automotive & General Industry CPI* provides a wide range of medium to light duty wheelblast and airblast equipment to customers in disparate markets such as auto, rail, ship, medical, consumer goods, energy, construction, steel service centers. The main applications for all the products offered out of this CPI is surface finish, peening and general cleaning. The following equipment products are typical of the technical offer being provided by this Metelen based CPI: small tumble blast, spinner hanger, robot gripper, indexed table, wire, indexed tables and pass through machines.

Our *Aerospace & Automotive Peening CPI* provides a narrow range of highly precise, automated airblast peening equipment to customers in the aerospace and automotive sectors. The only application for the products offered out of this CPI is peening (strengthening). This narrow focused is driven by the various governmental agencies and industry-specific bodies that regulate the airline industry (like the FAA in the USA and NADCAP throughout the world). Given the nature of our customers' requirements within this regulatory framework, and to minimize our application risk, this Charleville based CPI has a very narrow technical focus, limited to only automated airblast peening solutions.

Parts Finishing Global Product Group

The Parts Finishing Global Product Group consists of only one Centre for Product innovation and it is solely focused on mass finishing technology.

Mass finishing technology involves immersing parts into a media and finishing it by vibratory action. Mass finishing is a simple process which allows for a large number of parts to be finished simultaneously and is suitable both for stand-alone operations and automatic production lines. We offer a range of vibratory finishing machines to meet specific requirements for our customers. Typical metallic parts which use our mass finishing surface preparation technology include: aerospace parts (which require a mirror-like finish), and high volume parts which require a mirror-like finish such as door knobs and hinges.

The European parts finishing market is highly concentrated under two brands, which creates a unique opportunity for us to accelerate our objective to profitably acquire new customers. Accordingly this GPG is focused in the short-term on bringing a viable market-place alternative to the incumbent providers and then using this base to extend this regional offer into a truly global platform. Therefore, the role for the Parts Finishing Global Product Group is to establish an attractive range of mass finishing products at a price point below the current industry offer and thereby earn the right to serve more customers. All of the products (equipment, parts, chips and compounds) offered by this GPG will be under the Wheelabrator Vibro brand. The main markets served by this GPG are the medical industry for the polishing of medical implants, the aerospace industry for polishing turbine blades, and the automotive industry for cleaning gears.

Shared services & supply chain

This organizational element contains all of our activities that are not specific to a product or a region, or common to all. This segment allows us to create both economies of scale and scope across our whole Combined Group that otherwise would be separated between our different geographical markets or Global Product Groups. This organization allows us to improve our productivity, increase our levels of internal quality, and provide faster cycle times and lower working capital overall.

The key activities of our Shared Services & Supply Chain segment are divided between our Global Supply Chain and our Shared Services.

Global supply chain

The role of the Supply Chain organization is to own and operate the Fulfill the Order process to competitively deliver global production of equipment and the supply of parts and services. The supply chain organization allows us to optimize our manufacturing, assembly, test and maintenance footprint and our warehousing and distribution network. It further allows us to aggregate our collective spend to achieve purchasing economies, to drive standardized operating practices and procedures across all sites (such as our ongoing Lean initiative), and to increase our margins through the vertical integration of our wear parts suppliers (a collection of three internal foundries based in the United States, United Kingdom and India operating within the Supply Chain's Global Castings Group).

Shared services

Our Shared Services segment provides us with globally consistent and competitive support with respect to Information Technology, Marketing & Communications, Lean leadership and coaching, and Programme Management Office (which supports our strategic projects). By definition, our shared services are not specific to any single region or Global Product Group entity, but common to all. The benefits of centralizing control of these services are delivered through economies of scale and scope that otherwise would be locked in a regional or product-focused organizational structure, such as the elimination of fixed cost overlaps across lines of business and regions and the improvement to the same high standard of the levels of service quality and delivery.

We have not developed in-house and do not license any bespoke software specifically for our purposes but we license off-the-shelf software solutions (Dynamics AX and CRM, BlueStar, Microsoft Office, Hyperion, a suite of standard 2D and 3D autocad packages) to be configured to our defined business process model.

Other

We have a number of "Industry 4.0" initiatives currently residing within various Combined Group CPIs. As part of the integration activity, we will be looking to bring these activities together under a new organization structure, solely focused on the evolving opportunity within the "Internet of Things" market space for our customers' industries and tied to our technology offer. As part of the integration workstream, we are currently assessing the Combined Group's collective industry knowledge to develop new products for our customers' leveraging our detailed understanding of their operations and the type of information our machines currently generate or could produce within an "Internet of Things" operating environment. The basis of this new product offer will be the combination of the emerging "Industry 4.0" customer requirements and our current internal information-based product innovation activities (such as the Italpresse HMe control system and DISA Cockpit initiatives). We intend to incorporate existing technology available in the marketplace (control systems software, wireless (both radio frequency and optical) signaling methods, integrated manufacturing control systems) combined with our specific application knowledge that allows the visualization and automation of the customer's entire production process (extending beyond our equipment) with the specific goal of minimizing lost production capacity due to unplanned downtime, poor process synchronization and energy inefficiencies from poorly balanced power loads within a site. The goal of this initiative is to diversify our offer of equipment, parts and service by monetizing our application expertise of the market in a different manner.

General services

Facilities

The chart below summarizes our facilities by geographical markets:

North American locations

Sites location	Line of business	Owned/ Leased
Ontario, Canada	Wheelabrator	Leased
Colorado, USA	Norican	Leased
Georgia, USA	DISA / Wheelabrator / Wheelabrator +	Owned
Illinois, USA	DISA	Leased
Michigan, USA	Italpresse / StrikoWestofen	Leased
Wisconsin, USA	Castalloy Wheelabrator +	Owned
Monterrey, Mexico	Wheelabrator / Wheelabrator +	Leased
Querétaro, Mexico	Wheelabrator + / Italpresse	Leased

European locations

Site location	Line of business	Owned/ Leased
Pribram, Czech Republic	DISA / Wheelabrator / Wheelabrator +	Owned
Taastrup, Denmark	DISA / Norican	Leased
Charleville, France	Wheelabrator	Leased
Mennecy, France	Wheelabrator / Wheelabrator +	Owned
Saint Quentin Fallavier, France	Italpresse	Leased
Cologne, Germany	Wheelabrator +	Leased
Gummersbach, Germany	StrikoWestofen	Leased
Leipzig, Germany	DISA	Leased
Metelen, Germany	Wheelabrator	Leased
Munich, Germany	Wheelabrator / StrikoWestofen	Leased
Rheda Wiedenbrück, Germany	StrikoWestofen	Leased
Wiehl, Germany	StrikoWestofen	Leased
Capriano Del Colle, Italy	Italpresse	Leased
Roncadelle, Italy	Gauss Automazione	Leased
Bielsko-Biala, Poland	Italpresse	Leased
Strzelce Opolskie, Poland	StrikoWestofen	Leased
Warsaw, Poland	Wheelabrator	Leased
Wrzesnia, Poland	Wheelabrator / Wheelabrator +	Leased
Moscow, Russia	DISA / Wheelabrator / Wheelabrator +	Leased
Barcelona, Spain	Wheelabrator +	Leased
Bachenbulach, Switzerland	Wheelabrator	Leased
Schaffhausen, Switzerland	Wheelabrator	Leased
Altrincham, United Kingdom	Wheelabrator / Wheelabrator +	Leased
West Midlands, United Kingdom	Wheelabrator	Owned
Birmingham, United Kingdom	Wheelabrator +	Leased
West Yorkshire, United Kingdom	Wheelabrator / Wheelabrator +	Leased
Coventry, United Kingdom	Wheelabrator +	Leased
Berkshire, United Kingdom	Wheelabrator	Leased

Asian locations

Site location	Line of business	Owned/ Leased
Beijing, China	DISA / Wheelabrator	Leased
Changzhou, China	DISA / Wheelabrator	Owned
Chongqing, China	DISA / Wheelabrator	Leased
Hong Kong, China	Wheelabrator/ Wheelabrator +	Leased
Kunshan, China	Italpresse	Leased
Shanghai, China	DISA / Wheelabrator / Wheelabrator + / Italpresse	Leased
Taicang, China	StrikoWestofen	Leased
Bhadravathi, India	Wheelabrator	Owned
Peenya, India	DISA /Wheelabrator / Wheelabrator +	Leased
Calcutta, India	DISA India	Owned
New Delhi, India	DISA India	Owned
Pune, India	DISA India	Owned
Hosakote, India	DISA India / Wheelabrator	Owned
Tumkur, India	DISA / DISA India	Owned
Nagoya, Japan	DISA / Wheelabrator / Wheelabrator +	Leased
Tokyo, Japan	DISA / Wheelabrator / Wheelabrator + / StrikoWestofen	Leased
Bangkok, Thailand	StrikoWestofen	Leased

Intellectual property

We believe that our investment of a significant proportion of our resources on research and development and the resulting intellectual property is a strategic advantage relative to most of our competitors and continue to reinforce our market position with research and development. We own various patents, trademarks and other material intellectual property registered across various jurisdictions that are managed by our teams in the United States and Denmark. We believe that our patents and material intellectual property are valuable as they have led to improvements in our products but we do not regard these patents or intellectual property as vital for us to be able to operate our business. We also occasionally licenses rights to our intellectual property to third party manufacturers to produce and sell our products in limited territories.

We have a license for the use of the name "Wheelabrator," and use the DISA brand and the trademarks "StrikoWestofen," "Italpresse" and "Gauss Automazione" for the marketing of our products.

We use the trademark "Wheelabrator" which is owned by Wheelabrator Technologies Inc. (which is not part of the Combined Group) and licensed to us pursuant to a trademark license agreement (the "**Wheelabrator Trademark License Agreement**"). The trademark is also currently used by three other entities unrelated to us. The Wheelabrator Trademark License Agreement grants us a perpetual non-exclusive, worldwide, royalty-free license to use the trade name and trademark "Wheelabrator." We are unable to use the name "Wheelabrator" in respect of any parts preparation subsidiaries which are incorporated after December 2, 1996 as the license does not apply to any entities incorporated following the date of the Wheelabrator Trademark License Agreement. The agreement also contains provisions that provide that Wheelabrator Technologies Inc. will not grant the right to use the trademarks to any of our competitors without prior written consent.

As at the date of this Offering Memorandum, we have 126 active patents for our DISA brand, 198 active patents for our Wheelabrator brand and 18 patents (including four patents pending) and, 40 trademarks for our Gauss Automazione, Italpresse and StrikoWestofen brands in various jurisdictions.

Norican Group and LMCS Group R&D historical data

As of December 31, 2016, the Norican Group employed 82 R&D employees focused on product development and engineering capacities at seven Centers for Product Innovation throughout the world. In the year ended December 31, 2016, the Norican Group incurred research and development costs of €6.5 million, or 1.7%, of revenues, compared to €7.1 million, or 1.8%, of revenues in the year ended December 31, 2015.

As of December 31, 2016, the LMCS Group employed six R&D employees in Germany focused on product development and engineering capacities.

Employees

Payroll is one of the largest cost items in our business, and accounted for 29.1% of the Norican Group's revenue and 15.6% of the LMCS Group's revenue for the year ended December 31, 2016. We aim to adapt the number of our employees to the amount of business booked and anticipated, by managing the number of employees against the backlog of orders for business.

We seek to attract and retain talented and dedicated employees and we strive to provide our employees with a challenging and engaging working environment, notably through the creation of "Norican University," which was launched in 2010 in collaboration with University of Colorado International Business School. Norican University is a program attended by cross sections of local management teams which cover topics such as our vision, values and strategies and managing operating costs. We have a low employee turnover and generally high employee satisfaction levels as indicated by our internal surveys. Although we are subject from time to time to minor employment-related disputes, we believe that our relations with our employees are good.

In certain of our operating jurisdictions, the terms of the employees' contracts are highly regulated by mandatory provisions of labor laws, and may be covered by provisions of collective bargaining agreements, which may exist on a national, regional, or local level or be specific to a particular legal entity. Collective bargaining agreements are entered into between one or several trade union organizations representing employees, on the one hand, and an employer, or group of employers, on the other hand. Such agreements typically address matters such as working conditions and employment-related benefits such as minimum wage, working time, sickness and maternity leave, holidays, social security contributions, year-end bonuses and financial terms of dismissals or retirement. In particular, the Combine Group is party to collective bargaining agreements in a number of countries in which we have employees.

Norican Group and LMCS Group historical data

Historically, the majority of Norican Group's workforce has been composed of employees directly employed by each subsidiary to fulfill the production requirements of the business.

As of December 31, 2016 the Norican Group employed 2,188 employees across its geographical sectors, as described in the below chart:

Region	Employees
Europe	1,135
North America	384
Asia (excluding India)	305
India	364
Total Norican Group	**2,188**

In contrast to the Norican Group, the LMCS Group has historically managed its production requirements through a workforce comprised of a large number of independent agents, retained on a contractor or consultant basis, instead of direct employees pursuant to traditional employment contracts. The network of independent sales agents then initiates the first contact with the end customer and works on a commission basis. The LMCS Group use of independent agents, hired to fulfil its backlog order and precisely tailored to its production needs, allows for a very swift reaction time to fluctuations in its production and ensures a better management of its working capital with an efficient and flexible cost structure. The LMCS Group has relationships with agencies companies which provide the appropriate workforce on a need-be basis. Through that system, the cost item represented by payroll is converted into a third party payable item, which has allowed the LMCS Group more flexibility on its payroll. Agency agreements are often standardized contracts, with few discrepancies between agreements except for the terms of remuneration and incentives and limits on the products and territories covered. Generally, the agency agreements provide that the agent will negotiate contracts of sale on behalf of the LMCS Group, but will have no authority to enter into contracts on behalf of or in any way binding the LMCS Group. As of December 31, 2016, the LMCS Group employed 481 employees, across its geographical sectors.

Pension plans

Our employees benefit from a number of pension plans, both locally at our subsidiaries level, which have largely similar risk profiles, and internationally at a group level, to grant pensions to the subscribing employees. A number of our pension plans are underfunded. The Norican Group estimates that the employer contributions to be paid to defined benefit plans for the year ended December 31, 2017 will be approximately €1.9 million. Actual payments could differ materially from this estimate if any new funding regulations or laws are enacted or due to changes in business and market conditions during 2017.

Insurance

We believe that our insurance coverage is appropriate for our business. We maintain general liability, property damage, business interruption and a variety of other insurance policies through a combination of self-funding and third party policies.

Norican Group and LMCS Group historical data

Each of the Norican Group and LMCS Group have taken out industry-standard insurance coverage under liability and property/business interruption insurance policies. All of our policies are underwritten by reputable insurance providers, and we conduct periodic reviews of our insurance coverage, both in terms of coverage limits and deductibles. We intend to incorporate the LMCS Group entities into the Norican Group global insurance plan, as of the renewal of the policy, on July 1, 2017.

Environment, health and safety

We have implemented a facility based environmental, health and safety management system to govern our global operations. Our Code of Business Conduct and Ethics makes it clear that all our operations must comply with all local laws and regulations, including those governing environmental, health and safety matters. This obligation flows from the Parent Guarantor's board of directors to the head of segment and regional group. Such obligation is implemented at a local level and each facility has a designated environment, health and safety coordinator who is responsible for ensuring that such facility is compliant with all local laws and regulations. The environment, health and safety coordinator for each facility directly reports to the relevant facility management and also reports to the global environment, health and safety coordinator at the group-level, who in turn reports to our Chief Operating Officer with respect to these areas. We also maintain a system of periodic site visits by the global environment, health and safety coordinator to review the environmental management systems in place. In addition, we regularly report to our shareholder on environment, health and safety issues and submit annual environment, health and safety reports to confirm compliance with environment, health and safety laws, regulations and standards. We believe we are in compliance with, and not subject to any liability under, environmental, health and safety laws, except where such non-compliance or liability would not reasonably be expected to have a material adverse effect on our business, financial position or results of operations.

Health and safety

Our operations can be hazardous, and there is the general risk of accidents involving the heavy equipment and machines used in our manufacturing. We have implemented various safety standards to improve worksite safety and working conditions, including employee training.

Environmental regulation

As a Combined Group, we have production facilities in twelve different countries and regions, including China, India, United States, Mexico and Europe (this includes Czech Republic, Denmark, France, Germany, Poland, Italy and United Kingdom). We have implemented ISO 14001, the environmental management standard, at our manufacturing sites in Changzhou (China), Hosakote (India), Tumkur (India), Taastrup (Denmark) and Příbram (Czech Republic). We plan to implement ISO 14001 at our other sites as and when advisable. Furthermore, a number of our facilities are EN ISO 9001:2008 certified.

Our production facilities are subject to a range of environmental and occupational health and safety laws. Manufacturing facilities in different regions or countries are subject to different laws, regulations and codes depending on the regions or countries in which the facility is operating. Such regional and national laws, regulations and codes prescribe the requirements relating to environmental, health and safety matters, including laws relating to air emissions, waste management, water discharges, contaminated land remediation and worker health and safety. At the date of this Offering Memorandum, we are not aware of any material breaches or non-compliance with environmental regulations and we are not aware of any contamination at our facilities. Below is a summary of certain environmental regulations which apply to our operations in Europe and the United States. We note that other regulations not discussed below may also apply.

European Union

Significant EU Directives and Regulations are relevant to our facilities in the European Union, including the following:

- Directive 2010/75/EU of November 24, 2010 on industrial emissions (the "**IED**") regulating pollutant emissions from industrial installations The IED Directive is complemented by European Pollutant Release and Transfer Register (E-PRTR) regulation (EC) N°166/2006 of January 18, 2006 implementing the yearly report on release of pollutants and off-site transfer of waste.

- Directive 2008/105/EC of December 16, 2008, which establishes new water quality standards for priority pollutants in support of Directive 2000/60/EC of October 23, 2000, which established a framework for action in the field of water policy (the "**Water Framework Directive**"). The Water Framework Directive has been completed by the Groundwater Directive 2006/118/EC of December 12, 2006.

- Directive 2008/98/EC of November 19, 2008 which establishes the legislative framework for the handling and management of waste in the EU and Regulation (EC) N° 1013/2006 of June 14, 2006, which regulates the shipment of waste from and to the European Union.

- Directive 2003/87/EC of October 13, 2003, as amended by Directive 2009/29/EC, which establishes a program under which Member States are allowed to trade greenhouse gas emission allowances within the EU subject to certain conditions.

- Regulation (EC) No 1907/2006 of 18 December 2006 on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Regulation (EC) No 1272/2008 of

16 December 2008 on the classification, labeling and packaging of substances and mixtures (CLP Regulation).

The following EU Directives are also significant:

(a) Directive 2008/50/EC of May 21, 2008, dealing with ambient air quality and cleaner air for Europe.

(b) Directive 2004/107/EC of December 15, 2004, which sets forth limit values and target values for pollutants in ambient air, including thresholds on very fine particulates.

(c) Directive 2001/81/EC of October 23, 2001, which introduced national emission ceilings for certain pollutants.

(d) Directive 2012/18/EU of 4 July 2012 ("**Seveso III Directive**") replacing Directive 96/82/EC of December 9, 1996 and Directive 2003/105/EC of December 16, 2003, which relates to the control of major accidents hazards involving dangerous substances.

Environmental damages and violations of the EU legislation are subject to environmental and criminal liability under Directive 2004/35/EC of April 21, 2004, and Directive 2008/99/EC of November 19, 2008.

United States

Our operations in the United States are subject to a variety of environmental laws and regulations, including, among a number of others, the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act ("**RCRA**"), the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), as well as a host of state and local environmental rules. Environmental laws in the United States are subject to change and have become more stringent over time. It is possible that our operations may become subject to additional statutory and regulatory requirements in the future, including in relation to the emission of air pollutants and carbon dioxide and other greenhouse gases.

- *Clean Air Act.* Regulations promulgated under Title I of this Act at 40 CFR §60 establish National Ambient Air Quality Standards, as well as air pollution control standards for new stationary sources falling within particular industrial categories. The standards applicable to certain steel operations include, among others, the New Source Performance Standard for electric arc furnaces at 40 CFR 60 Subpart AAa, which addresses particulate emissions.

- *Clean Water Act.* Regulations promulgated under this Act establish a National Pollutant Discharge Elimination System permit program and similar State and locally administered permit programs, which regulate both point source and storm water discharges as well as certain discharges to sanitary sewers from a facility in order to protect local surface waters.

- *RCRA.* Regulations promulgated pursuant to Subtitle C of RCRA (40 CFR Parts 260-299) establish a "cradle-to-grave" system governing hazardous waste from the point of generation to disposal. Several RCRA hazardous wastes can be produced from steel operations, creating waste accumulation, manifesting, and record keeping obligations for a facility, as well as obligations with respect to treatment, storage and disposal of hazardous wastes.

- *CERCLA.* Commonly known as the "Superfund," CERCLA authorizes the Environmental Protection Agency ("**EPA**") to respond to releases, or threatened releases, of hazardous substances that may endanger public health, welfare, or the environment. CERCLA also enables the EPA to require parties deemed responsible for environmental contamination to clean it up or to reimburse the Superfund for response costs incurred by the EPA. CERCLA can also be enforced by private parties. Liability under CERCLA can be strict as well as joint and several. Under CERCLA and similar State laws, we could incur liability to address contamination at our properties, regardless of whether we caused that contamination. We could also be held liable for contamination at sites at which hazardous materials we disposed of or arranged for the disposal of came to be located.

The violation of United States environmental laws and regulations, including the release and disposal of hazardous substances may subject us to potential fines and penalties, including possible criminal sanctions, clean-up costs, facility shut-down and wide ranging liability for the remediation of impacts to human health and the environment.

We do not expect to incur material capital expenditures for environmental projects in the current or subsequent fiscal year.

Litigation

From time to time, we are party to a variety of claims and legal proceedings that arise in the ordinary course of business, including with regards to employment laws. At present, however, we expect that none of these claims or proceedings will have a material adverse effect on our business, financial position or results of operations. We currently have insurance and reserves to cover self-insured retentions for any material adverse outcomes in most claims. For claims in which insurance coverage may not be available, we have established reserves deemed to cover possible adverse outcomes and related fees. While it is not feasible to predict the outcome of all pending suits and claims, the ultimate resolution of these matters as well as future lawsuits could have a material adverse effect on our business, financial position, results of operations or reputation.

Asbestos related claims

In recent years numerous asbestos related claims have been filed against the Norican Group relating to historic asbestos exposure in the 1970s and 1980s. The Norican Group has been included in asbestos related litigation due to the fact that they have supplied products to enterprises which may have historically used or dealt with asbestos. As such, we are typically made an additional defendant to claims once the claims are already underway due to the claimant working for undertakings to which our products may have been supplied. However, the products supplied by the Norican Group have not been linked to any activities relating to the use or handling of asbestos. As such, we are confident that we will successfully defend any claims made against us regarding asbestos related illnesses. Historically, the Norican Group has typically reserved between U.S. $100,000 and U.S. $225,000 per claim to cover defense costs and in respect of participation in any group settlements in respect of such claims, and we are maintaining this policy. As of the date of this Offering Memorandum, we have not been found liable in respect of any claim for exposure to asbestos, no claim has been asserted against any of our subsidiaries as a sole defendant, and no asbestos related claim involves any of our current or former employees. See "*Risk factors—Risks relating to our business and industry—We are exposed to a risk of industrial accidents.*"

Silicosis related claims

A number of subsidiaries of our subsidiary, WGH Holding Corp., which we acquired in 2003, have been involved in significant class actions in relation to silicosis claims arising out of activities that occurred prior to our acquisition of such subsidiaries and primarily by customers' workers and former workers of those subsidiaries. In this respect, we are party to a silicosis indemnity agreement according to which the former shareholder of the involved subsidiaries, Water Application & Systems Corp. (formerly known as United States Filter Corp.), is liable for all silicosis claims and liabilities arising from equipment sales prior to August 19, 2003. Forty-six former subsidiaries of Water Application & Systems Corp. are indemnified parties pursuant to the indemnity agreement and Water Application & Systems Corp. indemnifies the current members of the indemnified parties against any silicosis liabilities. However, while the indemnity is perpetual in relation to our U.S. subsidiaries that are members of the indemnified parties, it only covers our European subsidiaries for claims notified to the former owner prior to August 19, 2018. While we believe we have a substantial defense of the matter, it is not possible to predict with certainty the outcome of such claim. Given the stage of the proceedings, it is not possible to predict the timing of any such adverse decision, nor the potential consequences, which we expect would be limited in duration, to our operations and financial performance going forward. Moreover, a number of these class actions/claims have been dismissed by the relevant courts, and the number of active claims of which we are aware have decreased from approximately 38,000 claims in 2003 to 941 in December 2016. There are no claims at present for exposure related to non-United States subsidiaries for equipment sales subsequent to August 19, 2003.

DISA India Limited related claim

We are involved in a dispute regarding the share price in a mandatory tender offer for the publicly listed shares of DISA India Limited following completion of the merger of DISA and Wheelabrator. The merger resulted in our indirect acquisition of 74.27% of the voting shares of DISA India Limited. Under the prevailing takeover regulations in India at the time, the share price in a mandatory tender offer triggered by an indirect acquisition or change of control had to be calculated, among certain other conditions, with reference to the date of public announcement by the parent company and by the target company. While the sale and purchase agreement was signed on March 9, 2008, the transaction was not publicly announced in India by DISA India Limited until September 4, 2008. Accordingly, the offer price was calculated based on the date of public announcement by the target company, as there was no separate public announcement made by the parent company. The Securities Exchange Board of India ("**SEBI**") ordered, however, that the date on which the sale and purchase agreement was signed should determine the offer price for the publicly listed shares of DISA India Limited. This would have increased the offer price by approximately €500,000. We submitted an appeal to the Indian Securities Appellate Tribunal, which ruled in our favor. SEBI appealed to the Indian Supreme Court on October 5, 2009 and the proceedings remain ongoing, with a final decision expected no earlier than 2018. We currently have a cash bond with Deutsche Bank India in place for €912,000, which is approximately 80% of the amount in dispute considering interest that may be imposed by the Indian Supreme Court.

Foundry 4 related claims

One of our subsidiaries, StrikoWestofen GmbH has initiated and is involved in an ongoing industrial espionage and competition and intellectual property rights infringement litigation against Foundry4 Thermodos GmbH, currently known as ZPF Foundry4 GmbH ("**Foundry4**"). The dispute alleges a group of former managers and senior employees of StrikoWestofen GmbH unlawfully took privileged information, intellectual property, knowhow and control software from StrikoWestofen GmbH to set up Foundry4 and manufacture products plagiarized from StrikoWestofen GmbH but marketed at prices 30% beneath our price range.
StrikoWestofen GmbH initiated civil litigation and criminal investigation proceedings. An arbitration settlement is currently being negotiated to resolve the issue favorably.

Management

The executive board and the board of directors of the Norican Group, the entity at which the Issuer has historically consolidated accounts, are discussed herein.

Executive board of the Parent Guarantor

The executive board of the Parent Guarantor has three members. The registered address of the members of the executive board is Højager 8, DK-2630 Taastrup, Denmark. The table below sets out the name, age and position for each of the members of the Parent Guarantor's executive board:

Name	Age	Position
Robert E. Joyce, Jr.	55	President and Chief Executive Officer
Andrew J. Matsuyama	43	Executive Vice President and Chief Financial Officer
Ian B. Bird	67	Senior Vice President and General Counsel

The following are brief biographical descriptions of the current members of the executive board of the Parent Guarantor:

Robert E. Joyce, Jr. Mr. Joyce has been President and CEO of the Norican Group since its formation in September 2008. Mr. Joyce was the President and CEO of the Wheelabrator Group, since 2003 when it was merged to become the Norican Group. Mr. Joyce is currently sits on the DISA India Limited board of directors. From 1996 to 2003, Mr. Joyce held a number of executive leadership roles within USFilter. Mr. Joyce has also held several leadership positions at North American Logistics, Black & Decker; Deloitte & Touche Management Consulting, Merck, Sharp & Dohme and in the United States Marine Corps. Mr. Joyce holds a Bachelor of Science degree (*cum laude*) in Aerospace Engineering from the University of Michigan and a Masters in Business Administration from the University of Pennsylvania's Wharton School.

Andrew J. Matsuyama. Mr. Matsuyama has been the Chief Financial Officer for Norican Group and its predecessor business since 2006. He joined the company in 2003 as the Director of Financial Planning and Analysis. Before joining the Wheelabrator Group, Mr. Matsuyama was a member of the management team that established the Denver office of Protiviti (a global risk and business consulting company), serving as Senior Manager in the risk consulting practice. From 1995 to 2002, Mr. Matsuyama had a variety of advisory and consulting roles within Arthur Andersen LLP. Mr. Matsuyama holds a Bachelor of Science in Business Administration from Colorado State University and is a certified public accountant in the State of Colorado.

Ian B. Bird. Mr. Bird has been Senior Vice President, General Counsel and Corporate Secretary of the Norican Group since its formation in 2008. M. Bird has been a manager of the Wheelabrator Group since 2003 when it was merged to become the Norican Group. He currently holds a senior position on the Management Board and is a Director or senior manager of a majority of the subsidiaries of the Norican Group. From 1980 to 2003, Mr. Bird held a number of senior general counsel roles at Waste Management International, IBM Federal Systems Division, CH2M Hill Capital Services Co, Coors Brewing Company and the office of the General Counsel of the United States Navy. Mr. Bird has also been the Chairman of the Board of Advisors of the Ved Nanda Center for International and Comparative Law at the Sturm College of Law at the University of Denver. Mr. Bird holds a Bachelor of Arts degree in History from Michigan State University, and a Juris Doctorate from Sturm College of Law and a Master of Art degree in International Studies from the Korbel Graduate School of International Studies both at the University of Denver. Mr. Bird is admitted to the Colorado State Bar as well as the District of Columbia Bar and is a member of the Colorado Bar Association, the Denver Bar Association and the Association of Corporate Counsel.

Board of directors of the Parent Guarantor

The board of directors of the Parent Guarantor has seven members. The registered address of the members of the Board of Directors is Højager 8, DK-2630 Taastrup, Denmark. The table below sets out the name, age and position for each of the members of the board of directors of the Parent Guarantor:

Name	Age	Position
Søren Dan Johansen	52	Chairman
Thomas Stegeager Kvorning	38	Director
Daniel Lars Reimann	37	Director
Robert E. Joyce Jr.	55	Director
David Hughes	57	Independent Director
Per Anders Lindqvist	50	Independent Director
Jean-Marc Denis Lechêne	58	Independent Director

The following are brief biographical descriptions of the current members of the board of directors of the Parent Guarantor:

Søren Dan Johansen. Mr. Johansen has been Chairman of the Board of Directors of the Parent Guarantor since 2015. Since September 2011, Mr. Johansen has been Managing Partner of Altor Equity Partners A/S. In this role, he is an Investment Advisor to Altor Fund IV. Mr. Johansen is also currently a Managing Director of New Nutrition ApS and New Nutrition Holding ApS, a Chairman of Leith Koncept ApS, Roenholtmedia.com ApS, Cam Group Holding A/S, C WorldWide Holding A/S, Wrist Ship Supply A/S, Wrist Ship Supply Holding A/S, W.S.S. Holding A/S, Cam Holding 1 DK ApS, Cam Holding 2 DK ApS, Haarslev Industries A/S, Haarslev Group A/S, Haarslev Group Holding A/S, Statens Ejendomssalg A/S and Technoinvest A/S and a Director of Hamlet Protein A/S, New Nutrition ApS, New Nutrition Holding ApS and PSR ApS. From 1989 to 2011, Mr. Johansen served in various capacities within Kromann Reumert, including as Managing Partner. Mr. Johansen holds a degree from the University of Wisconsin and a Master of Science degree in Law from the University of Copenhagen. Mr. Johansen is admitted to the High Court and the Supreme Court of Denmark.

Thomas Stegeager Kvorning. Mr. Kvorning has been a Director of the Parent Guarantor since December 2014. Mr. Kvorning also was a Director of the Issuer from December 2014 to September 2015. Since September 2007, Mr. Kvorning served in various capacities within Altor Equity Partners A/S, including as a Director. In this role, he is an Investment Advisor to Altor Fund IV. Mr. Kvorning is also presently a Director of Ejendomsselskabet Sydmarken 5 A/S and of his private holding companies. From July 2004 to August 2007, Mr. Kvorning was an Analyst at Morgan Stanley Investment Banking. Mr. Kvorning has previously been a Director of a number of organizations, including Hamlet Protein A/S, New Nutrition Holding ApS, New Nutrition ApS, Haarslev Group Holding A/S, Haarslev Group A/S, Haarslev Industries A/S, Ferrosan Medical Devices Holding A/S and Ferrosan Medical Devices A/S. Mr. Kvorning holds a Bachelor of Science degree in Business Administration and a Master of Science degree in Finance from Aarhus University.

Daniel Lars Reimann. Mr. Reimann has been a Director of the Norican Group since December 2014. Since 2013, Mr. Reimann has served in various capacities within Altor Equity Partners A/S, including as a Director. In this role, he is an Investment Advisor to Altor Fund IV. From 2015 to 2016, Mr. Reimann was a Board Member in each of New Nutrition Holding ApS, New Nutrition ApS and Hamlet Protein A/S, all companies associated with Altor Fund IV's investment in Hamlet Protein. From March 2006 to December 2012, Mr. Reimann served in various capacities within FIH Partners A/S, most recently as Vice President. Mr. Reimann holds a Bachelor of Science degree in Economics and Business Administration and a Master of Science degree in Finance and Accounting from the Copenhagen Business School.

David Hughes. Mr. Hughes has been a Director of the Parent Guarantor since December 2015. From 2006 to 2014, Mr. Hughes served in senior roles, including as President, of Vesuvius plc's Foundry Division. Until December 2014, Mr. Hughes was a Director of Foseco India Ltd. Mr. Hughes holds a Master of Arts degree in Natural Sciences from the University of Cambridge and graduated from the Advanced Management Program at INSEAD.

Per Anders Lindqvist. Mr. Lindqvist is a Director of the Parent Guarantor. Mr. Lindqvist also currently is Chairman of the Board of Directors of Vaculex AB, Xerex AB and Vaculex Holding AB. Since 2013, Mr. Lindqvist is also Chief Executive Officer and President of Piab AB. From 2012 to 2013, Mr. Lindqvist was Chief Executive Officer and President of Chicago Pneumatic. Mr. Lindqvist previously was General Manager of Atlas Copco Nordic and Atlas Copco China and President of Atlas Copco AB and Atlas Copco Motor Vehicle Division. Mr. Lindqvist holds a mechanical engineering degree from Åsö Gymnasium, graduated as an Officer of the Swedish Armed Forces and holds a Bachelor of Arts degree in Marketing from the University of Riverside in California.

Jean-Marc Denis Lechêne. Mr. Lechêne has been an Independent Director of the Norican Group since December 2015. Since 2012, Mr. Lechêne has also been the Chief Operating Officer and Executive Vice President of Vestas Wind Systems A/S. From 1988 to 2008, Mr. Lechêne served in various capacities at McKinsey & Company and Lafarge. From 2008 to 2012, Mr. Lechêne was President of Truck Tires Europe at Michelin and President of Lechêne Consulting. Mr. Lechêne holds a Civil Engineering degree from École des mines de Paris and a Masters in Business Administration from INSEAD.

Board of directors of the Issuer

The board of directors of the Issuer has three members. The registered address of the members of the Board of Directors is Højager 8, DK-2630 Taastrup, Denmark. The table below sets out the name, age and position for each of the members of the board of directors of the Issuer:

Name	Age	Position
Robert E. Joyce Jr.	55	Chief Executive Officer
Ian B. Bird	67	General Counsel
Peter Holm Larsen	56	President of Parts Formation Products Group

The following is a brief biographical description of the other current members of the board of directors of the Issuer:

Peter Holm Larsen. Mr. Larsen has been the President of Parts Formation Products Group of the Norican Group since April 2017. Since 2007, Mr. Larsen has held several leadership positions within the Norican Group, including the role of Chief Operating Officer and President of DISA Industries A/S. From 1986 to 2007, Mr. Larsen held several senior roles at Unicon Beton A/S and NKT Cables A/S. Mr. Larsen currently sits on the board of S.E. Brockhuus A/S and Lido-Consulting IVS. Mr. Larsen holds a Bachelor of Science degree in Mechanical Engineering from the Technical University of Denmark and a Bachelor of Commerce in Marketing.

Remuneration and benefits

The remuneration of the executive board is determined by the remuneration committee of the board of directors of the Norican Group having regard to the performance of individuals and market trends. The total aggregate amount paid in short-term benefits and post-employment benefits to the executive board was €1.0 million during the year ended December 31, 2016.

Principal shareholders

The Issuer's share capital consists of 11,435,179 shares with a par value of one Danish Krone each, wholly owned by the Parent Guarantor. All of the Issuer's shares carry equal voting rights.

The Parent Guarantor has 11,474,301 issued and outstanding shares of which between 97% and 98% are beneficially held by the Sponsor, through Altor Fund IV Holding AB, and at between 2% and 3% are beneficially held by a number of the Norican Group's managers (the "**Management Investors**").

Our Sponsor

Altor Fund Manager AB (in its capacity as manager to Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB) (the "**Sponsor**" or "**Altor Fund IV**") is a leading Scandinavian private equity firm. The Sponsor and the previous Altor funds have since their inception invested in more than 40 companies, with committed capital of €5.8 billion. The investments have been made in Nordic mid-cap companies with the aim to create value through growth initiatives and operational improvements. Among the Sponsor's and the previous Altor funds' previous investments are Haarslev, Meyn, PIAB and Aalborg Industries. The Sponsor, together with the management, has held 100% of the Norican Group since February 26, 2015.

Management warrants incentive program

Since February 2015, the Parent Guarantor has offered a management incentive program (the "**MIP**") to certain members of its management, which allows the board members and employees of the Parent Guarantor and its subsidiaries (the "**Participants**") to (i) acquire management warrants of the Parent Guarantor (the "**Management Warrants**"), to hold for as long as they are board members and/or employees of the Parent Guarantor and its subsidiaries, or, subject to certain conditions, to hold for a longer period of time and (ii) enter into a management shareholders agreement with the Parent Guarantor and Altor Fund IV Holding AB, a subsidiary of the Sponsor (the "**Management Shareholders Agreement**"). The exercise of each Management Warrant enables the Participants to subscribe for one share in the Parent Guarantor at a specified rate, on the earliest of (i) a change of control of the Group or an IPO or (ii) the year 2023. Upon the occurrence of a change of control of the Group or an IPO, the Participants will be entitled to either (i) sell their Management Warrants, (ii) sell the shares obtained through the exercise of their Management Warrants or (iii) receive a net settlement of the value of their Management Warrants at a preferential rate. As of the Acquisition, the MIP has been open to the participation of selected key management joining from the LMCS Group.

Management Shareholders Agreement

The Management Shareholders Agreement was first entered into on February 26, 2015 between the Parent Guarantor, Altor Fund IV Holding AB and the Management Investors. Each Participant in the MIP has acceded to the Management Shareholders Agreement upon their participation in the MIP. The Management Shareholders Agreement governs the relationship between the Participants and the Group, in particular with regards to the Participants' investments.

In the Management Shareholders Agreement, the Sponsor and the Management Investors are vested with certain rights, obligations and discretions with regards to their shareholdings in the Parent Guarantor, in particular with regards to the sale or pledge of any of their shares.

Certain relationships and related party transactions

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. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into on a regular basis within the ordinary course of business.

We believe that all transactions with affiliated companies and persons with which members of the executive board of the Parent Guarantor are affiliated 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. In addition to the foregoing ordinary course transactions, we have also entered into the following transactions with related parties:

Compensation of the Executive Board

For a description of the compensation we pay to the members of the executive board, See "*Management—Remuneration and benefits.*"

Fees for advisory services provided by shareholders and other fees

We have from time to time entered into certain transaction and advisory services arrangements with the Sponsor whereby the Sponsor occasionally provides us with transactional advisory and consulting services with regards to acquisitions we have concluded, and in particular, the Acquisition.

Description of other indebtedness

The following summary of certain provisions of the Norican Group's indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

As of December 31, 2016, after giving pro forma effect to the Offering and the use of proceeds therefrom, the Norican Group would have had total financial liabilities of €340.3 million (exclusive of capitalized debt issuance costs). In addition, we have entered into certain local working capital facilities in jurisdiction including India, China and Japan amounting in aggregate to a total of €0.3 million.

Revolving Credit Facility

Overview and structure

On or before the Issue Date, we will enter into the Revolving Credit Facility Agreement, with amongst others, Skandinaviska Enskilda Banken AB (publ) as arranger, Skandinaviska Enskilda Banken AB (publ) as Agent, and the financial institutions named therein as Original Lenders.

The Revolving Credit Facility Agreement provides for borrowings up to an aggregate principal amount of €75.0 million on a committed basis of which up to €55.0 million will be available for loans and other utilisations and the remainder of the commitments will be available for the issuance of commercial guarantees. The Revolving Credit Facility may be utilized by any current or future borrower under the Revolving Credit Facility in Danish kroner, Norwegian kroner, Swedish kroner, Canadian dollars, Polish zloty, Japanese yen, Swiss franc, Czech Republic koruna, euro, sterling and U.S. dollars (and in respect of letters of credit and commercial bank guarantees only, Indian rupee and Chinese renminbi) and any other currency approved by all lenders by the drawing of cash advances, the issuance of commercial and bank guarantees and letters of credit and by way of ancillary facilities. Subject to certain exceptions, amounts may be borrowed, repaid and reborrowed at any time.

Borrowings will be available for (directly or indirectly) financing or refinancing the working capital or the general corporate purposes of the Issuer and its restricted subsidiaries and, without prejudice to the generality of the foregoing, for (i) financing or refinancing, capital expenditure (and all related fees, costs and expenses), (ii) any permitted acquisitions (and all related fees, costs and expenses), (iii) working capital related adjustments (however structured) relating to or arising in connection with the Acquisition (and all related fees, costs and expenses arising in connection with the Acquisition) (iv) operational restructurings or permitted reorganisations of the Group (and all related fees, costs and expenses) and (v) any interest payments and any fees, costs and expenses arising in connection with the Acquisition, the Notes and/or the Transaction (as applicable) provided that no amounts utilised under the Revolving Credit Facility shall be used for the purpose of directly funding the repayment and/or repurchase of any principal amount of certain indebtedness which is subject to the Intercreditor Agreement.

Availability

The Revolving Credit Facility may, subject to the satisfaction of customary conditions precedent, be utilized from the Issue Date until the date falling one month prior to the termination date of the Revolving Credit Facility.

Borrowers and Guarantors

Norican Group ApS (the "**Revolving Credit Facility Borrower**"), a subsidiary of the Issuer, is an original borrower under the Revolving Credit Facility. The Revolving Credit Facility is guaranteed by the Parent Guarantor, the Issuer and the Guarantors. A mechanism is included in the Revolving Credit Facility Agreement to enable any of the Issuer's restricted subsidiaries (other than Norican Holdings) to accede as a borrower under the Revolving Credit Facility subject to certain conditions.

Maturity and repayment requirements

The Revolving Credit Facility matures on the date falling five years and six months after the Issue Date.

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date provided certain conditions are satisfied. All outstanding amounts under the Revolving Credit Facility must be repaid in full on or prior to the maturity date for the Revolving Credit Facility.

Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed during the availability period for that facility, subject to certain conditions.

Interest rate and fees

The interest rate on cash advances under the Revolving Credit Facility will be the rate per annum equal to the aggregate of the applicable margin and IBOR (as defined in the Revolving Credit Facility Agreement). The margin under the Revolving Credit Facility will initially be 3.25% for the first six months from the Issue Date. However, after this time, the margin on the loans is subject to a ratchet whereby it can be reduced if the consolidated senior secured net leverage ratio is (i) equal to or less than 3.75:1 but greater than 3.50:1 (in which case the margin shall be 3.00%), (ii) equal to or less than 3.50:1 but greater than 3.25:1 (in which case the margin shall be 2.75%), (iii) equal to or less than 3.25:1 but greater than 3.00:1 (in which case the margin shall be 2.50%), and (iv) equal to or less than 3.00:1 (in which case the margin shall be 2.25%).

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from (and including) the Issue Date to (and including) the last day of the availability period for the Revolving Credit Facility. The commitment fee will be payable in arrears, on the last day of each successive period of three months which ends during the availability period, on the last day of the availability period of the Revolving Credit Facility and on the date the Revolving Credit Facility is cancelled in full. No commitment fee shall be payable unless the Issue Date occurs.

Default interest will be calculated as an additional 1% on the overdue amount.

The Revolving Credit Facility Borrower is also required to pay customary agency fees in connection with the Revolving Credit Facility Agreement and/or the Intercreditor Agreement.

Guarantees

Each guarantor under the Revolving Credit Facility Agreement will provide a senior guarantee of all amounts payable to the finance parties and the hedging banks under any secured hedging agreements by each other obligor (including any additional borrowers that accede to the Revolving Credit Facility Agreement) and the hedging banks under any secured hedging agreements (subject to the limitations described in "*Limitations on validity and enforceability of the Notes Guarantees and the security interest*)."

In addition, each member of the Group which becomes a material company (the parameters of which are set forth in the Revolving Credit Facility Agreement) after the Issue Date (by reference to the most recent annual financial statements delivered to the Agent under the provisions of the Revolving Credit Facility Agreement) shall, subject to, and on terms consistent with, certain agreed security principles, accede as a Guarantor within 120 days of the delivery of such annual financial statements for the relevant financial year (commencing with the financial year ending December 31, 2017) demonstrating that it has become a material company and granting transaction security over its material assets.

If at the end of each financial year (commencing with the financial year ending December 31, 2017) the Guarantors represent less than 85% of the consolidated adjusted EBITDA of the Group or less than 85% of the gross assets of the Group (subject to certain exceptions) (the "**Guarantor and Security Coverage Test**"), the Revolving Credit Facility Borrower shall ensure that within 120 days of the delivery of the annual audited consolidated financial statements for the relevant financial year such other members of the Group (as the Revolving Credit Facility Borrower may elect in its sole discretion) shall (subject to certain agreed security principles) (i) accede as Guarantors to ensure that the Guarantor and Security Coverage Test is satisfied (calculated as if such additional guarantors had been Guarantors at the end of such financial year) and (ii) grant security over its material assets.

Security

The initial security provided for the Revolving Credit Facility is described under "*Description of the Notes—Security.*"

Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the Collateral (whether or not shared with the holders of the Notes) and other recoveries will be required to be applied to repay indebtedness outstanding under the Revolving Credit Facility in priority to the Senior Secured Notes.

Representations and warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated, including: (i) status and authorisations; (ii) binding obligations; (iii) non-conflict with constitutional documents, laws or other obligations; (iv) power and authority; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) insolvency; (viii) no default; (ix) taxation; (x) the accuracy of the most recent financial statements delivered; (xi) no misleading information; (xii) no proceedings; (xiii) no breach of laws; (xiv) no security or indebtedness; (xv) ranking; (xvi) good title to assets; (xvii) legal and beneficial ownership; (xviii) no restrictions on share transfer or allotment; (xix) intellectual property; (xx) acquisition documents; (xxi) "center of main interests" and establishments; (xxii) US debtor; (xxiii) United States laws; (xiv) ERISA and multiemployer plans; (xv) Swiss ten non-bank rule and Swiss twenty non-bank rule; and (xvi) Italian obligors.

Covenants

The Revolving Credit Facility Agreement contains some of the same incurrence covenants and related definitions (with certain adjustments and limitations) that apply to the Senior Secured Notes with certain additional limitations on the incurrence of Indebtedness.

In addition, the Revolving Credit Facility also contains certain affirmative and negative covenants and financial covenants. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions and baskets.

Notes purchase condition

The Revolving Credit Facility requires that, subject to certain exceptions, if more than 50% of the face value of the Senior Secured Notes and any refinancing note indebtedness are repurchased (such repurchase being subject to certain conditions) prior to their scheduled repayment date, the Revolving Credit Facility will be permanently cancelled and repaid on a matching pro rata basis until the Revolving Credit Facility has been reduced to €25.0 million (or its equivalent in any other currency or currencies) after which no further cancellation and repayment shall be required unless funded from disposal proceeds and such disposal would result in a breach of the financial covenants (in which case prepayment is required in an amount sufficient to cure such breach).

Affirmative covenants

The affirmative covenants include, among others: (i) providing certain financial information, including annual audited and quarterly financial statements and compliance certificates and monthly management reports; (ii) authorizations; (iii) "know your customer" checks; (iv) budget; (v) compliance with Swiss ten-non-bank rule and Swiss twenty non-bank rule; (vi) compliance with laws and regulations; (vii) taxation; (viii) notification of defaults; (ix) the maintenance of the Guarantor and Security Coverage Test; (x) the granting of additional guarantors and security in prescribed circumstances and; (xi) compliance with the regulations set forth by the Office of Foreign Assets Control; (xii) centre of main interest; (xiii) United States laws; (xiv) holding companies; (xv) segregation of assets or revenues under Italian civil code; (xvi) compliance with ERISA; (xvii) PSC register; and (xi) certain condition subsequent obligations and further assurance provisions.

Negative covenants

The negative covenants in the Revolving Credit Facility are, in all other respects, substantially similar to the negative covenants in the Indenture with certain additional limitations on incurrence and repayment of certain Indebtedness and cash management operations.

Mandatory prepayment requirements upon a change of control or a sale

Upon a Change of Control or a Sale (each as defined in the Revolving Credit Facility Agreement) the facilities under the Revolving Credit Facility Agreement will be cancelled and all outstanding utilizations and all outstanding amounts under any ancillary facility, together with accrued interest, and all other amounts accrued under the Finance Documents (as defined in the Revolving Credit Facility Agreement) shall become immediately due and payable and shall be repaid within five business days of such date.

Notwithstanding the foregoing, an ancillary lender or, as the case may be, the Issuing Bank (as defined in the Revolving Credit Facility Agreement) may, as between itself and the relevant restricted subsidiary, agree to continue to provide such ancillary facility or, as the case may be, letters of credit, in which case, after notification thereof to the Agent such arrangements shall continue on a bilateral basis and not as part of, or under, the Finance Documents and save for any rights and obligations against any other finance party under the Finance Documents.

Financial covenant

Under the Revolving Credit Facility, we are required to comply with (i) a minimum EBITDA financial covenant of the greater of (A) €25.0 million (B) an amount equal to the aggregate principal amount of all Credit Facilities (as defined in the Intercreditor Agreement) whether drawn or undrawn divided by a factor of 3 and C) an amount equal to the aggregate principal amount of all Secured Subsidiary Indebtedness and Other Subsidiary Indebtedness (in each case as defined in the Revolving Credit Facility Agreement) whether drawn or undrawn divided by a factor of 3.6. Breach of the minimum EBITDA financial covenant shall give rise to a drawstop to new utilisations but no Default or Event of Default shall arise. The Minimum EBITDA financial covenant will be calculated and tested on December 31, 2017 and quarterly thereafter on a rolling twelve-month basis by reference to our consolidated annual financial statements and our consolidated quarterly financial statements; and (ii) a Drawn Super Senior Leverage ratio (as defined in the Revolving Credit Facility and based on the ratio of consolidated total utilisations under the Revolving Credit Facility (other than commercial guarantees) to consolidated pro forma EBITDA for the relevant twelve-month period) which must not exceed 2.00:1. The Drawn Super Senior Leverage ratio financial covenant will be calculated and tested on December 31, 2017 and quarterly thereafter (if the amount of all utilisations exceeds 25% of the total commitments thereunder) on the last day of the relevant period), on a rolling twelve-month basis by reference to our consolidated annual financial statements and our consolidated quarterly financial statements.

Events of default

The Revolving Credit Facility Agreement provides for the same events of default (with certain adjustments as necessary) as under the Senior Secured Notes.

In addition, the Revolving Credit Facility provides for customary events of default, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions, baskets and/or grace periods, as appropriate, including: (i) non-payment under the Revolving Facility, (ii) breach of Drawn Super Senior Leverage Ratio financial covenant (subject to certain equity cure rights); (iii) representations or warranties found to be untrue or misleading when made or deemed repeated subject to a 20 business day grace period; (iv) cross default; (v) repudiation and rescission; (v) unlawfulness and invalidity; (vi) creditors' process; and (vi) any failure to comply with a material term of, or a breach of representation or warranty under, the Intercreditor Agreement, subject to a 20 business day grace period.

Summary of agreed security principles

The following is a non-exhaustive summary of certain of the terms of the Agreed Security Principles:

- general legal and statutory limitations, regulatory restrictions, financial assistance, corporate benefit, fraudulent preference, equitable subordination, "transfer pricing", "thin capitalisation", "earnings stripping", "controlled foreign corporation" and other tax restrictions, "exchange control restrictions", "capital maintenance" rules and "liquidity impairment" rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of a member 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, 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 or accession document shall be subject to such limit;

- a key factor in determining whether or not a guarantee or security will be taken (and in respect of the security, the extent of its perfection and/or registration) is the applicable time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration taxes, notarial costs and all applicable legal fees) which will not be disproportionate to the benefit accruing to the Holders of obtaining such guarantee or security;

- 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;

- it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

- no security or guarantees shall be required to be given by entities in the People's Republic of China, and India (collectively, the "**Excluded Jurisdictions**");

- 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 an Excluded Jurisdiction or otherwise over the shares of a member of the Group located in an Excluded Jurisdiction;

- all security (other than share security) will be governed by the law of, and secure only assets located in, the jurisdiction of incorporation of the applicable grantor of the security and no action in relation to security (including any perfection step, further assurance step, filing or registration) will be required in jurisdictions where the grantor of the security is not incorporated. Share security over any subsidiary will be governed by the law of the place of incorporation of that subsidiary;

- no security may be provided on terms which are inconsistent with the turnover or sharing provisions in the Intercreditor Agreement;
- no title investigations or other diligence on assets will be required and no title insurance will be required; and
- security will, where possible and practical, automatically create security over future assets of the same type as those already secured; where local law requires supplemental pledges or notices to be delivered in respect of future acquired assets in order for effective security to be created over that class of asset, such supplemental pledges or notices will be provided at intervals no more frequent than annually (unless required more frequently under local law).

Governing law

The Revolving Credit Facility Agreement and any non-contractual obligation arising out of or in connection with it will be governed by and construed and enforced in accordance with English law although the restrictive covenants, certain events of default and related definitions—which are included in the Revolving Credit Facility Agreement, will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by, and shall be governed by, English law).

Intercreditor Agreement

In connection with the entry into the Revolving Credit Facility Agreement and the Indenture, the Issuer and the Guarantors will enter into the Intercreditor Agreement to govern the relationships and relative priorities between, among others: (i) the lender under the Revolving Credit Facility Agreement; (ii) any persons who execute or accede to the Intercreditor Agreement as counterparties to certain hedging agreements (the "Hedge Counterparties"); (iii) the Senior Secured Notes Trustee, on its own behalf and on behalf of the holders of the Notes (the "Noteholders"); (iv) any lenders, noteholders or other creditors in respect of any future Pari Passu Debt (iv) the intragroup creditors and debtors; (v) certain direct or indirect shareholders and subsidiaries, if any, of the Issuer in respect of certain structural debt that the Issuer or another member of the Group has incurred or may incur in the future (including any subordinated shareholder loans); (vi) any lenders, noteholders or other creditors in respect of any future Second Lien Debt (as defined below) and any creditor representatives of any future Second Lien Creditors (as defined below); any lenders, noteholders or other creditors in respect of any future Senior Debt and any creditor representatives of any future Senior Debt Creditors.

In this description where a capitalized term is not defined it will bear the same meaning as set out in the Intercreditor Agreement unless the context otherwise requires. For the purposes of this "*Description of other indebtedness—Intercreditor Agreement*", "Group" refers to the Issuer and its restricted subsidiaries.

Each member of the Group that incurs any liability or provides any guarantee or security under the Revolving Credit Facility Agreement, in respect of the Notes or under any other Debt Document (as defined below) is referred to as a "Debtor" and are collectively referred to as the "Debtors."

The Intercreditor Agreement will set forth:

- the relative ranking of certain indebtedness of the Debtors;
- the relative ranking of certain security granted by the Debtors;
- when payments can be made in respect of certain indebtedness of the Debtors;

- when enforcement actions can be taken in respect of that indebtedness;
- the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees will be released to permit (i) a sale of any assets subject to transaction security (such assets, the "**Collateral**"; such security, the "**Transaction Security**"; and the documents constituting such Transaction Security, the "**Transaction Security Documents**"); and (ii) other activities or transactions (including, without limitation, reorganizations and the incurrence of incremental facilities) permitted by the Credit Facility Documents, the Senior Secured Notes Documents, the Pari Passu Debt Documents, the Second Lien Debt Documents, the Senior Debt Documents the Shareholder Debt Documents, Intra Group Debt Documents, Transaction Security Documents and the Hedging Agreements (being referred to collectively as the "**Debt Documents**").

The Intercreditor Agreement will contain provisions relating to future indebtedness that may be incurred by members of the Group and which is permitted or not prohibited by the terms of the relevant Debt Documents and the Intercreditor Agreement to rank *pari passu* in right of payment with the liabilities under the Revolving Credit Facility Agreement, the liabilities under the Indenture and any Pari Passu Liabilities (as defined below), or, in each case, with the consent of the relevant Agents (as defined below) under such documents (acting on the instructions of the requisite level of creditors under such documents) and to share in the Transaction Security with the rights and obligations of the Pari Passu Creditors (as defined below), subject to the terms of the Intercreditor Agreement (such indebtedness being the "**Pari Passu Debt**"; the creditors in respect of such indebtedness being the "**Pari Passu Creditors**"; the liabilities of the Debtors in respect of such indebtedness being the "**Pari Passu Liabilities**"; and the documents creating or evidencing the Pari Passu Liabilities and which have been designated as such by the Parent Guarantor and the Pari Passu Debt Representative (as defined below), the "**Pari Passu Debt Documents**") provided that the Pari Passu Creditors (or their Pari Passu Debt Representative (as defined below)) have acceded to the Intercreditor Agreement in accordance with its terms.

The Intercreditor Agreement will also include provisions relating to indebtedness that may be incurred by the members of the Group which is permitted or not prohibited under the terms of the Intercreditor Agreement and the Finance Documents or with the consent of the relevant Agents (as defined below) under each document (acting on the instructions of the requisite level of creditors under such documents) to share in the Transaction Security with the rights and obligations of Second Lien Creditors (as defined below), subject to the terms of the Intercreditor Agreement (such indebtedness, being the "**Second Lien Debt,**" the issuer or borrower in respect of such debt being the Issuer or a holding company of the Issuer (the "**Second Lien Debt Issuer**"), the creditors in respect of such indebtedness being the "**Second Lien Creditors,**" the liabilities of the Debtors in respect of such indebtedness being the "Second Lien Liabilities" and the documents creating or evidencing the Second Lien Liabilities and which have been designated as such by the Parent Guarantor and the Second Lien Debt Representative (as defined below), the "**Second Lien Debt Documents**"), provided that the Second Lien Creditors (or their Second Lien Debt Representative (as defined below)) have acceded to the Intercreditor Agreement in accordance with its terms.

The Intercreditor Agreement will also include provisions relating to future indebtedness in the form of loans, credit or guarantee facilities, or notes (such indebtedness being "**Senior Debt,**" the liabilities of the Debtors in respect of such indebtedness being "**Senior Debt Liabilities**" and documents creating or evidencing the Senior Debt Liabilities and which have been designated as such by the Parent Guarantor and the Senior Debt Representative (as defined below), the "**Senior Debt Documents**") that may be incurred by a limited liability company or other person which is a holding company of or a direct wholly owned subsidiary of such holding company which, in each case, is not a member of the Group, is not an Unrestricted Subsidiary and is not a borrower or issuer (or co-borrower or co-issuer) of any Super Senior Liabilities or Senior Secured Liabilities (such entity, the "**Senior Debt Issuer**" and the liabilities owed (directly or indirectly) to the Senior Debt Issuer by the Parent Guarantor or any other member of the Group (including but not limited to those owed by the Parent Guarantor to the Senior Debt Issuer under or in connection with any loan, bond or other debt instrument whereby any proceeds of the issue of any Senior Debt are lent by a Senior Debt Issuer to the Parent Guarantor and declared dividends to the Senior Debt Issuer being the "**Senior Debt Issuer Liabilities**") and provisions relating to the liabilities in respect of guarantees granted by each guarantor of the Senior Debt (the "**Senior Debt Guarantee Liabilities**"), that is permitted or not prohibited under the Finance Documents subject to the terms of the Intercreditor Agreement (the creditors in respect of such indebtedness being the "**Senior Debt Creditors**").

The Intercreditor Agreement will also provide for the incurrence of any credit facility constituting a "**Credit Facility**" under the Indenture, the creditors of which are entitled under the terms of the Finance Documents to receive priority in respect of the proceeds of the enforcement against the Collateral (each such facility being a "**Credit Facility**" and, together with the Revolving Credit Facility, the "**Credit Facilities**" and each finance document relating thereto (but excluding any Hedging Agreement) and which has been designated as such by the Parent Guarantor and the Credit Facility Agent, a "**Credit Facility Document**"). Each lender under a Credit Facility is a "**Credit Facility Lender**" and excluding any Hedging Liabilities, the liabilities of the Debtors to the Credit Facility Lenders are referred to as the "Credit Facility Lender Liabilities."

If there is any conflict between the terms of the Intercreditor Agreement and any other Debt Document, the terms of the Intercreditor Agreement will prevail (save to the extent that to do so would result in or have the effect of any member of the Group contravening any applicable law or regulation, or present a material risk of liability for the Group's directors or officers, or give rise to a material risk of breach of their fiduciary or statutory duties).

By purchasing a Note, or any Pari Passu Debt issued in the form of notes or any Second Lien Debt issued in the form of notes, the relevant noteholders (as applicable) shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and to have authorized the Trustee, any Pari Passu Debt Representative or any Second Lien Debt Representative (as applicable) to enter into the Intercreditor Agreement on their behalf.

The following description is a summary of certain provisions in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety.

Provisions with respect to second lien debt and senior debt

The Intercreditor Agreement will include customary provisions in respect of the rights and obligations of, and restrictions placed upon, Second Lien Creditors and Senior Debt Creditors; including in relation to (i) the circumstances in which payments in respect of Second Lien Debt and Senior Debt (as applicable) are permitted to be made, (ii) the circumstances when payments under the Second Lien Debt and Senior Debt (as applicable) can be suspended (including through the issuance of a stop notice (and cure provisions in respect thereof)), (iii) restrictions on when the Second Lien Creditors and Senior Debt Creditors (as applicable) can and cannot take enforcement actions (including customary standstill provisions in respect of Second Lien Debt and Senior Debt (as applicable) and (v) the ability of Second Lien Creditors and Senior Debt Creditors (as applicable) to purchase the Super Senior Liabilities and the Senior Secured Debt (as applicable) in certain circumstances. We urge you to read the document to understand your rights as holders of the Notes and the rights of, and the restrictions placed upon, the Second Lien Creditors and Senior Debt Creditors.

Ranking and priority

The Intercreditor Agreement will provide, subject to the provisions in respect of permitted payments described below, that the Liabilities of the Debtors under the Debt Documents will rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- *first*, the Super Senior Liabilities, the Arranger Liabilities, the Agent Liabilities, the Senior Secured Liabilities, the Second Lien Debt Trustee Amounts, the Senior Debt Trustee Amounts and the liabilities of any Debtor owed to the Security Agent (the "**Security Agent Liabilities**") *pari passu* and without any preference between them; and
- *second*, the Second Lien Liabilities *pari passu* and without any preference between them; and
- *third,* the Senior Debt Guarantee Liabilities *pari passu* and without any preference between them.

The intercompany obligations (the "**Intra Group Liabilities**" and the documents creating or evidencing such Intra Group Liabilities being "**Intra Group Debt Documents**") of any member of the Group to any other member of the Group (each an "**Intra Group Lender**" and collectively the "**Intra Group Lenders**") are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors (as defined below).

The liabilities owed by any Debtor to any direct or indirect shareholder or affiliate of the Parent Guarantor who is not a member of the Group and any of their respective transferees or successors (the "**Shareholder Liabilities**" and "**Shareholder Creditors**" and the documents creating or evidencing such Shareholder Liabilities being "**Shareholder Debt Documents**") are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors. The Intercreditor Agreement will require that any direct or indirect shareholder of the Parent Guarantor which provides financial indebtedness to a member of the Group shall be required to accede to the Intercreditor Agreement and be bound by the terms thereof (including subordination and release provisions) as a Shareholder Creditor.

In this section the Shareholder Liabilities, the Senior Debt Issuer Liabilities and the Intra Group Liabilities are together referred to as the "Subordinated Liabilities."

The parties to the Intercreditor Agreement will agree in the Intercreditor Agreement that the Transaction Security ranks and secures the following liabilities in the following order:

- *first*, Credit Facility Lender Liabilities, the Agent Liabilities, the Arranger Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Liabilities, the Senior Debt Trustee Amounts, the Second Lien Debt Trustee Amounts, the Hedging Liabilities and the Security Agent Liabilities *pari passu* and without any preference between them;
- *second*, the Second Lien Liabilities, *pari passu* and without preference between them; and
- *third*, (to the extent only of any Shared Security (as defined below)), the Senior Debt Liabilities, *pari passu* and without any preference between them.

The Subordinated Liabilities will not be secured by any of the Transaction Security (other than Shared Security) unless the consent of the requisite number of Creditors (or their Agent, acting on their behalf, if applicable) has been obtained. Notwithstanding the foregoing, the Senior Debt Liabilities may, to the extent provided for under the relevant Senior Debt Document, be secured by the "Shared Security" if any (such security being (a) in the case of Senior Debt which is not secured by any assets of the Group, the Security (if any) granted in favour of the Security Agent under the Transaction Security Documents over Investment Instruments issued by the Parent Guarantor or any of its Holding Companies to a Senior Debt Issuer and over any Senior Debt Issuer Liabilities owed by the Parent Guarantor or any of its Holding Companies to the Senior Debt Issuer; or (b) the Security granted in favour of the Security Agent under the

Transaction Security Documents on a third-ranking basis in accordance with the Intercreditor Agreement).

The Senior Debt Liabilities are senior obligations of the Senior Debt Issuer. Until the Senior Secured Debt Discharge Date, the Senior Debt Creditors may not take any steps to appropriate the assets of the Senior Debt Issuer in connection with any enforcement action other than as expressly permitted by the Intercreditor Agreement.

Under the Intercreditor Agreement, all Proceeds from Enforcement of the Collateral and certain other recoveries will be applied as provided under "*—Application of Proceeds from Enforcement of Transaction Security.*"

Hedging liabilities

The Intercreditor Agreement will provide for secured Hedging Liabilities, which will consist of (a) Super Senior Hedging Liabilities (up to a fixed capped amount) and (b) Non-Super Senior Hedging Liabilities.

Further security, incremental and replacement liabilities

Unless otherwise permitted under the Secured Debt Documents, the Secured Parties (other than, in the case of (i) below, the Senior Debt Creditors) may take, accept or receive the benefit of (i) additional security and (ii) additional guarantees, indemnities or other assurance against loss from any member of the Group or (if applicable) Security Provider in respect of the Secured Liabilities, provided that, if and to the extent legally possible, such security, guarantee, indemnity or other assurance against loss is also granted to the Security Agent as agent and trustee of the other Secured Parties (provided that (i) no Pari Passu Creditor or Second Lien Creditor may take, accept or receive any such security, guarantee, indemnity or assurance against loss, unless permitted by the Prior Ranking Financing Agreements or the Required Creditor Consent has been obtained and (ii) certain additional security, guarantees, indemnities or assurances against loss may be taken by Ancillary Lenders or Issuing Banks). Any such additional security, guarantee, indemnity or other assurance against loss will rank in the same order of priority as referred to above and the proceeds of the enforcement of any such security will be applied as provided under "*—Application of Proceeds from Enforcement of Transaction Security*".

The Intercreditor Agreement provides that the Debtors (or any of them) shall, if not prohibited by the Debt Documents or if Required Creditor Consent has been obtained, be permitted to: (i) incur, assume or establish incremental borrowing liabilities and/or guarantee liabilities; or (ii) refinance, replace or otherwise restructure (in whole or in part from time to time) the borrowing liabilities and/or guarantee liabilities (or any other liabilities and obligations subject to the terms of the Intercreditor Agreement from time to time), including by way of refinancing, replacement, exchange, set-off, discharge or increase of any new, existing, additional, supplemental or new financing or debt arrangement, including arrangements existing at the time a person becomes a member of the Group or is assumed in connection with the acquisition of assets, merger, consolidation or combination or otherwise; including by way of any loan, note, bond or otherwise; issued or incurred, and together with any guarantee, security or other credit support by any member of the Group ("**New Debt Financings**") which, in any such case, is intended to rank *pari passu* with any existing liabilities and/or share *pari passu* with any Transaction Security.

Notwithstanding any other term, condition or restriction in any other Debt Document, in connection with any New Debt Financings, each Agent and the Security Agent (and any other Creditor party to a Transaction Security Document) are authorized and instructed by all Creditors (and in each case are obliged at the request of the Parent Guarantor) to promptly enter into any new Transaction Security Document, promptly amend or waive any terms of an existing Transaction Security Document and/or promptly release any asset from Transaction Security subject to the following conditions: (a) any new Transaction Security shall be:

(i) subject to the Agreed Security Principles, Guarantee Limitations, applicable law and the other terms of the Intercreditor Agreement, granted in favour of the Security Agent for and on behalf of the providers and/or agents and/or trustees of a New Debt Financing and the then existing Secured Parties; (ii) on terms substantially the same (except that it shall also secure any New Debt Financing) as the terms of the existing Transaction Security over equivalent asset(s); and (iii) for the purposes of the Intercreditor Agreement, be considered as having secured the relevant liabilities *pari passu* with the then existing Transaction Security; (b) any amendment or waiver of a Transaction Security Document or release and re-grant of Transaction Security shall only be undertaken if required by the terms of the New Debt Financing or to the extent necessary under applicable law to give effect to the ranking set out in "*—Ranking and Priority*" and, where legally possible and in the opinion of the Parent Guarantor (acting reasonably) commercially feasible, where the Transaction Security is intended to secure any relevant Liabilities, second or further priority (if applicable) Transaction Security (the "Additional Transaction Security Documents") will be taken instead of releasing and re-granting the existing Transaction Security but will nonetheless be deemed and treated for the purposes of the Intercreditor Agreement as secured by the existing Transaction Security Documents and the Additional Transaction Security Documents *pari passu* with other Liabilities which would otherwise have the same ranking as contemplated by such New Debt Financing; (c) if any asset is to be released from Transaction Security, promptly upon giving effect to that release, replacement Transaction Security is, subject to agreed security principles, guarantee limitations and applicable law, granted in favour of the Security Agent for and on behalf of the providers and/or agents and/or trustees of the New Debt Financing and the existing Secured Parties benefitting from the Security (except that it shall also secure any New Debt Financing); and (d) to the extent customary, legal opinions as to due capacity, authority, execution and enforceability (together with customary supporting legal documentation, certificates and resolutions) and solvency certificates are required to be issued under the relevant Finance Documents are issued in relation to re-taken, new or amended Transaction Security Documents in connection with a New Debt Financing, the Security Agent shall be entitled to rely on such legal opinions and solvency certificates and shall receive documentary evidence of such reliance.

Permitted payments—general

The Intercreditor Agreement will permit, prior to the occurrence of an acceleration event in respect of a Credit Facility, the Pari Passu Liabilities or the Senior Secured Notes Liabilities or Second Lien Liabilities (a "**Secured Debt Acceleration Event**"), payments to be made by the Debtors under a Credit Facility (including the New Credit Facilities), the Senior Secured Notes Documents, the Pari Passu Debt Documents, the Second Lien Debt Documents and the Senior Debt Documents in accordance with the terms of the Debt Documents but subject to: (i) in the case of payments in respect of the Notes, compliance with the Notes Purchase condition described under "*—Revolving Credit Facility—Notes Purchase Condition*" or any equivalent provision in any other Credit Facility; and (ii) subject to certain customary exceptions in the case of payments in respect of the Pari Passu Liabilities, any restrictions under the prior ranking Finance Documents and (iii) in the case of payments in respect of the Second Lien Liabilities and Senior Debt Liabilities (as applicable), subject to certain customary provisions and restrictions governing permitted payments in respect of the Second Lien Debt and the Senior Debt (as applicable) including the issuance of any relevant payment stop notices.

Following the occurrence of a Secured Debt Acceleration Event, subject to certain exceptions, payments can only be made by the Debtors applying the amounts received by the relevant Debtor under the process described under "*—Application of Proceeds from Enforcement of Transaction Security*." The restriction in the foregoing sentence shall not apply: (i) where, provided that the Majority Super Senior Creditors constitute the Instructing Group in accordance with "*—Enforcement Decision,*" a payment block suspension notice has been delivered by the Credit Facility Agent to the Security Agent in accordance with the terms of the Intercreditor Agreement; or (ii) to the extent that such Secured Debt Acceleration Event has subsequently been cancelled and/or irrevocably revoked in writing by each relevant Agent; or (iii) to any Payments of Credit Facility Lender Liabilities to the extent such Credit Facility Lender Liabilities relate to drawings under an overdraft Ancillary Facility established prior to the occurrence of a relevant Secured Debt Acceleration Event.

Permitted payments—second lien

Until the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date, except with the consent of the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) (in each case, to the extent otherwise prohibited under the relevant Debt Documents), no member of the group will discharge any Second Lien Liabilities, exercise any set-off against any Second Lien Liabilities, or create or permit to subsist any Security over assets of members of the Group or give any guarantee of any Second Lien Liabilities, except as permitted in certain circumstances specified in the Intercreditor Agreement, including (subject to the section of this document entitled "*—Issue of Second Lien Payment Stop Notice*"):

(a) if:

(i) the payment is of:

(A) any principal amount or capitalised interest of the Second Lien Liabilities which is either (1) not prohibited from being paid by the prior ranking Finance Documents or, if prohibited, the Required Creditor Consent has been obtained or (2) paid on or after the final maturity date of the Second Lien Liabilities (provided that such maturity date is a date not earlier than the later of the originally scheduled maturity date of the Notes and the final termination date as set out in the Credit Facility Documents in existence at the time of issuance of such Second Lien Debt); or

(B) any amount in respect of the Second Lien Liabilities which is not an amount of principal or capitalised interest including all scheduled interest payments, including, if applicable, special interest or liquidated damages; default interest on the Second Lien Liabilities accrued, due and payable in cash in accordance with the terms of the relevant Debt Document, additional amounts payable as a result of the tax gross up provisions relating to the Second Lien Liabilities; and amounts in respect of currency indemnities in the relevant Second Lien Debt Documents;

(ii) no Second Lien Payment Stop Notice (as defined below) is outstanding; and

(iii) no payment default under any Credit Facility Document, the Senior Secured Notes Documents (above an agreed threshold), the Pari Passu Debt Documents (above an agreed threshold) and the Second Lien Debt Documents (above an agreed threshold) (together a "**Secured Debt Payment Default**") has occurred and is continuing ;

(b) the payment is in accordance with a provision in a Second Lien Debt Document which is substantially equivalent to the illegality or the right of cancellation and repayment to a single lender provisions set out in the Revolving Credit Facility Agreement and no Secured Debt Acceleration Event has occurred;

(c) if the payment is of the Second Lien Liabilities outstanding which would have been payable but for the issue of a Second Lien Payment Stop Notice (which has since expired) which has been capitalised and added to the principal amount of the Second Lien Liabilities or where that amount is outstanding as a result of the accrual of cash interest payable in respect of the Second Lien Liabilities during a period when a Second Lien Payment Stop Notice was outstanding provided that no such payment may be made if any Debt Payment Default (other than a Second Lien Payment Default) is continuing or would occur as a result of making such payment;

(d) if the payment is of amounts owing to the Second Lien Debt Representative in respect of any Second Lien Debt (the "**Second Lien Representative Amounts**");

(e) if the payment is of costs, commissions, taxes, premiums, amendment consent and/or waiver fees and any expenses incurred in respect of (or reasonably incidental to) the Second Lien Liabilities (including in relation to and reporting or listing requirements or any refinancing of the Second Lien Liabilities in compliance with the Intercreditor Agreement, the Credit Facility Documents, the Senior Secured Notes Documents, the Pari Passu Debt Documents provided that any such amendment, consent and/or waiver fees and expenses are in an amount which, when expressed as a percentage of the principal amount of the Second Lien Liabilities (or affected principal amount) do not exceed the corresponding amounts which have been paid in respect of any amendment, consent and/or waiver fees and expenses incurred in respect of (or reasonably incidental to) the Super Senior Liabilities and/or Senior Secured Liabilities (when expressed as a percentage of the principal amount of the Super Senior Liabilities and/or Senior Secured Liabilities (or affected principal amount));

(f) for so long as a Secured Debt Event of Default is continuing, all or part of the Second Lien Liabilities being released or otherwise discharged solely in consideration for the issues of shares in any holding company of the Second Lien Debt Issuer (other than a member of the Group) (each a "**Second Lien Debt for Equity Swap**") provided that (A) no cash or cash equivalent payment is made in respect of the Second Lien Liabilities by a member of the Group in consideration for such issuance (other than as would be otherwise permitted by another paragraph of this section "*—Permitted Payments—Second Lien*") and (B) any liabilities owed by a member of the Group to another member of the Group, the Subordinated Creditors or any other holding company of the Second Lien Debt Issuer (other than a member of the Group) that arise as a result of any such Second Lien Debt for Equity Swap are subordinated to the Super Senior Liabilities and Senior Secured Liabilities pursuant to the Intercreditor Agreement and the Super Senior Creditors and Senior Secured Creditors are granted Transaction Security in respect of those liabilities;

(g) if the payment is of any other amount not exceeding €300,000 (or its equivalent in other currencies) in aggregate in any 12 month period; or

(h) if the Majority Super Senior Creditors and the Notes/Pari Passu Required Holders give prior consent to that Payment being made.

The Intercreditor Agreement will also provide that, on or after the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date, Debtors may make payments to the Second Lien Creditors in accordance with the Second Lien Debt Documents.

Permitted payments—senior debt guarantee liabilities

Until the Senior Secured Discharge Date, except with the consent of the Credit Facility Agent, the Senior Secured notes Trustee, the Pari Passu Debt Representative(s) and the Second Lien Debt Representative(s) (in each case, to the extent otherwise prohibited under the relevant Debt Documents), no member of the group will discharge any Senior Debt Liabilities, exercise any set-off against any Senior Debt Liabilities, or create or permit to subsist any Security over assets of members of the Group or give any guarantee of any Senior Debt Liabilities, other than Senior Debt Guarantees and Shared Security as permitted in certain circumstances specified in the Intercreditor Agreement, including (subject to the section of this document entitled "*—Issue of Senior Debt Payment Stop Notice*"):

(a) (i) the payment is of any principal amount or capitalised interest of the Senior Debt Liabilities or the Senior Debt Issuer Liabilities which is either not prohibited from being paid by prior ranking Finance Documents, or consent of the requisite number of Creditors (or their Agent on their behalf) has been obtained, or is paid on or after the final maturity date of the Senior Debt Liabilities (provided that such maturity date is a date not earlier than the later of the originally scheduled maturity date of the Notes and final termination date of the credit facilities in existence at the time of issuance of such Senior Debt) or is a payment of any amount in respect of the Senior Debt Liabilities which is not an amount of principal or capitalised interest (such amount including all scheduled interest payments, including, if applicable, special interest or liquidated damages) and default interest on the Senior Debt Liabilities accrued due and payable in cash in accordance with the terms of the relevant Debt Document, additional amounts payable as a result of the tax gross up provisions relating to the Senior Debt Liabilities and amounts in respect of currency indemnities in the relevant indenture for the Senior Debt, (ii) no notice of a Secured Debt Event of Default has been delivered by the Credit Facility Agent, the Senior Secured Notes Trustee, the Pari Passu Debt Representative or the Second Lien Debt Representative (as the case may be) (a "**Senior Debt Payment Stop Notice**"); and (iii) no Secured Debt Payment Default has occurred and is continuing;

(b) the payment is in accordance with a provision in a Senior Debt Document which is substantially equivalent to the illegality provisions set out in the Revolving Credit Facility Agreement and no Secured Debt Acceleration Event has occurred;

(c) the Payment is of the Senior Debt Liabilities outstanding which would have been payable but for the issue of a Senior Debt Payment Stop Notice (which has since expired) which has been capitalised and added to the principal amount of the Senior Debt Liabilities or where that amount is outstanding as a result of the accrual of cash interest payable in respect of the Senior Debt Liabilities during a period when a Senior Debt Payment Stop Notice was outstanding provided that no such Payment may be made if any Secured Debt Payment Default is continuing or would occur as a result of making such payment;

(d) for so long as a Secured Debt Event of Default or a Senior Debt Default is continuing, all or part of any liabilities in respect of any Senior Debt being released or otherwise discharged solely in consideration for the issues of shares in any holding company of Senior Debt Issuer (each a "**Senior Debt for Equity Swap**") provided that (A) no cash or cash equivalent payment is made in respect of the Senior Debt Liabilities and (B) any liabilities owed by a member of the Group to another member of the Group, the Subordinated Creditors or any other holding company of a Senior Debt Issues that arise as a result of any such Senior Debt for Equity Swap are subordinated to the Super Senior Liabilities and Senior Secured Liabilities pursuant to the Intercreditor Agreement and the Super Senior Creditors and Senior Secured Creditors are granted Transaction Security in respect of any of those Senior Debt Liabilities owed by Senior Debt Issuer;

(e) the payment is of amounts owing to the Senior Debt Representative in respect of any Senior Debt issued in the form of notes (the "**Senior Debt Representative Amounts**");

(f) the payment is of costs, commissions, taxes, premiums, amendment consent and/or waiver fees and any expenses incurred in respect of (or reasonably incidental to) the Senior Debt Liabilities (including in relation to and reporting or listing requirements or any refinancing of the Senior Debt Documents in compliance with the Intercreditor Agreement, the Credit Facilities, the Senior Secured Notes Documents, the Pari Passu Debt Documents and the Second Lien Debt Documents provided that any such amendment, consent and/or waiver fees and expenses are in an amount which, when expressed as a percentage of the principal amount of the Senior Debt Liabilities (or affected principal amount) do not exceed the corresponding amounts which have been paid in respect of any amendment, consent and/or waiver fees and expenses incurred in respect of (or reasonably incidental to) the Super Senior Liabilities, the Senior Secured Liabilities and/or Second Lien Liabilities (when expressed as a percentage of the principal amount of the Super Senior Liabilities, Senior Secured Liabilities and/or Second Lien Liabilities (or affected principal amount));

(g) the payment is by the Senior Debt Issuer of the Senior Debt Liabilities and such payment is not financed directly or indirectly by a payment to the Senior Debt Issuer from a member of the Group which was prohibited (at the time it was made to the Senior Debt Issuer) by any Credit Facility Document, the Senior Secured Notes Documents, the Pari Passu Debt Documents, the Second Lien Debt Documents or the Senior Debt Documents;

(h) if the payment is of any other amount not exceeding €300,000 (or its equivalent in other currencies) in aggregate in any 12 month period; or

(i) if the Majority Super Senior Creditors and the Notes/Pari Passu Required Holders give prior consent to that Payment being made.

The Intercreditor Agreement will also provide that, on or after the Secured Debt Discharge Date, the debtors may make payments to the Senior Debt Creditors or the Senior Debt Issuer in accordance with the Senior Debt Documents.

Permitted payments—intra group liabilities

The Intercreditor Agreement will also permit payments to be made from time to time when due to lenders owed any Intra Group Liabilities ("**Intra Group Liabilities Payments**") if at the time of payment no acceleration event has occurred and is continuing under the Debt Documents (together an "**Acceleration Event**").

The Intercreditor Agreement will permit Intra Group Liabilities Payments if:

(i) an Acceleration Event has occurred prior to the date on which the Super Senior Liabilities are discharged in full (the "**Super Senior Discharge Date**"), with the consent of the Instructing Group (as defined, and further described, in "*—Enforcement Decision*");

(ii) an Acceleration Event has occurred on or after the Super Senior Discharge Date but prior to the date on which the Senior Secured Liabilities are discharged in full (the "**Senior Secured Discharge Date**"), with the consent of the Notes/Pari Passu Required Holders (as defined below) (acting through their Agents);

(iii) an Acceleration Event has occurred on or after the Senior Secured Discharge Date but prior to the date on which the Second Lien Liabilities are discharged in full (the "**Second Lien Discharge Date**"), with the consent of the Second Lien Debt Required Holders (as defined below) (acting through their Agents);

(iv) an Acceleration Event has occurred on or after the Secured Debt Discharge Date but prior to the date on which the Senior Debt Liabilities are discharged (the "**Senior Debt Discharge Date**"), with the consent of the Senior Debt Required Holders (as defined herein) (acting through their Agents);

(v) that payment is made to facilitate payment of the Super Senior Liabilities or Senior Secured Liabilities;

(vi) to the extent there is no restriction under the caption "*Permitted Payments—Second Lien*," the payment is made to facilitate payments of the Second Lien Debt Liabilities that are permitted to be paid under the terms of the Intercreditor Agreement and, if such payment were made pursuant to the Second Lien Debt Documents, it would be permitted at such time; or

(vii) to the extent there is no restriction under the caption "*Permitted Payments—Senior Debt Guarantee Liabilities*," the payment is made to facilitate payments of the Senior Debt Liabilities that are permitted to be paid under the terms of the Intercreditor Agreement and, if such payment were made pursuant to Senior Debt Guarantees, it would be permitted at such time.

At any time prior to an Acceleration Event, each Debtor may set off or convert its Intra-Group Liabilities into equity, provided that if the existing shares of the relevant Debtor are subject to Transaction Security, subject to any new shares issued as a result thereof automatically falling within the scope of the existing Transaction Security or equivalent Transaction Security is granted in accordance with the terms of the Debt Documents over any such new shares.

Permitted payments—shareholder liabilities

Payments may be made on Shareholder Liabilities from time to time when due if:

(i) the payment is not prohibited by any prior ranking Finance Documents, or consent of the requisite number of Creditors (or their Agent on their behalf, if applicable) has been obtained;

(ii) the payment is to be made by the Parent Guarantor to the Senior Debt Issuer or Second Lien Debt Issuer (if it is outside the Group), or in each case its Subsidiary, in respect of any Senior Debt Issuer Liabilities or Second Lien Issuer Liabilities (as applicable) made in order to make a corresponding payment of Senior Debt Liabilities or Second Lien Liabilities (as applicable) which is then due and payable by the Senior Debt Issuer (as applicable) pursuant to the Senior Debt Documents or the Second Lien Debt Documents (or in the case of a payment in respect of scheduled interest, such payment will become due and payable within three business days) to be made at the time such payment of Shareholder Liabilities is made by the Parent Guarantor to the relevant Senior Debt Issuer or the Second Lien Debt Issuer, or in each case its Subsidiary;

(iii) prior to the Super Senior Discharge Date, the Instructing Group (as defined below) gives written consent to such payment being made;

(iv) on or after the Super Senior Discharge Date but prior to the Senior Secured Discharge Date, the Notes/Pari Passu Required Holders (acting through their Agents (as defined below), if applicable) give written consent to such payment being made;

(v) on or after the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date but prior to the Second Lien Debt Discharge Date, the Second Lien Debt Required Holders (acting through their Agents) give written consent to that payment being made; or

(vi) on or after the Secured Debt Discharge Date but prior to the Senior Debt Discharge Date, the Senior Debt Required Holders (acting through their Agents (as defined below)) give written consent to such payment being made.

At any time prior to an Acceleration Event, each Shareholder Creditor may set off or convert its Shareholder Liabilities into equity, provided that if the existing shares of the relevant Debtor are subject to Transaction Security, subject to any new shares issued as a result thereof automatically falling within the scope of the existing Transaction Security or equivalent Transaction Security is executed by the relevant shareholder in accordance with the terms of the Debt Documents over any such new shares.

Nothing in the Intercreditor Agreement or any of the Debt Documents shall prohibit or restrict any roll-up or capitalisation of any amount under any Shareholder Debt Document or the issue of any payment in kind instruments in satisfaction of any amount under any Shareholder Debt Document or any forgiveness, write-off or capitalisation of any Shareholder Liabilities or the release or other discharge of any such Shareholder Liabilities; provided that any new shares issued as a result thereof by a member of the Group automatically falls within the scope of the existing Transaction Security or to the extent the existing shares are subject to Transaction Security, equivalent Transaction Security is executed by the relevant shareholder in accordance with the terms of the Debt Documents over any such new shares.

Agent

Under the Intercreditor Agreement, the parties will appoint various creditor representatives or agents. "Agent" means:

(a) in relation to the lenders under the Revolving Credit Facility Agreement, the facility agent under the Revolving Credit Facility Agreement;

(b) in relation to the Credit Facility Lenders under any other Credit Facility, the facility agent in respect of that Credit Facility (an "**Additional Credit Facility Agent**," and, together with the facility agent under the Revolving Credit Facility Agreement, a "**Credit Facility Agent**");

(c) in relation to the holders of the Notes, the Senior Secured Notes Trustee;

(d) in relation to any Pari Passu Creditors, the creditor representative for those Pari Passu Creditors (the "**Pari Passu Debt Representative**");

(e) in relation to any Second Lien Creditors, the creditor representative for those Second Lien Creditors (the "**Second Lien Debt Representative**"); and

(f) in relation to the Senior Debt Creditors, the creditor representative for those Senior Debt Creditors (the "**Senior Debt Representative**").

"Agent Liabilities" means the liabilities owed to any Agent of any Debts.

Issue of second lien payment stop notice

Until the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date, subject to limited exceptions or with the prior consent of the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s), and subject to the provisions of the Intercreditor Agreement which deal with the effects of an insolvency event, the Debtors shall procure that no member of the Group shall make, and no Second Lien Creditor may receive from any member of the Group, any payment in respect of the Second Lien Debt which would otherwise be permitted as referred to above (other than certain payments, including the Second Lien Representative Amount and certain amounts relating to the administrative and maintenance costs of the issuer of Second Lien Debt) if:

(a) a Secured Debt Payment Default (as defined in *"—Permitted Payments—Second Lien"* paragraph (a)(ii) above) (other than a Second Lien Payment Default) has occurred and is continuing; or

(b) a Secured Debt Event of Default (other than an event of default under a Second Lien Debt Document (a "**Second Lien Debt Default**") or a Secured Debt Payment Default) has occurred and is continuing, from the date on which the Credit Facility Agent or the Senior Secured Notes Trustee or the Pari Passu Debt Representative (as the case may be) (the "**Relevant Agent**") delivers a notice (a "Second Lien Payment Stop Notice") specifying the event or circumstance in relation to that Secured Debt Event of Default to the Second Lien Debt Issuer, the Security Agent and the relevant Second Lien Debt Representative, until the earliest of:

    (i) the date falling 120 days after delivery of that Second Lien Payment Stop Notice;

    (ii) the date on which a Second Lien Debt Default occurs for failure to pay principal at the original scheduled maturity of the Second Lien Liabilities;

    (iii) in relation to payments of Second Lien Liabilities, if a Second Lien Standstill Period is in effect at any time after delivery of that Second Lien Payment Stop Notice, the date on which that Second Lien Standstill Period expires;

(iv) the date on which the relevant Secured Debt Event of Default is no longer continuing and, if the relevant Secured Liabilities have been accelerated, such acceleration has been rescinded;

(v) the date on which the Relevant Agent delivers a notice to the Second Lien Debt Issuer, the Security Agent and the relevant Senior Debt Representative cancelling the Second Lien Payment Stop Notice;

(vi) the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date; and

(vii) the date on which the relevant Second Lien Debt Representative takes any enforcement action that it is permitted to take under the Intercreditor Agreement.

(c) Unless the relevant Second Lien Debt Representative waives this requirement:

(i) a new Second Lien Payment Stop Notice may not be delivered with respect to the same event or set of circumstances unless and until 365 days have elapsed since the delivery of the immediately prior Second Lien Payment Stop Notice relating to those events or circumstances; and

(ii) no Second Lien Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 90 days after the date the Second Lien Debt Representative received notice of that Secured Debt Event of Default.

(d) No Second Lien Payment Stop Notice may be served by the relevant Agent(s) in respect of a Secured Debt Event of Default which had been notified to each of them at the time at which an earlier Second Lien Payment Stop Notice was issued.

Paragraphs (a) to (d) above:

(i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(ii) will not prevent the accrual or capitalisation of interest (including default interest) in accordance with each Second Lien Debt Documents; and

(iii) will not prevent certain Payments permitted under the terms of the Intercreditor Agreement including but not limited to payments in connection with (A) Second Lien Representative Amounts and (B) any payment described in paragraphs (e) to (g) of the section of this document entitled "*—Permitted Payments—Second Lien*."

Cure of payment stop: second lien creditors

If at any time following the issue of a Second Lien Payment Stop Notice or the occurrence of a Secured Debt Payment Default (other than a Second Lien Payment Default):

(a) that Second Lien Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Secured Debt Payment Default ceases to be continuing; and

(b) the relevant Debtor then promptly pays to the Second Lien Creditors an amount equal to any Payments which had accrued under the Second Lien Debt Documents and which would have been Permitted Second Lien Debt Payments, as the case may be, but for that Second Lien Payment Stop Notice, Secured Debt Payment Default or such Secured Debt Acceleration Event,

then any event of default which may have occurred as a result of that suspension of Payments shall be waived and any Second Lien Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Second Lien Creditors.

Second lien standstill period

In relation to a relevant Second Lien Debt Default, a Second Lien Debt Standstill Period shall mean the period beginning on the date (the "**Second Lien Standstill Start Date**") the relevant Second Lien Debt Representative serves a Second Lien Enforcement Notice on the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) in respect of such Relevant Second Lien Debt Default and ending on the earlier to occur of:

(a) the date falling (the "**Second Lien Standstill Period**") 120 days after the Second Lien Standstill Start Date;

(b) the date the Secured Parties take any enforcement action in relation to a Debtor, provided however, that:

   (i) if a Second Lien Standstill Period ends pursuant to this paragraph (b), the Second Lien Creditors may only take the same enforcement action in relation to such Debtor as the enforcement action taken by the Secured Parties against such Debtor and not against any other member of the Group; and

   (ii) enforcement action for the purpose of this paragraph (b) shall not include action taken to preserve or protect any Security as opposed to realize it;

(c) the date of an Insolvency Event in relation to a Debtor against whom enforcement action is to be taken;

(d) the date on which a Second Lien Debt Default occurs for failure to pay principal at the original scheduled maturity of the Second Lien Debt; and

(e) the expiry of any other Second Lien Standstill Period outstanding at the date such first mentioned Second Lien Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

The Second Lien Creditors may take enforcement action as described above in relation to a Relevant Second Lien Debt Default even if, at the end of any relevant Second Lien Standstill Period or at any later time, a further Second Lien Standstill Period has begun as a result of any other Relevant Second Lien Debt Default.

If the Security Agent has notified the Second Lien Debt Representative that it is enforcing Transaction Security, no Senior Creditor may take any action referred to in the section entitled "*—Permitted Second Lien Enforcement,*" above while the Security Agent is, in accordance with the instructions of the Instructing Group, taking steps to enforce that Collateral where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Restrictions on enforcement by second lien creditors

Until the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date, except with the prior consent of or as required by the Instructing Group, no Second Lien Creditor shall take or require the taking of any Enforcement Action in relation to the Second Lien Liabilities, except as permitted under the Intercreditor Agreement (see "*—Permitted Second Lien Enforcement*" below).

Permitted second lien enforcement

(a) The restrictions detailed in the section entitled "*—Restrictions on Enforcement by Second Lien Creditors*" will not apply in respect of the Second Lien Liabilities if:

   (i) a Second Lien Debt Default (the "Relevant Second Lien Debt Default") is continuing;

   (ii) the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) have received a notice of the Relevant Second Lien Debt Default specifying the event or circumstance in relation to the Relevant Second Lien Debt Default from the relevant Second Lien Debt Representative;

(iii) a Second Lien Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Second Lien Debt Default is continuing at the end of the relevant Second Lien Standstill Period.

(b) Promptly upon becoming aware of a Second Lien Debt Default, the relevant Second Lien Debt Representative may, by notice (a "**Second Lien Enforcement Notice**") in writing notify the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) of the existence of such Second Lien Debt Default.

Issue of senior debt payment stop notice

(a) Until the later of the Super Senior Discharge Date and the Senior Secured Discharge Date and the Second Lien Debt Discharge Date (the "**Secured Debt Discharge Date**"), except with the prior consent of the Credit Facility Agent, the Senior Secured Notes Trustee, the Pari Passu Debt Representative(s) and the Second Lien Debt Representatives, and subject to the provisions of the Intercreditor Agreement which will deal with the effects of an insolvency event, the Debtors shall procure that no member of the Group (other than the Senior Debt Issuer) shall make, and no Senior Creditor may receive from any member of the Group, any payment in respect of the Senior Debt which would otherwise be permitted as referred to above (other than certain payments, including the Senior Debt Representative Amount and certain amounts relating to the administrative and maintenance costs of the Senior Debt Issuer) if:

(i) a payment default under the Secured Debt Documents (a "**Secured Debt Payment Default**") has occurred and is continuing;

(ii) an event of default (subject to certain thresholds) under a Credit Facility Document, the Indenture, the Pari Passu Debt Documents or the Second Lien Debt Documents (other than a Secured Debt Payment Default) (a "**Secured Debt Event of Default**") has occurred and is continuing, from the date on which the Credit Facility Agent or the Senior Secured Notes Trustee or the Pari Passu Debt Representative or the Second Lien Debt Representative (as the case may be) (the "**Relevant Agent**") delivers a notice (a "**Senior Debt Payment Stop Notice**") specifying the event or circumstance in relation to that Secured Debt Event of Default to the Senior Debt Issuer, the Security Agent and the relevant Senior Debt Representative, until the earliest of:

A. the date falling 179 days after delivery of that Senior Debt Payment Stop Notice;

B. the date on which a Senior Debt Default occurs for failure to pay principal at the original scheduled maturity of the Senior Debt;

C. in relation to payments of Senior Debt Liabilities, if a Senior Debt Standstill Period (as defined below) is in effect at any time after delivery of that Senior Debt Payment Stop Notice, the date on which that Senior Debt Standstill Period expires;

D. the date on which the relevant Secured Debt Event of Default is no longer continuing and, if the relevant Secured Liabilities have been accelerated, such acceleration has been rescinded;

E. the date on which the Relevant Agent delivers a notice to the Senior Debt Issuer, the Security Agent and the Senior Debt Representative cancelling the Senior Debt Payment Stop Notice;

F. the Secured Debt Discharge Date; and

G. the date on which the relevant Senior Debt Representative takes any enforcement action that it is permitted to take under the Intercreditor Agreement.

(b) Unless the relevant Senior Debt Representative waives this requirement:

(i) a new Senior Debt Payment Stop Notice may not be delivered with respect to the same event or set of circumstances unless and until 365 days have elapsed since the delivery of the immediately prior Senior Debt Payment Stop Notice relating to those events or circumstances; and

(ii) no Senior Debt Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 90 days after the date the Relevant Agent received notice of that Secured Debt Event of Default.

(c) The Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative(s) may not serve a Senior Debt Payment Stop Notice with respect to a Secured Debt Event of Default which had been notified to each of them at the time at which an earlier Senior Debt Payment Stop Notice was issued.

Paragraphs (a) to (c) above:

(i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with each Senior Debt Documents; and

(iii) will not prevent certain Payments permitted under the terms of the Intercreditor Agreement including but not limited to payments in connection with (A) Senior Debt Representative Amounts and any payment described in paragraphs (e) to (g) of the section of this document entitled "*Permitted Payments—Senior Debt Guarantee Liabilities*."

Cure of payment stop: senior debt creditors

If at any time following the issuance of a Senior Debt Payment Stop Notice or the occurrence of a Secured Debt Payment Default:

(a) the Senior Debt Payment Stop Notice ceases to be outstanding and/or the Secured Debt Payment Default ceases to be continuing, as the case may be; and

(b) the relevant Debtor then promptly pays to the Senior Debt Creditors or Senior Debt Issuer an amount equal to any payments which had accrued under the Senior Debt Documents and which would have been permitted payments but for that Senior Debt Payment Stop Notice or Secured Debt Event of Default,

then any Event of Default which may have occurred as a result of that suspension of payments shall be waived and any Senior Debt Enforcement Notice (as defined below) which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Debt Creditors.

Restrictions on enforcement/certain challenges by senior debt creditors

Until the Secured Debt Discharge Date, except with the prior consent of or as required by the Instructing Group, no Senior Debt Creditor shall take or require the taking of any enforcement action in relation to the Senior Debt Guarantee Liabilities or the Shared Security (if any) which secure the Senior Debt Liabilities except as permitted under the Intercreditor Agreement (see "*—Permitted Senior Debt Guarantee Enforcement*" below).

Permitted senior debt guarantee enforcement

(a) The restrictions detailed in the section entitled "*Restrictions on Enforcement/Certain Challenges by Senior Debt Creditors*" will not apply in respect of the Senior Debt Guarantee Liabilities or any Shared Security which secures the Senior Debt Liabilities as permitted by the Intercreditor Agreement if:

  (i) an event of default (or event or circumstance which would, with the expiration of a grace period, the giving of notice, the making of any determination provided for in the relevant definition of "**Event of Default**" in the Senior Debt Document or any combination of the foregoing, be an event of default) under any Senior Debt Document (a "**Senior Debt Default**") (such default being a "**Relevant Senior Debt Default**") is continuing;

  (ii) the Credit Facility Agent, the Senior Secured Notes Trustee, the Pari Passu Debt Representative(s) and the Second Lien Debt Representative(s) have received a notice of the Relevant Senior Debt Default specifying the event or circumstance in relation to the Relevant Senior Debt Default from the Senior Debt Representative;

  (iii) a Senior Debt Standstill Period (as defined below) has elapsed; and

  (iv) the Relevant Senior Debt Default is continuing at the end of the relevant Senior Debt Standstill Period (as defined below).

(b) Promptly upon becoming aware of a Senior Debt Default, the Senior Debt Representative may, by notice (a "**Senior Debt Enforcement Notice**") in writing notify the Credit Facility Agent, the Senior Secured Notes Trustee, the Pari Passu Debt Representative(s) and the Second Lien Debt Representative(s) of the existence of such Senior Debt Default.

Senior debt standstill period

In relation to a Relevant Senior Debt Default, a Senior Debt Standstill Period shall mean the period beginning on the date (the "**Senior Debt Standstill Start Date**") the Senior Debt Representative serves a Senior Debt Enforcement Notice on the Credit Facility Agent, the Senior Secured Notes Trustee, the Pari Passu Debt Representative(s) and the Second Lien Debt Representative(s) in respect of such Relevant Senior Debt Default and ending on the earliest to occur of:

(a) the date falling 179 days after the Senior Debt Standstill Start Date (the "**Senior Debt Standstill Period**");

(b) the date the Secured Parties take any enforcement action (excluding any action taken to preserve or perfect any Collateral as opposed to realize it) in relation to a guarantor of Senior Debt (a "**Senior Debt Guarantor**"), provided that the Senior Debt Creditors may then only take the same enforcement action in relation to the Guarantor as the enforcement action taken by the Secured Parties against such Guarantor and not against any other member of the Group;

(c) the date of an insolvency event in relation to a Senior Debt Guarantor against whom enforcement action is to be taken;

(d) the date on which a Senior Debt Default occurs for failure to pay principal at the original scheduled maturity of the Senior Debt; and

(e) the expiration of any other Senior Debt Standstill Period outstanding at the date such first Senior Debt Standstill Period commenced (unless that expiration occurs as a result of a cure, waiver or other permitted remedy).

The Senior Debt Creditors may take enforcement action as described above in relation to a Relevant Senior Debt Default even if, at the end of any relevant Senior Debt Standstill Period or at any later time, a further Senior Debt Standstill Period has begun as a result of any other Relevant Senior Debt Default.

If the Security Agent has notified the Senior Debt Representative that it is enforcing Transaction Security created over (directly or indirectly) shares of a Senior Debt Guarantor, no Senior Creditor may take any action referred to in the section entitled "—*Permitted Senior Debt Guarantee Enforcement*," above against that Senior Debt Guarantor while the Security Agent is, in accordance with the instructions of the Instructing Group, taking steps to enforce that Collateral where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Enforcement instructions

The Security Agent may refrain from enforcing the Transaction Security or taking any other enforcement action unless instructed or authorized by a provision of the Intercreditor Agreement or otherwise instructed by the relevant Instructing Group or in certain other circumstances by the Second Lien Debt Representatives or the Senior Debt Representatives (as applicable) (as further described in "—*Enforcement Decision*").

The Secured Parties may not give instructions to the Security Agent as to the enforcement of the Transaction Security other than in accordance with the Intercreditor Agreement.

Subject to the Transaction Security having become enforceable in accordance with its terms and subject to the terms of the Intercreditor Agreement the relevant Instructing Group may give instructions to the Security Agent as to the enforcement of the Transaction Security as they see fit provided that the instructions as to enforcement given by the Instructing Group are consistent with the Security Enforcement Principles (as defined below) and the other provisions of the Intercreditor Agreement.

Enforcement decision

Subject to certain conditions with respect to the make up of the relevant instructing group set out in the Intercreditor Agreement, if either the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders (in each case acting through their Agents, if applicable) (the relevant "**Instructing Group**") wish to instruct the Security Agent to commence enforcement of any Transaction Security, such group of creditors must deliver a copy of the proposed instructions as to enforcement (the "**Proposed Enforcement Instructions**") to the Security Agent and the Agent for each of the Super Senior Creditors, the Senior Secured Notes Trustee, each Pari Passu Debt Representative, each Second Lien Debt Representative and each Senior Debt Representative (as appropriate).

The Security Agent shall promptly notify each Agent of the Super Senior Creditors, the Notes Trustee and each of the Pari Passu Debt Representatives upon receipt of such Proposed Enforcement Instructions.

Instructing group—general

Prior to the Super Senior Discharge Date and subject to the three paragraphs immediately below, if the Security Agent has received any Proposed Enforcement Instructions, then the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions of the Notes/Pari Passu Required Holders (and the Notes/Pari Passu Required Holders shall be the Instructing Group for the purpose of "—*Enforcement Instructions*," in each case, acting through their respective Agent, if applicable) provided that such instructions are consistent with certain Security Enforcement Principles (as referred to below) and failure to give instructions will be deemed to be an instruction not to take Enforcement steps.

In the event that:

(a) from the date that is three months after the date upon which the first Proposed Enforcement Instructions (including such instructions not to take enforcement steps) are delivered, the Security Agent (acting on the instructions of the Notes/Pari Passu Required Holders) has not taken any Enforcement Action of the Transaction Security; or

(b) the Super Senior Liabilities have not been fully discharged in cash within six (6) months of the date upon which the first such Proposed Enforcement Instructions (including any such instructions not to take Enforcement steps) are delivered,

then (with effect from the date of the earlier to occur of such events), the Majority Super Senior Creditors shall become the Instructing Group for the purposes of "*—Enforcement Instructions*."

If at any time the Security Agent has not taken any Relevant Enforcement Action of the Transaction Security notwithstanding the Transaction Security having become enforceable in accordance with its terms, an Agent acting on behalf of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders, as the case may be, may at any time provide immediate instructions as to enforcement to the Security Agent, notwithstanding any instructions delivered in accordance with the above, if the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders determine in good faith (and notify the Agents of the other Super Senior Creditors, the Senior Secured Notes Creditors, the Pari Passu Creditors, the Security Agent) the delay in taking enforcement action of the Transaction Security could reasonably be expected to have a material adverse effect on:

(i) the Security Agent's ability to enforce the Transaction Security; or

(ii) the realization proceeds of any enforcement of the Transaction Security,

and the Security Agent shall only act with respect to the relevant asset or Debtor that is the subject of the determination pursuant to (i) or (ii) above, in accordance with the first such notice of determination and instructions as to enforcement received by the Security Agent (provided in each case that such instructions are consistent with certain Security Enforcement Principles (referred to below)).

If at any time an insolvency event has occurred with respect to any Debtor or any person (which is not a Debtor) which grants any Transaction Security in favour of the Secured Parties in respect of the obligations of the Debtors) (a "**Security Provider**") (other than an insolvency event which is the direct result of any action taken by the Security Agent acting on the instructions of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders), the Security Agent shall act, to the extent the Majority Super Senior Creditors have provided such instructions, in accordance with the instructions received from such Majority Super Senior Creditors, provided that in the event the Security Agent has received Proposed Enforcement Instructions from the Agent for the Notes/Pari Passu Required Holders and has commenced Relevant Enforcement Action pursuant to such instructions, the Security Agent shall continue to act in accordance with the instructions of the Agent for the Notes/Pari Passu Required Holders, until such time as the Agents for the Majority Super Senior Creditors acting through their Agents, if applicable, issue enforcement instructions to the Security Agent and such instructions shall override and supersede any such prior instructions given by the Agent for the Notes/Pari Passu Required Holders.

Other than where the preceding two paragraphs apply, if prior to the Super Senior Discharge Date, the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders (in each case acting reasonably) consider that the Security Agent is enforcing the Security in a manner which is not consistent with the Security Enforcement Principles, the Agents for the Super Senior Creditors, the holders of the Notes or the Pari Passu Creditors shall give notice to the Agents for the other Super Senior Creditors, the holders of the Notes or the Pari Passu

Creditors (as appropriate) after which Agents for the other Super Senior Creditors, the holders of the Notes or the Pari Passu Creditors shall consult with the Security Agent for a certain number of days (or such lesser period as the relevant Agents and the Hedge Counterparties may agree) with a view to agreeing the manner of enforcement provided that such Agents shall not be obliged to consult in the manner set out in this paragraph more than once in relation to each enforcement action.

After the Super Senior Discharge Date but prior to the Senior Secured Discharge Date, the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Notes/Pari Passu Required Holders.

After the later to occur of the Super Senior Discharge Date and the Senior Secured Discharge Date but prior to the Second Lien Discharge Date, the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Second Lien Debt Required Holders.

After the Secured Debt Discharge Date but prior to the Senior Debt Discharge Date, the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Senior Debt Required Holders.

Instructing group—second lien creditors

Prior to the Super Senior Discharge Date or, if later, the Senior Secured Discharge Date, if:

(a) the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

(b) in the absence of instructions from the Instructing Group, other than during the period described in paragraphs (a) and (b) of the section entitled "*Instructing Group—General*,"

and in each case the Instructing Group have not required any Debtor to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Transaction Security which the Second Lien Debt Representative(s) (acting on the instructions of the Second Lien Debt Required Holders) are then entitled to give to the Security Agent as detailed in the section above titled "*—Permitted Second Lien Enforcement*." This independent right of enforcement is subject to certain exceptions provided for in the Intercreditor Agreement whereby the relevant Instructing Group can, in certain circumstances, retake control of the enforcement process.

Instructing group—senior debt creditors

Prior to the Secured Debt Discharge Date, if:

(a) the Instructing Group (or the Second Lien Creditors pursuant to the section above titled "*—Instructing Group—Second Lien Creditors*") has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

(b) in the absence of instructions from the Instructing Group (or the Second Lien Creditors pursuant to the section above titled "*—Instructing Group—Second Lien Creditors*") , other than during the period described in the section above titled "*—Instructing Group—General*"

and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Shared Security which the Senior Debt Representative(s) (acting on the instructions of the Senior Debt Required Holders) are then entitled to give to the Security Agent under as detailed in the section above titled "*—Permitted Senior Debt Enforcement*." This independent right of enforcement is subject to certain exceptions provided for in the Intercreditor Agreement whereby the relevant Instructing Group can, in certain circumstances, retake control of the enforcement process.

Limitation on enforcement of shareholder liabilities

Subject to the below, Shareholder Creditors will not be permitted to take any enforcement action in respect of any of the Shareholder Liabilities at any time prior the last to occur of the Super Senior Discharge Date, the Senior Secured Discharge Date, the Second Lien Debt Discharge Date and the Senior Debt Discharge Date (the "**Final Discharge Date**") unless otherwise directed by the Security Agent.

Subject to the turnover provisions relating to the Second Lien Creditors, Senior Debt Creditors and Subordinated Creditors in the Intercreditor Agreement, after the occurrence of an insolvency event in relation to any Debtor or member of the Group or Security Provider, each Shareholder Creditor may only (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Shareholder Creditor in accordance with the filing of claims provisions in the Intercreditor Agreement) and shall, if so directed by the Security Agent, exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Shareholder Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Shareholder Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Shareholder Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Shareholder Liabilities owing to it,

but is not permitted to take any other enforcement action.

Limitation on enforcement of intra group liabilities

Subject to the below, Intra-Group Lenders will not be permitted to take any enforcement action (other than rights of set-off to enable permitted intra-group payments) in respect of any of the Intra-Group Liabilities at any time prior to the Final Discharge Date unless otherwise directed by the Security Agent.

After the occurrence of an insolvency event in relation to any member of the Group or any Security Provider, an Intra Group Lender may only (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra Group Lender in accordance with the Intercreditor Agreement) and shall, if so directed by the Security Agent, exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that Group member's Intra Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra Group Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Intra Group Liabilities of that member of the Group; or

(d) file claims, or claim and prove in the liquidation of that member of the Group for the Intragroup Liabilities owing to it,

but is not permitted take any other enforcement action.

Security enforcement principles

An Agent may only give enforcement instructions that are consistent with the following security enforcement principles (the "**Security Enforcement Principles**"):

(a) it shall be the primary and overriding aim of any enforcement of the Transaction Security to achieve the security enforcement objective, such objective being to maximize, so far as is consistent with prompt and expeditious realisation of value from enforcement of the Transaction Security, and in a manner consistent with the provisions of the Intercreditor Agreement, the recovery by the Super Senior Creditors, the Senior Secured Creditors, the Second Lien Creditors and, to the extent only of any Shared Security, the Senior Debt Creditors (the "**Security Enforcement Objective**");

(b) without prejudice to the Security Enforcement Objective, the Transaction Security will be enforced and other enforcement action will be taken such that either:

(i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the terms of the Intercreditor Agreement (as further described in "*—Application of Proceeds from Enforcement of Transaction Security*"); or

(ii) in the case of enforcement by the Notes/Pari Passu Required Holders sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the terms of the Intercreditor Agreement (see "*—Application of Proceeds from Enforcement of Transaction Security*"), the Super Senior Liabilities are repaid and discharged in full in cash (unless the Majority Super Senior Creditors agree otherwise).

(c) the Enforcement Action must be prompt and expeditious it being acknowledged that, subject to the other provisions of this Agreement, the time frame for the realisation of value from the Enforcement of the Transaction Security or Distressed Disposal pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Security Enforcement Objective;

(d) on:

(i) a proposed enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds €20,000,000 (or its equivalent in other currencies); or

(ii) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists,

then the Security Agent shall, if requested by the Instructing Group, and at the expense of the Parent Guarantor, (to the extent that financial advisors have not adopted a general policy of not providing such opinion) appoint an independent and internationally recognized investment bank or accountancy firm or, if it is not practicable for the Security Agent to appoint any such bank or firm on commercially reasonable terms (including for reasons of conflicts of interest) as determined by the Security Agent (acting in good faith), another third-party professional firm which is regularly engaged in providing valuations in respect of the relevant type of assets (in each case not being the firm appointed as the relevant Debtor's administrator or other relevant officer holder) appointed by the Security Agent (a "Financial Advisor") to opine as expert that the consideration received from any disposal is fair from a financial point of view after taking into account all relevant circumstances (a "Financial Advisor's Opinion");

(e) the Security Agent may engage, or approve the engagement of, (in each case on such terms as it may consider appropriate (including, without limitation, restrictions on that Financial Advisor's liability and the extent to which any advice, valuation or opinion may be relied on or disclosed)), pay for and rely on the services of a Financial Advisor for the purposes of this Agreement;

(f) the Security Agent has no obligation to appoint a Financial Advisor or to seek the advice of Financial Advisor, unless expressly required to do so by the Intercreditor Agreement. Prior to making any appointment of a Financial Advisor, the Security Agent is entitled to ensure that cost cover (at a level it is satisfied with acting reasonably) has been provided;

(g) the Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met;

(h) where the Instructing Group is the Notes/Pari Passu Required Holders, the Notes/Pari Passu Required Holders (as applicable) may waive the requirement for a Financial Advisor's Opinion where sufficient Proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the terms of the Intercreditor Agreement (see "—Application of Proceeds from Enforcement of Transaction Security"), the Super Senior Liabilities are repaid and discharged in full; and

(i) if enforcement of the Transaction Security is conducted by way of Public Auction (as defined below), no Financial Advisor shall be required to be appointed, and no Financial Advisor's Opinion shall be required, in relation to such enforcement, provided that the Security Agent shall be entitled (but not obligated) to appoint a Financial Advisor to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of Public Auction.

The Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors and the Notes Required Holders, the Pari Passu Debt Required Holders of each tranche of Pari Passu Debt, the Second Lien Required Holders (to the extent relating to paragraph (a) above and the Security Agent and the Parent Guarantor.

"Public Auction" means an auction or other competitive sale process of assets, by or on behalf of the Security Agent pursuant to an enforcement of Transaction Security (or by a member of the Group or Security Provider in circumstances that are a Distressed Disposal (as defined below)), the process of such sale or disposal having been conducted as follows:

(a) prior to the sale or other disposal, the Security Agent shall, in respect of such auction or other competitive sale process, consult with an independent and internationally recognized investment bank or accounting firm selected by the Security Agent (acting on the instructions of the Instructing Group) with respect to the procedures which may reasonably be expected to be used to obtain a fair market price in the then prevailing market conditions (taking into account all relevant circumstances and in order to facilitate a prompt and expeditious sale at a fair market price in the prevailing market conditions although there shall be no obligation to postpone any such sale in order to achieve a higher price);

(b) the Security Agent shall have implemented (to the extent permitted by law) in all material respects the procedures recommended by such bank or firm in relation to such auction or process; and

(c) the Secured Parties shall have a right to participate including as part of a consortium and as prospective buyers and/or financiers.

For the purposes of paragraphs (a), (b) and (c) above:

(i) the Security Agent shall be entitled to retain any such independent and internationally recognized investment bank or accounting firm as its and/or any of the other Secured Parties' financial advisor to advise and assist in the proposed sale or disposition for such remuneration as the Security Agent in good faith determines is appropriate for the circumstances;

(ii) except as required by applicable law, the Security Agent shall not have any obligation to any person to engage in or to use reasonable efforts to engage in a listing of any or all of any equity interests the subject of such auction or other competitive sale process, including, without limitation, if recommended by such investment bank or accounting firm;

(iii) by reason of certain prohibitions, or exceptive or safe-harbour provisions from such prohibitions, contained in law or regulations of any applicable governmental authority, the Security Agent may, with respect to any sale of all or any part of such equity interests or assets:

   A. limit purchasers to those who meet the requirements of such governmental authority or exceptive or safe-harbour provision (as applicable) and/or make representations and undertakings satisfactory to the Security Agent relating to compliance with such requirements and/or provisions; and/or

   B. limit purchasers to persons who will agree, among other things to acquire such shares for their own account, for investment and not with a view to the distribution or resale thereof;

(iv) the Security Agent and other Secured Parties shall not under any circumstances be required to make representations, warranties or undertakings to any actual or proposed purchaser (other than customary representations in a security enforcement as to power to transfer the relevant equity interests pursuant to the Transaction Security Documents) or to indemnify any actual or proposed purchaser against any costs, liabilities or similar expenses or losses;

(v) without limitation to the other circumstances of the sale or other disposition that the Security Agent and such investment bank or accounting firm may take into consideration, the Security Agent may (but is not required to) in all circumstances specify that no offer to purchase equity interest or other assets will be entertained unless such offer:

   A. is for all (and not some only) of the equity interests being sold or otherwise disposed;

   B. is for cash consideration payable at closing (and therefore not including, for the avoidance of doubt, any element of deferred compensation) and is not subject to any financing conditions; and/or

   C. contemplates a closing of the sale of the equity interests or other assets in not more than three (3) months (or such longer period as the Security Agent may specify) from the time of initiation of the sale or disposition process; and

(vi) a "right to participate":

   A. means (I) any offer, or indication of a potential offer, that a Secured Party makes shall be considered by the Security Agent or such investment bank or accounting firm against the same criteria as any offer, or indication of a potential offer, by any other bidder or potential bidder and (II) each Secured Party, that is considering making an offer in any Public Auction is provided with the same information (including any due diligence reports and access to management that is being provided to any other bidder at the same stage of the process). For the avoidance of doubt, if after having applied that same criteria and provided the same information, the offer or indication of a potential offer made by a Secured Party, is not considered by the Security Agent or such investment bank or accounting firm to be sufficient to continue in the sale or disposal process, such consideration being against the same criteria as any offer, or indication of a potential offer, by any other bidder or potential bidder (such continuation may include being invited to review additional information or being invited to have an opportunity to make a subsequent or revised offer, whether in another round of bidding or otherwise) then the right to participate of that Secured Party, under the Intercreditor Agreement shall be deemed to be satisfied. The Second Lien Creditors and Senior Debt Creditors shall not have access to any due diligence report commissioned by the Super Senior Creditors and/or Senior Secured Creditors or any agent or adviser on their behalf, whether or not any such due diligence report is addressed to, or capable of being relied upon by, any member of the Group or any holding company of the Senior Secured Notes Issuer, which relates to the possible implementation of any enforcement action, debt restructuring and/or sales process which may or will involve the release and/or compromise of any of the Second Lien Liabilities and/or Senior Debt Liabilities, any guarantees given for the Second Lien Liabilities and/or Senior Debt Liabilities or any Transaction Security (the "Senior Secured Enforcement Advice"). Where any due diligence report that has been shared with any potential third-party purchaser under a Public Auction includes any Senior Secured Enforcement Advice, the Second Lien Creditors and Senior Debt Creditors shall have access to the relevant report with the Senior Secured Enforcement Advice redacted. Super Senior Creditors and Senior Secured Creditors shall have access to reports commissioned by the Second Lien Creditors and Senior Debt Creditors on the same basis only; and

B. shall not apply if the Security Agent believes in good faith that it may (or there is a risk that it may) result in a violation of any applicable laws or that it may (or there is a risk that it may) result in a requirement for registration under any applicable securities laws.

For the purposes of paragraph (a), such investment bank or accounting firm may be instructed by the Security Agent to take the limitations set out in subparagraphs (i) to (vi) (inclusive) above into account and to formulate recommendations that are consistent with them.

Exercise of voting rights

Each Intra Group Lender and Subordinated Creditor will (to the fullest extent permitted by law at the relevant time) cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent and the Security Agent shall give instructions for these purposes as directed by the Instructing Group, provided that such instructions have been given in accordance with the terms of the Intercreditor Agreement.

Turnover

Turnover by creditors

The Intercreditor Agreement will provide that (subject to certain exclusions, and permitted assurances and receipts) if at any time prior to the Final Discharge Date, any Creditor, receives or recovers:

(a) any payment or distribution of, or on account of, or in relation to any such liabilities which is not otherwise permitted under the Intercreditor Agreement or made in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*";

(b) other than by way of set-off permitted under the Intercreditor Agreement, any amount by way of set-off in respect of any such liabilities which does not give effect to a payment permitted under the Intercreditor Agreement or enforcement action which is otherwise permitted to be made, received or taken by the relevant creditor under the Intercreditor Agreement;

(c) other than by way of set-off permitted under the Intercreditor Agreement, any amount on account of, or in relation to, any of such liabilities after the occurrence of an Secured Debt Acceleration Event or the enforcement of any Transaction Security (a "Distress Event") or an Acceleration Event or as a result of any other litigation or proceedings against a Debtor or a member of the Group (other than after the occurrence of an insolvency event in respect of that Debtor or that member of the Group), other than, in each case, any amount received or recovered in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*";

(d) other than by way of set-off permitted under the Intercreditor Agreement, any amount byway of set-off in respect of any of such liabilities after the occurrence of a Distress Event other than any amount received or recovered in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*";

(e) any "solute" except to the extent paid in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*";

(f) enforcement proceeds except in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*"

(g) other than by way of set-off permitted under the Intercreditor Agreement, any distribution in cash or in kind or payment of, or on account of or in relation to, any of such liabilities which is not made in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that Debtor,

the Creditor, will, subject to certain exceptions:

(i) in relation to receipts or recoveries not received or recovered by way of set-off (A) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (B) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(ii) 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.

Application of proceeds from enforcement of transaction security

The Intercreditor Agreement provides that all amounts received or recovered by the Security Agent pursuant to the terms of any Debt Document or in connection with the realization or enforcement of all or any part of the Transaction Security or otherwise paid to the Security Agent for application under the Intercreditor Agreement will be applied in the following order of priority:

(a) first, *pari passu* and *pro rata* in or towards payment of any sums owing to the Security Agent (on its own behalf) or any delegate appointed by the Security Agent or any receiver;

(b) second, *pari passu* and *pro rata* in or towards payment of (A), any amounts owing to the Senior Secured Notes Trustee, any Pari Passu Debt Representative in respect of any Pari Passu Debt issued in the form of notes, any amounts owing to the Second Lien Debt

Representative in respect of any Second Lien Debt issued in the form of notes, any Senior Debt Representative Amounts payable to the Senior Debt Representative and (B) the liabilities owed to the RCF Agent and each Agent (to the extent not included in the foregoing) of any unpaid fees, costs, expenses and liabilities (and all interest thereon as provided in the relevant Secured Debt Documents) of each such Agent and any receiver, attorney or agent appointed by such Agent under any Transaction Security Document or the Intercreditor Agreement (to the extent that such Transaction Security has been given in favour of such obligations);

(c) third, *pari passu* and *pro rata* in or toward payment of all costs and expenses incurred by the Super Senior Creditors and the Senior Secured Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;

(d) fourth, *pari passu* and *pro rata* in or toward payment to: (i) the RCF Agent on behalf of the Revolving Credit Facility Agreement finance parties and on behalf of the arrangers under the Revolving Credit Facility Agreement and each Agent in respect of a Credit Facility on behalf of the arrangers and lenders under and in respect of that Credit Facility; and (ii) the Super Senior Hedge Counterparties in respect of the Super Senior Hedging Liabilities, for application towards the discharge of (A) the Credit Facility Lender Liabilities and related liabilities owed to the arrangers under the Revolving Credit Facility Agreement and the Credit Facility Lender Liabilities and related liabilities owed to the arrangers under such Credit Facility) in accordance with the terms of the Credit Facility Documents and (B) the Super Senior Hedging Liabilities on a *pari passu* and *pro rata* basis as between (A) and (B);

(e) fifth, *pari passu* and *pro rata* to: (i) the Senior Secured Notes Trustee on behalf of the Noteholders for application towards the discharge of the Senior Secured Notes Liabilities, (ii) the relevant Agent on behalf of the Pari Passu Creditors for application towards the discharge of the Pari Passu Liabilities and (iii) to the Non-Super Senior Hedge Counterparties for application towards the discharge of the Non-Super Senior Hedging Liabilities on a *pari passu* and *pro rata* basis as between (i) and (ii) and (iii); and

(f) sixth, in or towards payment to each Second Lien Debt Representative on behalf of the Second Lien Creditors (or, if there is no Second Lien Debt Representative on behalf of the Second Lien Creditors, such Second Lien Creditors) for application towards the discharge of the Second Lien Liabilities owed to the Second Lien Creditors (in accordance with the Second Lien Debt Documents) on a *pari passu* and *pro rata* basis;

(g) seventh, to the extent paid out of enforcement proceeds resulting from the enforcement of Shared Security, the Senior Debt Guarantee or proceeds from a Distressed Disposal in relation to assets which were previously subject to such Shared Security, in payment or distribution to each Senior Debt Representative on behalf of the Senior Debt Creditors or, if there is no Senior Debt Representative acting on behalf of any relevant Senior Debt Creditors, such Senior Debt Creditors for application towards the discharge of the Senior Debt Liabilities owed to the Senior Debt Creditors (in accordance with the terms of the Senior Debt Documents) on a *pari passu* and *pro rata* basis;

(h) eighth, to any Debtor to which a "Soulte" has been paid or remains payable, in payment or distribution in an amount equal to such Soulte, *pari passu* and *pro rata* amongst themselves; and

(i) the balance, if any, in payment or distribution to the Security Providers, any member of the Group or any other party entitled to receive it.

Release of the guarantees and the security

Non-distressed disposal

Notwithstanding anything to the contrary in the Intercreditor Agreement, if, in respect of a disposal of, or in respect of:

(a) an asset by a Debtor or Security Provider; or

(b) an asset

which is subject to the Transaction Security, and such disposal, is not being effected (a) by enforcement of the Transaction Security; (b) at the request of the Instructing Group, after the Transaction Security has become enforceable; or (c) being effected, after the occurrence of a Distress Event, by a Debtor or a Security Provider, to a person or persons which is not a member, or members, of the Group (each a "Distressed Disposal") and the Parent Guarantor certifies in good faith for the benefit of the Security Agent (or any applicable Creditor party to a Transaction Security Document) that: (A) the disposal is not prohibited under the Finance Documents or consent of the requisite number of Creditors (or their Agent on their behalf, if applicable) has been obtained and customary accompanying evidence has been provided; and (B) the disposal is not a Distressed Disposal, such disposal, a "Non-Distressed Disposal"), the Intercreditor Agreement will provide that the Security Agent is irrevocably instructed and authorized (without any consent, sanction, authority or further confirmation from any Creditor, Debtor, Security Provider, the Parent Guarantor or Senior Secured Notes Trustee) but subject to certain exceptions contained in the Revolving Credit Facility Agreement promptly to enter into documentation reasonably required by the Parent Guarantor (i) to release the Transaction Security (including for the avoidance of doubt, any shared assurance), or any other claim relating to a Debt Document over the relevant asset; (ii) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security (including, for the avoidance of doubt, any shared assurance), any guarantee liabilities or any other claim (relating to a Debt Document) over that Debtor and its assets and the shares in and assets of any of its subsidiaries and (iii) to execute and deliver or enter into any release of the Transaction Security (including, for the avoidance of doubt, any shared assurance, any guarantee liabilities or any claim described in sub-paragraphs (i) and (iii) above and issue any certificates of non-crystallisation of any floating charge (or similar concepts under relevant applicable local law, if any) or any consent to dealing that may, be reasonably requested by the Parent Guarantor, provided that in the case of a disposal made within the Group to the extent that replacement Transaction Security is required from the transferee under the terms of the Debt Documents, such Transaction Security will (subject to any other requirements relating to the release, retaking, amendment or extension of the Transaction Security under the Debt Documents) be granted at the same time (or before) the relevant disposal is effected.

In circumstances where a Debtor or Security Provider (as defined below) requests to be released from its Guarantee Liabilities and/or Transaction Security in connection with any transaction (including the designation of a Restricted Subsidiary as an Unrestricted Subsidiary) in respect of which the Parent Guarantor (acting reasonably and in good faith) certifies to each Agent and the Security Agent that it is not prohibited under any Finance Document or, if prohibited, the required creditor consent has been obtained and accompanying customary evidence of such required creditor consent has been provided, the Security Agent is irrevocably instructed and authorised (at the cost of the Parent Guarantor) by all applicable Parties (without any consent, sanction, authority or further confirmation from any Creditor or Debtor or Security Provider or the Parent Guarantor or, without limitation, any Senior Secured Notes Trustee) promptly to enter into documentation reasonably required by the Parent Guarantor and acceptable to the Security Agent (acting reasonably); (i) to release that Debtor and/or Security Provider from any such Guarantee Liabilities; (ii) to release the Transaction Security or any other claim granted by that Debtor or Security Provider or any Subsidiary thereof over any of their respective assets; (iii) to release any other claim of a Subordinated Creditor, or of another Debtor over that

Debtor or Security Provider's assets or over the assets of any Subsidiary of that Debtor or Security Provider; and (iv) to execute and deliver or enter into any release of the Transaction Security, any Guarantee Liability or any claim described above and issue any certificates of non-crystallisation of any floating charge (or similar concepts under relevant applicable local laws, if any) or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable.

If any proceeds from a Non-Distressed Disposal are required to be applied in mandatory prepayment of any of the Secured Liabilities or to be offered to any Secured Party pursuant to the terms of the Secured Debt Documents, then such proceeds will be applied in or towards payment of such Secured Liabilities or shall be offered to the relevant Secured Parties in accordance with the terms of the relevant Secured Debt Documents and the consent of any other party will not be required for that application.

Distressed disposal

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will provide that the Security Agent is irrevocably instructed and authorized (at the cost of the relevant Debtor or the Parent Guarantor) and without any consent, sanction, authority or further confirmation from any Creditor, Debtor, Security Provider or the Parent Guarantor: (a) to release the Transaction Security, or any other claim over the asset subject to the Distressed Disposal and execute and deliver or enter into any release of that Transaction Security, or claim and issue any letters of non-crystallisation of any floating charge (or similar concepts under relevant applicable local law) or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable; (b) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Debtor, to release (or instruct to release) that Debtor and any subsidiary of that Debtor from all or any part of (i) its borrowing liabilities in respect of the Debt Documents (other than borrowing liabilities owed by any Second Lien Debt Issuer or owed by the Senior Secured Notes Issuer to the Primary Creditors), its liabilities as guarantor in respect of the Debt Documents and any trading or other liabilities (not being borrowing or guaranteeing liabilities) it may have to an Intra Group Lender or another Debtor ("**Other Liabilities**"); (ii) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets; (iii) any other claim of a Subordinated Creditor, or of another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant Creditor and Debtors; and (c) if the asset which is subject to the Distressed Disposal consists of shares in the capital of any holding company of a Debtor, to release (or instruct to release) that holding company and any subsidiary of that holding company from all or any part of (i) its borrowing liabilities in respect of the Debt Documents (other than borrowing liabilities owed by any Second Lien Debt Issuer or owed by the Senior Secured Notes Issuer to the Primary Creditors), its liabilities as guarantor in respect of the Debt Documents and any Other Liabilities; (ii) any Transaction Security granted by any subsidiary of that holding company over any of its assets; and (iii) any other claim of a Subordinated Creditor or another Debtor over the assets of any Subsidiary of that holding company.

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will also provide that the Security Agent is authorized:

(a) if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor and the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) decides to dispose of all or any part of the liabilities of that Debtor or holding company or any subsidiary of that Debtor or holding company (as the case may be) under the Debt Documents (other than borrowing liabilities owed by any Second Lien Debt Issuer and the Issuer to a Primary Creditor) or any liabilities owed by such Debtor, holding company or subsidiary to another Debtor ("Debtor Liabilities"):

(i) if the Security Agent does not intend that the relevant transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to enter into any agreement to dispose of all (but not part) of such liabilities owed to a Primary Creditor or such Debtor Liabilities provided that notwithstanding any other provision of any Debt Document the transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; or

(ii) if the Security Agent does intend that the relevant transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to enter into any agreement to dispose of all (but not part) of such liabilities owed to a Primary Creditor and all or any part of such Debtor Liabilities and any other liabilities under the Debt Documents,

on behalf, in each case, of the relevant creditors and Debtors.

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will also provide that the Security Agent is authorized, if the asset which is subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of that Disposed Entity's obligations (or any obligations of any subsidiary of that Disposed Entity) in respect of Intra Group Liabilities or Debtor Liabilities, to enter into any agreement (a) to transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities 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) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtor Liabilities are to be transferred.

Certain limitations on release—second lien debt

If on or after the first date that Second Lien Debt is issued but before the date that all Second Lien Debt has been fully and finally discharged ("**the Second Lien Debt Discharge Date**"), a Distressed Disposal is being effected such that the Transaction Security and/or guarantee liabilities will be released, it is a further condition to the release that either:

(a) the Second Lien Debt Representative has approved the release on the instructions of the Second Lien Debt Required Holders; or

(b) where shares or assets of a Debtor or any subsidiary of that Debtor are sold:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all present and future obligations owed to the Secured Parties under the Credit Facility Documents, the Hedging Agreements, the Senior Secured Notes Documents and the Pari Passu Debt Documents by a member of the Group, all or part of whose shares are pledged in favour of the 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 Security under the Transaction Security Documents 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):

(A) where the Super Senior Creditors or the Senior Secured Creditors constitute the Instructing Group, the Credit Facility Agent, Senior Secured Notes Trustee and Pari Passu Debt Representative:

(I) determine acting reasonably and in good faith that the finance parties under the Revolving Credit Facility Agreement (the "**RCF Finance Parties**"), the Note Creditors and the Pari Passu Creditors (respectively) will recover more than if such claim was released or discharged but is never the less than the outstanding Super Senior Liabilities and/or Senior Secured Liabilities; 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);

(B) where the Second Lien Creditors constitute the Instructing Group, the Second Lien Debt Representative:

(I) determine acting reasonably and in good faith that the RCF Finance Parties, the Senior Secured Notes Creditors, the Pari Passu Creditors and Second Lien Creditors (respectively) will recover more than if such claim was released or discharged but is nevertheless less than the outstanding Super Senior Liabilities, Senior Secured Liabilities and/or Second Lien Liabilities; 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

(C) such sale or disposal (including any sale or disposal of any claim) is made:

(I) pursuant to a Public Auction; or

(II) in circumstances where (x) the Security Agent (acting in good faith) considers that a sale or disposal pursuant to a Public Auction is not reasonably practicable taking into account all relevant circumstances or (y) following an attempted sale or disposal pursuant to a Public Auction, the highest final bid or offer received by the Security Agent pursuant to the Public Auction is less than par value of the outstanding Senior Secured Liabilities, where a Financial Advisor confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances (including the method of enforcement), although there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price and provided that the liability of such Financial Advisor in giving such confirmation may be limited to the amount of its fees in respect of such engagement.

Certain limitations on release—senior debt

If on or after the first date on which Senior Debt is issued but before the Senior Debt Discharge Date, a Distressed Disposal is being effected such that the Senior Debt Guarantees will be released, it is a further condition to the release that either:

(a) the Senior Debt Representative has approved the release on the instructions of the Senior Debt Required Holders; or

(b) where shares or assets of a Senior Debt Guarantor are sold:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all present and future obligations owed to the Secured Parties under the Credit Facility Documents, the Hedging Agreements, the Senior Secured Notes Documents, the Second Lien Debt Documents and the Pari Passu Debt Documents by a member of the Group, all or part of whose shares are pledged or charged in favour of the 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 or part of the security under the Transaction Security Documents 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):

A. where the Super Senior Creditors, the Senior Secured Creditors or Second Lien Creditors, constituted the Instructing Group, the Credit Facility Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative and Second Lien Debt Representative:

(i) determine acting reasonably and in good faith that the finance parties under the Revolving Credit Facility Agreement, the Senior Secured Notes Creditors, Second Lien Creditors and the Pari Passu Creditors (respectively) will recover more than if such claim was released or discharged but is nevertheless less than the outstanding Super Senior Liabilities, Senior Secured Liabilities and/or Second Lien Liabilities; 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);

B. where the Senior Debt Creditors constitute the Instructing Group, the Senior Representative:

(i) determine acting reasonably and in good faith that the RCF Finance Parties, the Senior Secured Notes Creditors, the Pari Passu Creditors, the Second Lien Creditors and the Senior Debt Creditors (respectively) will recover more than if such claim was released or discharged but is nevertheless less than the outstanding Super Senior Liabilities, Senior Secured Liabilities, Second Lien Liabilities and/or Senior Debt Liabilities; 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

(iii) such sale or disposal (including any sale or disposal of any claim) is made:

A. pursuant to a Public Auction; or

B. where a Financial Advisor confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances (including the method of enforcement), although there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price and provided that the liability of such Financial Advisor in giving such confirmation may be limited to the amount of its fees in respect of such engagement.

In the case of a Distressed Disposal (or disposal of liabilities pursuant to the second paragraph of section "*—Distressed Disposal*" above, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have an obligation to postpone any such Distressed Disposal or disposal of Liabilities in order to achieve a higher price).

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor Liabilities pursuant to the second paragraph of section "*—Distressed Disposal*" above) shall be paid to the Security Agent for application in accordance with the payment waterfall described in "*—Application of Proceeds from Enforcement of Transaction Security*," as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of such liabilities has occurred, as if that disposal of such liabilities had not occurred.

Amendment

Save as otherwise required or permitted by (A) customary exceptions in relation to, among other things, the issuance or take up of new and incremental liabilities, exceptions provisions, snooze and lose provisions and disenfranchisement of defaulting lenders and (B) customary minor, technical or administrative matter amendments which may be effected by the Security Agent and the Parent Guarantor, the Intercreditor Agreement will provide that it may be amended with only the written consent of the Parent Guarantor and the Security Agent (insofar as the amendment or waiver might materially and adversely affect the rights, ranking, immunities or protections of the Security Agent) and the respective Agent acting in accordance with the relevant Finance Document provided that to the extent an amendment, waiver or consent only affects one class of Secured Party, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of Secured Party, only written agreement from the Agents representing the required portion of the relevant affected class shall be required.

Subject to certain exceptions, an amendment, waiver or consent that has the effect of changing or which relates to: (a) any amendment to the turnover provisions, redistribution provisions, enforcement of Transaction Security, process of disposals, application of proceeds provisions or amendment; (b) certain provisions relating to the giving of instructions to the Security Agent or the exercise of discretion by the Security Agent; or (c) the order of priority or subordination under the Intercreditor Agreement, shall not be made without the written consent of the Parent Guarantor, each of the Hedge Counterparties (to the extent that the amendment or waiver would materially and adversely affect the Hedge Counterparty) and each of the Agents acting in accordance with the relevant Finance Documents provided that, in relation to any Senior Secured Notes Trustee, such consent shall be required only insofar as the relevant amendment or waiver would materially and adversely affect the rights, ranking, immunities or protections of that Senior Secured Notes Trustee or the relevant Creditors which it represents, except in any such case any amendments or waivers pursuant to or in connection with new, incremental and replacement liabilities (as detailed in "*—Further Security, Incremental and Replacement Liabilities*") or consequential on, incidental to or required to implement or reflect any financing described therein will not require creditor consent.

Subject to the paragraphs above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent (which may be received through its Agent, if applicable) of the affected party.

Snooze/lose

The Intercreditor Agreement contains a snooze/lose provision that provides that if in relation to:

(a) a request for a consent, approval, release or waiver in relation to any of the terms of the Intercreditor Agreement;

(b) a request to participate in any other vote under the terms of the Intercreditor Agreement;

(c) a request to approve any other action under the Intercreditor Agreement; or

(d) a request to provide any confirmation or notification under the Intercreditor Agreement, then, in each case, any Primary Creditor (other than any Primary Creditor whose Liabilities from the Group take the form of or are evidenced by public debt securities listed on an recognized exchange including for the avoidance of doubt the Senior Secured Notes) (an "**Excluded Creditor**"):

(i) fails to respond to that request within 15 Business Days (or any other period of time notified by the Parent Guarantor, with the prior agreement of the Security Agent if the period for this provision to operate is less than 15 Business Days) of that request being made; or

(ii) fails to provide details of its Super Senior Credit Participation, Senior Secured Credit Participation, Second Lien Credit Participation or Senior Debt Credit Participation (the "**Participation**") to the Security Agent within the timescale specified by the Security Agent:

(A) in the case of paragraphs (a) to (c) above, that Excluded Creditor's relevant Participation shall be deemed to be zero for the purpose of calculating the relevant total Participations when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of the total Participations has been obtained to give that consent, approval, release or waiver, carry that vote or approve that action;

(B) in the case of paragraphs (a) to (c) above, that Excluded Creditor's status in its relevant capacity shall be disregarded for the purposes of ascertaining whether the agreement of any specified group of Primary Creditors has been obtained to give that consent, approval, release or waiver, carry that vote or approve that action; and

(C) in the case of paragraph (d) above, that confirmation or notification shall be deemed to have been given.

Option to purchase: second lien creditors

The Second Lien Creditors (the "**Purchasing Second Lien Creditors**") may, following a Distress Event or for so long as either (i) a Second Lien Payment Stop Notice or (ii) a Second Lien Standstill Period is outstanding, by giving not less than 10 days' notice to the Credit Facility Agent, the Hedge Counterparties, the Senior Secured Notes Trustee and the Agents of the Pari Passu Creditors, acquire or procure the acquisition by a person or persons nominated by the Purchasing Second Lien Creditors of all (but not part only) of the rights and obligations of the Super Senior Creditors and the Senior Secured Creditors in connection with the Credit Facility Lender Liabilities under the Credit Facility Documents, the Hedging Liabilities under the Hedging Agreements, the Senior Secured Notes Liabilities under the Senior Secured Notes Documents and the Pari Passu Creditors under the Pari Passu Debt Documents (for the purposes of this section only, the "**Priority Acquisition Debt**").

If more than one Purchasing Second Lien Creditor wishes to exercise the option to purchase the Priority Acquisition Debt in accordance with paragraph (a) above, each such Purchasing Second Lien Creditor shall acquire the Priority Acquisition Debt *pro rata*, in the proportion that its Second Lien Credit Participation bears to the aggregate Second Lien Credit Participations of all the Purchasing Second Lien Creditors. Any Purchasing Second Lien Creditors wishing to exercise the option to purchase the Priority Acquisition Debt shall inform the relevant Second Lien Debt Representative in accordance with the terms of the relevant Second Lien Debt Documents, who will determine (consulting with each other as required) the appropriate share of the Priority Acquisition Debt to be acquired by each such Purchasing Second Lien Creditor and who shall inform each such Purchasing Second Lien Creditor accordingly. Furthermore, the Second Lien Debt Representative shall promptly inform the Agents of the Credit Facility Lenders, the Senior

Secured Notes Trustee, the Hedge Counterparties and the Pari Passu Debt Representatives of the Purchasing Second Lien Creditors' intention to exercise the option to purchase the Priority Acquisition Debt.

Option to purchase: second lien creditors—terms

Any such purchase will be on terms which will include, without limitation, (a) lawful transfer (b) payment in full in cash of an amount equal to the Credit Facility Lender Liabilities, the Senior Secured Notes Liabilities, Pari Passu Liabilities and relevant hedging purchase amount (as determined in accordance with the Intercreditor Agreement) then outstanding, including in respect of any broken funding costs, as well as certain costs and expenses of the creditors in respect of the relevant Secured Liabilities; (c) after the transfer, no Credit Facility Lender, Hedge Counterparty, Senior Secured Notes Creditor or Pari Passu Creditor will be under any actual or contingent liability to any Debtor or any other person under the Intercreditor Agreement, any Credit Facility Document, any Hedging Agreement, any Notes Document, any Pari Passu Debt Document for which it is not holding cash collateral in an amount and on terms satisfactory to it; (d) the Purchasing Second Lien Creditors, other than the Second Lien Debt Representative (or if required by the Credit Facility Lenders, Hedge Counterparties, Noteholders or Pari Passu Creditors, a third-party acceptable to the Credit Facility Lenders, Hedge Counterparties, Senior Secured Notes Creditors, Pari Passu Creditors), shall provide on the date of the transfer an indemnity to each Credit Facility Lender and each other finance party under such Credit Facility Document, Hedge Counterparty, Senior Secured Notes Creditor or Pari Passu Creditor (each, an "**Indemnified Party**") for any actual or alleged obligation to repay or claw back any amount received by such Indemnified Party (e) the relevant transfer shall be without recourse to, or warranty from, any Primary Creditor, save that each such Primary Creditor will be deemed to have given the following representations and warranties on the date of the transfer:

(a) in the case of a Credit Facility Lender, it is the sole owner, free from all Security and third-party interests (other than any arising under the Credit Facility Documents or by operation of law), of all rights and interests under the Credit Facility Documents purporting to be transferred by it by that transfer;

(b) in the case of a Hedge Counterparty, it is the sole owner, free from all Security and third-party interests (other than any arising under the Hedging Agreements or by operation of law) of all rights and interests under the Hedging Agreements purporting to be transferred by it by that transfer;

(c) in the case of a Senior Secured Notes Creditor, it is the sole owner, free from all Security and third party interests (other than any arising under the Senior Secured Notes Documents or by operation of law), of all rights and interests under the Senior Secured Notes Documents purporting to be transferred by it by that transfer;

(d) in the case of a Pari Passu Creditor, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant Pari Passu Debt Documents or by operation of law), of all rights and interests under the relevant Pari Passu Debt Documents purporting to be transferred by it by that transfer;

(e) it has the power to enter into and make, and has taken all necessary action to authorize its entry into and making of, that transfer; and

(f) it is satisfied with the results of any "know your client" or other similar checks relating to the identity of any person that they or any Agent are required by law to carry out in relation to such a transfer.

Option to purchase: senior debt creditors

The Senior Debt Creditors (the "**Purchasing Senior Debt Creditors**") may, after a Distress Event or for so long as either a (i) a Senior Debt Payment Stop Notice or (ii) a Senior Debt Standstill

Period is outstanding, by giving not less than ten days' notice to the Credit Facility Agent, the Hedge Counterparties, the Trustee, the Pari Passu Debt Representative and the Second Lien Creditors, require the transfer to them (or to a nominee or nominees) of all (but not part only) of the rights and obligations of the Super Senior Creditors and the Senior Secured Creditors in connection with the Credit Facility Lender Liabilities under the Credit Facility Documents, the Hedging Liabilities under the Hedging Agreements, the Senior Secured Notes Liabilities under the Senior Secured Notes Documents, the Pari Passu Creditors under the Pari Passu Debt Documents and the Second Lien Creditors under the Second Lien Debt Documents (the "**Senior Secured Acquisition Debt**"). If more than one Purchasing Senior Debt Creditor wishes to exercise the option to purchase the Senior Secured Acquisition Debt, each such Purchasing Senior Debt Creditor shall acquire the Senior Secured Acquisition Debt *pro rata*, in the proportion that its principal amount outstanding under the Senior Debt and its principal amount outstanding under the Senior Debt Documents ("**Senior Debt Credit Participations**") bears to the aggregate Senior Debt Credit Participations of all the Purchasing Senior Debt Creditors.

Option to purchase: senior debt creditors—terms

Any such purchase will be on terms which will include, without limitation, (a) lawful transfer (b) payment in full in cash of an amount equal to Credit Facility Lender Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Liabilities, the Second Lien Liabilities and relevant hedging purchase amount (as determined in accordance with the Intercreditor Agreement) then outstanding, including in respect of any broken funding costs, as well as certain costs and expenses of the creditors in respect of the relevant Secured Liabilities; (c) after the transfer, no Credit Facility Lender, Hedge Counterparty, Senior Secured Notes Creditor, Pari Passu Creditor or Second Lien Creditor will be under any actual or contingent liability to any Debtor or any other person under the Intercreditor Agreement, any Credit Facility Document, any Hedging Agreement, any Notes Document, any Pari Passu Debt Document or any Second Lien Debt Document for which it is not holding cash collateral in an amount and on terms satisfactory to it; (d) the Purchasing Senior Debt Creditors, other than the Senior Debt Representative (or if required by the Credit Facility Lenders, Hedge Counterparties, Noteholders, Pari Passu Creditors or Second Lien Creditors, a third-party acceptable to the Credit Facility Lenders, Hedge Counterparties, Senior Secured Notes Creditors, Pari Passu Creditors or Second Lien Creditors), shall provide on the date of the transfer an indemnity to each Credit Facility Lender and each other finance party under such Credit Facility Document, Hedge Counterparty, Senior Secured Notes Creditor, Pari Passu Creditor or Second Lien Creditor (each, an "**Indemnified Party**") for any actual or alleged obligation to repay or claw back any amount received by such Indemnified Party (e) the relevant transfer shall be without recourse to, or warranty from, any Primary Creditor, save that each such Primary Creditor will be deemed to have given the following representations and warranties on the date of the transfer:

(a) in the case of a Credit Facility Lender, it is the sole owner, free from all Security and third-party interests (other than any arising under the Credit Facility Documents or by operation of law), of all rights and interests under the Credit Facility Documents purporting to be transferred by it by that transfer;

(b) in the case of a Hedge Counterparty, it is the sole owner, free from all Security and third-party interests (other than any arising under the Hedging Agreements or by operation of law) of all rights and interests under the Hedging Agreements purporting to be transferred by it by that transfer;

(c) in the case of a Senior Secured Notes Creditor, it is the sole owner, free from all Security and third party interests (other than any arising under the Senior Secured Notes Documents or by operation of law), of all rights and interests under the Senior Secured Notes Documents purporting to be transferred by it by that transfer;

(d) in the case of a Pari Passu Creditor, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant Pari Passu Debt Documents or by operation of law), of all rights and interests under the relevant Pari Passu Debt Documents purporting to be transferred by it by that transfer;

(e) in the case of a Second Lien Creditor, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant Second Lien Debt Documents or by operation of law), of all rights and interests under the relevant Second Lien Debt Documents purporting to be transferred by it by that transfer;

(f) it has the power to enter into and make, and has taken all necessary action to authorize its entry into and making of, that transfer; and

(g) it is satisfied with the results of any "know your client" or other similar checks relating to the identity of any person that they or any Representative are required by law to carry out in relation to such a transfer.

Guarantee limitations

The obligations of each Debtor and Intra-Group Lender under the Intercreditor Agreement will be appropriately limited by reference to any corresponding limitations in the Debt Documents (as applicable) or at law.

Other terms

To the extent there is no restriction under the sections headed "*Permitted Payments—Second Lien*" and "*Permitted Payments—Senior Debt Guarantee Liabilities*," any reference in the Intercreditor Agreement to a Debtor or member of the Group being able to make any Payment or take any other action shall include a reference to that Debtor or member of the Group being permitted to make any arrangement in respect of that Payment or action or take any step or enter into any transaction to facilitate the making of that Payment or the taking of that action.

The right or requirement of any party to the Intercreditor Agreement to take or not take any action on or following the occurrence of an Insolvency Event shall cease to apply if the relevant Event of Default in respect of that Insolvency Event is no longer continuing (unless an Acceleration Event has occurred and is continuing and without prejudice to any action taken or not taken in accordance with the terms of the Intercreditor Agreement while that Event of Default in respect of that Insolvency Event is continuing).

Nothing in the Intercreditor Agreement shall prohibit any non-cash rollover or other similar or equivalent transaction in relation to any Liabilities.

If there is any conflict between the terms of the Intercreditor Agreement and any other Debt Document, the terms of the Intercreditor Agreement will prevail (save to the extent that to do so would result in or have the effect of any member of the Group contravening any applicable law or regulation, or present a material risk of liability for any member of the Group's directors or officers, or give rise to a material risk of breach of their fiduciary or statutory duties).

No provision of the Intercreditor Agreement shall (a) restrict or prohibit any Holding Company of the Group from incurring any indebtedness, granting any Security over its assets directly owned by it (save in respect of any Transaction Security or Shared Security) or providing any guarantees or any other Security which is not over any assets of the Group (or is Transaction Security or Shared Security)), or (b) require any creditor in respect of indebtedness to any Holding Company of the Group to become a party to (or be bound by) the provisions of the Intercreditor Agreement other than where such creditor is a Secured Party (in such capacity).

Governing law

The Intercreditor Agreement will be governed by and construed in accordance with English law.

LMCS Group facilities

Certain subsidiaries in the LMCS Group have unsecured working capital and guarantee facilities and other lines of credit available to them. Italpresse Industrie S.r.L. has available to it certain working capital and guarantee facilities and lines of credit with a total original nominal value of €25.4 million (€1.1 million of which was available for drawing in cash, €5.5 million of which was available for advances on invoices and €18.8 million of which was available for performance guarantees). Gauss Automotive S.r.L. has available to it certain working capital and guarantee facilities and lines of credit with a total original nominal value of €5.8 million (€0.2 million of which was available for drawing in cash, €0.4 million of which was available for advances on invoices and €5.2 million of which was available for performance guarantees). StrikoWestofen Thermal Equipment (Taicang), Co. Ltd., a subsidiary of LMCS that is not expected to become a Notes Guarantor, has available to it guarantee and working capital facilities with a total original nominal value of an amount in Chinese renminbi equivalent to approximately €5.3 million as of the date of the Offering Memorandum. As of the date of the Acquisition, no amounts were outstanding under these facilities.

Description of the Notes

You will find definitions of certain capitalized terms used in this "*Description of the Notes*" under the heading "*Certain definitions*." For purposes of this "*Description of the Notes*," references to the "**Issuer**," "**we**," "**our**," and "**us**" refer only to Norican A/S and its successors and not to any of its Subsidiaries and references to the "**Parent**" refer only to Norican Global A/S and its successors and not to any of its Subsidiaries. References to the "**Target**" refer only to Light Metal Casting Solutions Group GmbH and its successors and not to any of its Subsidiaries.

The Issuer will issue €340.0 million in aggregate principal amount of its senior secured notes due 2023 (the "**Notes**"). The Notes will be issued under an indenture to be dated as of May , 2017 (the "**Indenture**"), between, *inter alios*, the Issuer, the Parent, as Parent Guarantor, the Subsidiary Guarantors (as defined herein), U.S. Bank Trustees Limited, as trustee (the "**Trustee**"), U.S. Bank Trustees Limited, as security agent (the "**Security Agent**"), and Elavon Financial Services DAC, UK Branch, as paying agent in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Indenture will not be qualified under, will not incorporate or include terms of, and will not be subject to, the U.S. Trust Indenture Act of 1939, as amended, including Section 316(b) thereof.

The gross proceeds of the Notes sold on the Issue Date will be used to repay indebtedness outstanding under the Existing Facilities Agreement, refinance the shareholder loans that funded the Acquisition and pay fees and expenses in connection with the Transactions. See "*Use of proceeds*."

The Indenture will be unlimited in aggregate principal amount. We may, subject to applicable law, issue an unlimited principal amount of additional Notes having identical terms and conditions as the applicable Notes (the "**Additional Notes**"); *provided,* that if the Additional Notes are not fungible with the applicable Notes for U.S. federal income tax purposes, the Additional Notes will be issued with a separate ISIN code, CUSIP or Common Code, as applicable, such that the Additional Notes are distinguishable from the applicable Notes. 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 (as described below under "*Certain covenants—Limitation on Indebtedness*" and "*Certain covenants—Limitation on Liens*"). Except as otherwise provided for in the Indenture, the Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, in this "*Description of the Notes*," references to the "Notes" include the Notes and any Additional Notes that are actually issued.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below). 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, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agents. See "*Description of Other Indebtedness—Intercreditor Agreement*" for a description of the material terms of the Intercreditor Agreement.

This "*Description of the Notes*" is intended to be an overview of the material provisions of the Notes, the Indenture 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 and the Security Documents for complete descriptions of the obligations of the Issuer, the Guarantors (as defined herein) and your rights. Copies of such documents are available from us upon request.

The Holder of a Note will be treated as the owner of it for all purposes. Only 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 are subject to certain transfer restrictions.

General

The Notes

The Notes will:

- be general senior obligations of the Issuer, secured as set forth under "*Security*";
- (i) on the Issue Date be guaranteed by the Parent and the Norican Guarantors and (ii) on the earlier of (A) the date that each such entity guarantees the Revolving Credit Facility and (B) 120 days from the Issue Date, by the LMCS Guarantors, in each case on a senior secured basis;
- 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;
- be effectively subordinated to any existing or future Indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Parent that are not Guarantors (including prior to the earlier of (A) the date that each such entity guarantees the Revolving Credit Facility and (B) 120 days from the Acquisition Closing Date, the LMCS Guarantors), including obligations to trade creditors;
- mature on May , 2023; 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, the holders of the Notes will receive proceeds from the enforcement of the Collateral (as defined herein) only after certain super senior priority obligations, including (i) obligations under the Revolving Credit Facility (or any Refinancing Indebtedness of the Revolving Credit Facility that is entitled to rank senior to the Notes with respect to the proceeds of an enforcement of the Collateral) and (ii) certain Hedging Obligations, have been repaid in full.

The Notes Guarantees

On the Issue Date, the Notes will only be guaranteed by the Parent. Additionally, the Notes will be guaranteed (i) on the Issue Date, by the Parent and the Norican Guarantors and (ii) on the earlier of (A) the date that each such entity guarantees the Revolving Credit Facility and (B) 120 days from the Acquisition Closing Date, by the LMCS Guarantors (together with the Parent, the Norican Guarantors and any other Subsidiary of the Parent that guarantees the Notes in the future in accordance with the provisions of the Indenture, the "**Subsidiary Guarantors**," and together with the Parent, the "**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 Guarantor will:

- be a general senior obligation of that Guarantor, secured as set forth under "*Security*";

- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not subordinated in right of payment to such Notes Guarantee (including its obligations under the Revolving Credit Facility and certain Hedging Obligations);
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Notes Guarantee; and
- be effectively senior to any existing and future unsecured Indebtedness such Guarantor to the extent of the value of the property and assets securing such Notes Guarantee; and
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Notes Guarantee, to the extent of the value of the property and assets securing such Indebtedness.

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, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to 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. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."

Not all of the Parent's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-Guarantor Subsidiaries, such non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or the Guarantors.

As of December 31, 2016, after giving *pro forma* effect to the Transactions, the Parent and its consolidated Subsidiaries would have had €340.3 million of Indebtedness, of which €340.0 million is represented by the Notes. In addition, there would have been €75.0 million available for utilitations under the Revolving Credit Facility. Furthermore, as of December 31, 2016, after giving effect to the Transaction, on a consolidated basis, the Subsidiaries of the Parent that are not the Issuer or a Subsidiary Guarantor would have had €0.3 million of third-party indebtedness.

Principal and maturity

On the Issue Date, the Issuer will issue €340.0 million in aggregate principal amount of Notes.

The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes will mature on May , 2023.

Interest

Interest on the Notes will accrue at the rate of % per annum. Interest on the Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash semi-annually in arrears on each and , commencing on ;
- be payable to the holder of record of such Notes on the Business Day immediately preceding the related interest payment date; and

• be computed on the basis of a 360-day year comprised of twelve 30-day months.

In no event will the rate of interest on the Notes be higher than the maximum rate permitted by law.

Paying agents and registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "**Paying Agent**") for the Notes. The initial Paying Agent will be Elavon Financial Services DAC, UK Branch.

The Issuer will also maintain one or more registrars (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar will be Elavon Financial Services DAC. The initial Transfer Agent will be Elavon Financial Services DAC, UK Branch. The Paying Agent, Registrar and Transfer Agent, as applicable, will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of the Notes on behalf of the Issuer.

The Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior notice to the Holders. If and for so long as the Notes are listed on the Official List of the Exchange, and if and to the extent that the rules of the Exchange so require, the Issuer will notify the Exchange of any change of Paying Agent, Registrar or Transfer Agent. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Methods of receiving payments on the Notes

Principal, interest and premium and Additional Amounts, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of the Paying Agent by wire transfer of immediately available funds to the account specified by the Paying Agent for onward payment to 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 the Paying Agent maintained for such purposes in London. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by wire transfer to the Holder entitled thereto as shown on the register of holders of Notes for the Definitive Registered Notes. See "*Paying Agents and Registrar for the Notes*."

Transfer and exchange for the Notes

The Notes will be issued in the form of several registered notes in global form without interest coupons attached (the "**Global Notes**"). The 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 summarized below and described more fully under "*Notice to investors.*" 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.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount (as applicable), and integral multiples of €1,000 in excess thereof (as applicable), 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 "*Notice to investors.*"

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 (as applicable) and integral multiples of €1,000 in excess thereof (as applicable). 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.

The Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Note as the owner thereof for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

As of the Issue Date, all of the Parent's Subsidiaries will be "**Restricted Subsidiaries**" for purposes of the Indenture. However, under the circumstances described below under "*Certain definitions—Unrestricted Subsidiary*," the Parent will be permitted to designate certain of its 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.

Notes Guarantees

General

On the Issue Date, the obligations of the Issuer under the Notes and the Indenture, including any payment obligation resulting from a Change of Control, will (subject to the certain agreed security principles described under "*Description of other indebtedness—Revolving Credit Facility—Summary of agreed security principles*"(the "**Agreed Security Principles**")) only be guaranteed by the Parent. Additionally, the Notes will be guaranteed, jointly and severally, on a senior secured basis (each, a "**Notes Guarantee**" and together, the "**Notes Guarantees**"), (i) on the Issue Date, by the Parent and the Norican Guarantors and (ii) on the earlier of (A) the date that such entity guarantees the Revolving Credit Facility and (B) 120 days from the Acquisition Closing Date, by the LMCS Guarantors.

The name of each Guarantor, the type of Guarantor and their respective jurisdiction of incorporation will be as follows:

Guarantor	Type of guarantor	Jurisdiction
Norican Global A/S	Parent Guarantor	Denmark
Norican Holdings ApS	Norican Guarantor	Denmark
Norican Group ApS	Norican Guarantor	Denmark
DISA Holding II A/S	Norican Guarantor	Denmark
DISA Holding A/S	Norican Guarantor	Denmark
DISA Industries A/S	Norican Guarantor	Denmark
WGH UK Holdings Limited	Norican Guarantor	England & Wales
WGH UK Limited	Norican Guarantor	England & Wales
Wheelabrator Technologies (UK) Limited	Norican Guarantor	England & Wales
Wheelabrator Group Limited	Norican Guarantor	England & Wales
Wheelabrator Group Holding GmbH	Norican Guarantor	Germany
Wheelabrator Group GmbH	Norican Guarantor	Germany
WG Global, LLC	Norican Guarantor	Delaware
Castalloy, Inc.	Norican Guarantor	Delaware
Wheelabrator Group, Inc.	Norican Guarantor	Delaware
DISA Industries, Inc.	Norican Guarantor	Illinois
DISA Holding LLC	Norican Guarantor	Michigan
DISA Industrie AG	Norican Guarantor	Switzerland
DISA Holding AG	Norican Guarantor	Switzerland
Wheelabrator Czech s.r.o.	Norican Guarantor	Czech Republic
WGH Holding Corp.	Norican Guarantor	British Virgin Islands
Light Metal Casting Solutions Group GmbH	LMCS Guarantor	Germany
SWO Holding GmbH	LMCS Guarantor	Germany
Striko Westofen GmbH	LMCS Guarantor	Germany
Light Metal Casting Equipment GmbH	LMCS Guarantor	Germany
Italpresse Industrie S.r.l.	LMCS Guarantor	Italy
Gauss Automazione S.r.l.	LMCS Guarantor	Italy

In addition, as described below under "*Certain covenants—Additional Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles, certain Subsidiaries of the Parent that in the future guarantee the New Revolving Credit Facility or certain other Indebtedness permitted under the Indenture shall also enter into a supplemental indenture to become 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 Notes and the Revolving Credit Facility. 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 the Notes, the Notes Guarantees and the Collateral—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Limitations on validity and enforceability of the Notes Guarantees and the security interests*."

As of and for the year ended December 31, 2016, after giving effect to the Transactions, the Notes Guarantors accounted for approximately 75% of both the gross assets and reported EBITDA of the Combined Group on an estimated, combined, unconsolidated basis and subject to conforming of accounting policies and practices in accordance with IFRS, including consideration given to purchase accounting.

A portion of the operations of the Parent and the Issuer will be conducted through their respective Restricted Subsidiaries 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 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 the Guarantors) and minority stockholders of non-Guarantor Restricted Subsidiaries (if any).

After giving *pro forma* effect to the Transactions, as of December 31, 2016, the Subsidiaries of the Parent that are not the Issuer or a Subsidiary Guarantor would have had €0.3 million of third-party financial Indebtedness outstanding. Although the Indenture will limit the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of non-Guarantor 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 other than the Parent will terminate and be released:

- in connection with a sale, exchange, transfer or other disposition (including by way of consolidation, merger, or amalgamation) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a direct or indirect holding company of such Guarantor) as a result of which such Guarantor would no longer be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Parent or a Restricted Subsidiary), in each case, otherwise permitted under the Indenture;

- upon the designation in accordance with the Indenture of such Guarantor as an Unrestricted Subsidiary;

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture, as provided in "*Defeasance*" and "*Satisfaction and discharge*";

- so long as no Event of Default has occurred and is continuing, upon the release of such Guarantor's Notes Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Notes under the covenant described in "*Certain covenants—Additional Guarantees*";
- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- as described under "*Amendments and waivers*";
- upon the full and final payment of the Notes and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or
- with respect to an entity that is not a successor Guarantor, as a result of a transaction permitted by "*Merger and consolidation*."

In addition, the Notes Guarantee of the Parent will terminate and be released upon the circumstances described in the third, sixth and seventh bullet points set forth above.

The Trustee shall 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 without the consent of or liability to the Holders or any other action or consent on the part of the Trustee.

Security

General

On the Issue Date, the Notes and the Notes Guarantees in respect thereof will be secured by first-priority pledges of the shares of each of the Issuer, Norican Holdings, Norican Group ApS, DISA Holding A/S, DISA Holding II A/S and DISA Industries A/S and a first-priority security interest over the intra-group receivables between the Issuer, Norican Holdings and Norican Group ApS (the "**Issue Date Collateral**").

Furthermore, the Parent will cause (i) the Issuer and the Norican Guarantors on the earlier of (A) the date on which obligations under the Revolving Credit Facility will be so secured and (B) the 30th day from the Issue Date, to grant first-priority security interests over the shares of the Norican Guarantors not yet pledged as Issue Date Collateral and certain assets of the Issuer and the Norican Guarantors (including, subject to the Agreed Security Principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**Norican Collateral**") and (ii) the relevant grantors on the earlier of (A) the date on which the Issuer's obligations under the Revolving Credit Facility will be so secured and (B) the 120th day from the Acquisition Closing Date, to grant first-priority security interests over the shares of the LMCS Guarantors and certain assets of the LMCS Guarantors (including, subject to the Agreed Security Principles, trade and intra-group receivables, bank accounts, certain fixed assets, intellectual property, real property and material insurance policies) (the "**LMCS Collateral**" and, together with the Issue Date Collateral and the Norican Collateral, the "**Collateral**").

The Collateral will, in each case, be granted to the Security Agent on behalf of and for the benefit of the Holders pursuant to the Security Documents, creating an effective Security Interest (as defined below) over the relevant assets. The assets that comprise the Collateral will also secure on a first-ranking, super priority basis the Revolving Credit Facility and certain Hedging Obligations.

Subject to certain conditions, including compliance with the covenants described under "*Certain covenants—Impairment of Security Interest*" and "*Certain covenants—Limitation on Liens*," the

Parent 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 of the Notes and holders of the other secured obligations that are secured by the Collateral. Any other assets subject to 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 limitations that are applicable to Notes Guarantees granted by the same entity, the operation of the Agreed Security Principles and any Permitted Collateral Liens. For example, 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 "*Limitations on 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 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. For a summary of certain terms of the Agreed Security Principles, see "*Description of other indebtedness—Revolving Credit Facility—Summary of Agreed Security Principles*":

All of the Collateral will also secure the liabilities under the Revolving Credit Facility, as well as certain Hedging Obligations and any Additional Notes, and may also secure certain other future Indebtedness. 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 the Notes, the Notes Guarantees and the Collateral—The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes, and in the event that the Collateral is enforced, the lenders under the Revolving Credit Facility and counterparties of certain hedging obligations will be paid with the proceeds from the enforcement of Collateral in priority to the holders of 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) any counterparties under certain Hedging Obligations, (c) the Senior Secured Notes Trustee, on its own behalf and on behalf of the Holders, and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, is established by the terms of the Intercreditor Agreement, the Revolving Credit Facility, the Indenture and the Security Documents, which provide, among other things, that the obligations under the Revolving Credit Facility, certain Hedging Obligations and the Notes are secured equally and ratably by first-priority Security Interests; however, under the terms of the Intercreditor Agreement, the holders of Notes will only receive proceeds from the enforcement of the Collateral after certain super senior priority obligations including (i) obligations under the Revolving Credit Facility and (ii) certain Hedging Obligations have been paid in full. See "*Description of other indebtedness—Intercreditor Agreement.*" In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor

Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*—Release of Liens,*" "*Certain covenants—Impairment of Security Interest*" *and "Certain definitions—Permitted Collateral Liens.*"

Security Documents

Under the Security Documents, 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 will also act as an agent of the lenders under the Revolving Credit Facility and the counterparties under certain Hedging Obligations in relation to the Security Interests created in favor of such parties.

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 of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the Collateral.

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 "*—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 the Notes, the Notes Guarantees and the Collateral*."

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Credit Facility or counterparties to certain Hedging Obligations. These limitations are described under "*Description of other indebtedness—Intercreditor Agreement*" and "*Limitations on 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 Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the 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 other indebtedness—Intercreditor Agreement*."

The Indenture will also provide that each Holder, by accepting a 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 sections entitled "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to you. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law*" and "*Description of other indebtedness—Intercreditor Agreement.*"

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) in connection with any sale, assignment, transfer, conveyance or other disposition of Collateral to a Person that is not the Parent or a Restricted Subsidiary (but excluding any transaction subject to "*Certain covenants—Merger and consolidation*"), if such sale, assignment, transfer, conveyance or other disposition does not violate the covenant described under "*Certain covenants—Limitation on sales of assets and Subsidiary stock*";

(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*";

(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 other Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) upon the contribution of any claim of a Restricted Subsidiary, which claim is subject to a Lien, to the equity of any other Restricted Subsidiary that is the debtor of such claim so long as the Capital Stock of such other Restricted Subsidiary remains subject to, or otherwise becomes subject to, an equivalent Lien in favor of the Security Agent for the benefit of the Holders of the Notes substantially concurrently with such contribution; or

(7) as otherwise permitted in accordance with the Indenture and the Intercreditor Agreement.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*Certain covenants—Impairment of Security Interest*."

The Security Agent and the Trustee (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 subject to customary protections and indemnification. Each of the releases set forth above shall be effected by the relevant Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

Optional redemption

Except as set forth below, and except as described under "*Redemption for taxation reasons*," the Notes are not redeemable at the option of the Issuer.

At any time prior to November , 2019, the Issuer may redeem the Notes, in whole or in part, at its option, upon giving notice as described under "*Selection and notice*," at a redemption price equal to 100% of the principal amount of such Notes, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

At any time and from time to time prior to November , 2019, the Issuer may redeem Notes, upon giving 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 %, plus accrued and unpaid interest and Additional Amounts, if any, 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 Notes (including any Additional 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 Notes (including Additional Notes) issued under the Indenture remains outstanding immediately thereafter (excluding Notes held by the Parent or any of its Restricted Subsidiaries).

At any time and from time to time prior to November , 2019, the Issuer may during each calendar year redeem up to 10% of the original principal amount of the Notes (including the original principal amount of any Additional Notes), upon giving notice as described under "*Selection and notice*," at a redemption price of 103.0% of the principal amount of the Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding, the redemption date.

At any time and from time to time on or after November , 2019, the Issuer may redeem the Notes in whole or in part, upon giving 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 Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on November of the year indicated below:

Year	Redemption Price
2019	
2020	
2021, and thereafter	100.000%

Notwithstanding the foregoing, in connection with any tender offer for the Notes in compliance with the terms of the Indenture, including a Change of Control Offer or Asset Disposition Offer, if Holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes (such calculation to exclude any Notes beneficially owned by the Issuer or any of its Affiliates) 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 of Notes (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.

Any 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.

Mandatory redemption or sinking fund

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 Senior Secure Notes as described under "*Change of Control*" and *"Certain covenants—Limitation on sales of assets and Subsidiary Stock*."

Redemption at maturity

On May , 2023, the Issuer will redeem the Notes that have not been previously redeemed or purchased and canceled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to such date; *provided* that no notice of such redemption will be required.

Selection and notice

If less than all of the Notes are to be redeemed at any time, the Notes will be selected for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee by the Issuer, and in compliance with the requirements of Euroclear and Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear and Clearstream or Euroclear and Clearstream prescribe no method of selection, on a *pro rata* basis, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; *provided*, *however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

At the Issuer's expense, 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 in any case such delayed redemption date shall not be more than 60 days from the date on which such original notice was first given) 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 Exchange so require, the Issuer will notify the Exchange of any such notice to the Holders of the relevant Notes and, in connection with any redemption, the Issuer will notify the Exchange of any change in the principal amount of Notes outstanding.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Issuer defaults in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

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 notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "**Tax Redemption Date**") 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 a Subsidiary 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 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 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, or by the relevant taxation authority's interpretation or administration thereof, 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:

   (a) 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;

   (b) 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;

(c) 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 (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(d) 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;

(e) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(f) 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

(g) any combination of the items (a) through (f) 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 withholding or deduction that is required by the Relevant Taxing Jurisdiction and (ii) remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law. The Payor will 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 solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) 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 and reimburse 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 of the Notes after this offering and limited, solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments of principal or interest on the Notes, to any such taxes or similar charges or levies that are not excluded under clauses (a) through (c) and (e) through (g)).

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

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof, *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase; *provided further,* however, that the Issuer shall not be obligated to repurchase any series of Notes as described under this heading, "*Change of Control*," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes of such series and given notice of redemption as described under "*Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes and given notice of redemption as described under "*Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 30 days after any Change of Control, the Issuer will mail a notice (the "**Change of Control Offer**") to each Holder of any such Notes, with a copy to the Trustee and Paying Agent:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "**Change of Control Payment Date**");

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with each Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee and Paying Agent an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Trustee (or an authenticating agent) the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, at the request and cost of the Issuer, promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least €100,000 (as applicable) and integral multiples of €1,000 in excess thereof (as applicable).

If and for so long as the Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Exchange so require, the Issuer will notify the Exchange of any Change of Control Offer.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Notes upon the occurrence of a Change of Control may deter a third-party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third-party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control; *provided*, *however*, that such Change of Control offer is conditional upon the consummation of such Change of Control.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness under the Revolving Credit Facility. In addition, certain events that may constitute a change of control under the Revolving Credit Facility and require a mandatory prepayment of Indebtedness under such agreement may not constitute a Change of Control under the Indenture. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of a change of control as required by the Notes and the change of control provision contained in the Notes may not necessarily afford you protection in the event of certain important corporate events*."

The definition of "*Change of Control*" includes a disposition of all or substantially all of the assets of the Parent and its Subsidiaries, taken as a whole, to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of 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 Parent and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

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.

Limitation on Indebtedness

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Indebtedness), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided, however*, that the Issuer may incur Indebtedness (including Acquired Indebtedness) and issue Disqualified Stock and the Issuer and any other Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness) and issue Preferred Stock, (1) if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.0 to 1.0, in each case, determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or Preferred Stock had been issued, as the case may be, at the beginning of such four quarter period; and (2) if the Indebtedness to be incurred is Senior Secured Indebtedness, the Issuer and any other Restricted Subsidiary may incur such Senior Secured Indebtedness if the Consolidated Senior Secured Net Leverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred is less than 4.25 to 1.0 determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the Indebtedness had been incurred at the beginning of such four quarter period; *provided* that the aggregate amount of Indebtedness that may be incurred and Disqualified Stock or Preferred Stock, as the case may be, that may be incurred pursuant to the foregoing and clauses (1) and (11) of the second paragraph of this covenant by non-Guarantor Restricted Subsidiaries shall not exceed the greater of (x) €25.0 million and (y) 34% of the Issuer's Consolidated Adjusted EBITDA.

The first paragraph of this covenant will not prohibit the incurrence of the following Indebtedness:

(1) Indebtedness incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of €80.0 million and 109% of the Issuer's Consolidated Adjusted EBITDA, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing; *provided* that the aggregate amount of Indebtedness that may be incurred pursuant to this clause (1) and clause (11) of this paragraph and pursuant to the first paragraph of this covenant by non-Guarantor Restricted Subsidiaries shall not exceed the greater of (x) €25.0 million and (y) 34% of the Issuer's Consolidated Adjusted EBITDA;

(2)

(a) Guarantees by the Issuer or any other Restricted Subsidiary of Indebtedness of the Issuer or any other Restricted Subsidiary, so long as the incurrence of such Indebtedness is permitted to be incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Notes Guarantee, then the guarantee must be subordinated to or *pari passu* with the Notes or such Notes Guarantee to the same extent as the Indebtedness being guaranteed; or

(b) without limiting the covenant described under "—*Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however,* that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness is unsecured and (except in respect of intercompany current liabilities incurred in connection with cash management positions of the Parent and the Restricted Subsidiaries and only to the extent legally permitted (the Parent and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Secured Notes, in the case of the Issuer, or the applicable Notes Guarantee, in the case of a Guarantor; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Parent or a Restricted Subsidiary of the Parent and any sale or other transfer of any such Indebtedness to a Person other than the Parent or a Restricted Subsidiary of the Parent, shall be deemed, in each case, to constitute an incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4)

(a) Indebtedness represented by the Notes (other than any Additional Notes);

(b) any Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness incurred under the Revolving Credit Facility or Indebtedness described in clause (3) or 4(a) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions (as described under "*Use of proceeds*" in this Offering Memorandum);

(c) Refinancing Indebtedness incurred in respect of any Indebtedness described in this clause (4) and clauses (5) and (13) of this paragraph or incurred pursuant to the first paragraph of this covenant; and

(d) Management Advances;

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Parent or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent or any Restricted Subsidiary or (ii) incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Parent or a Restricted Subsidiary; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related incurrence of Indebtedness, either (x) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Test set forth in clause (1) of the first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related incurrence of Indebtedness;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning

such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of €15.0 million and 20% of the Issuer's Consolidated Adjusted EBITDA;

(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, vacation pay, health, disability or other employee benefits, indemnity, surety, judgment, appeal, advance payment (including progress premiums), customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and warranties provided by the Issuer or another Restricted Subsidiary or relating to liabilities, obligations or guarantees incurred in the ordinary course of business, consistent with past practice or in respect of any governmental requirement, (b) letters of credit, bankers' acceptances, warehouse receipts, guarantees, customer performance guarantees, completion guarantees, bid bonds or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business, consistent with past practice or in respect of any governmental requirement, *provided, however,* that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, and (c) take-or-pay obligations contained in supply arrangements, the financing of insurance premiums, any customary treasury, depositary, cash management, automatic clearinghouse arrangements, overdraft protections, credit or debit card, purchase card, electronic funds transfer, cash pooling or netting or setting off arrangements or similar arrangements, in each case in the ordinary course of business, consistent with past practice or in respect of any governmental requirement;

(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)

(a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within 30 Business Days of incurrence;

(b) customer deposits and advance payments (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;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(d) Indebtedness representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Holdco, the Parent or any of its Subsidiaries in the ordinary course of business or consistent with past practice and (ii) deferred compensation or other similar arrangements in connection with any Investment or acquisition permitted hereby; and

(e) Indebtedness incurred by the Issuer or another Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €25.0 million and 34% of the Issuer's Consolidated Adjusted EBITDA; *provided* that the aggregate amount of Indebtedness that may be incurred pursuant to this clause (11) and clause (1) of this paragraph and pursuant to the first paragraph of this covenant by non-Guarantor Restricted Subsidiaries shall not exceed the greater of (x) €25.0 million and (y) 34% of the Issuer's Consolidated Adjusted EBITDA;

(12) Indebtedness incurred (i) by a Receivables Subsidiary in a Qualified Receivables Financing and (ii) under Receivables Financings (which, for the avoidance of doubt, includes any recourse receivables financing or securitization arrangements) in an aggregate amount, in the case of this clause 12(ii), not to exceed €7.5 million;

(13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution or Excluded Amounts) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution or Excluded Amounts) of the Issuer, in each case, subsequent to the Issue Date; *provided, however,* that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon; and

(14) Indebtedness consisting of local lines of credit, 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 (14) and then outstanding, will not exceed the greater of €20.0 million and 27% of the Issuer's Consolidated Adjusted 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 Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of

Indebtedness (subject, for the avoidance of doubt, to the covenant described under "*—Limitation on Liens*") and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility shall be deemed initially incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and may not be reclassified;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to 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;

(5) the principal amount of any Disqualified Stock of the Issuer or Preferred Stock of a Restricted Subsidiary will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on any clause of the second paragraph of this covenant measured by reference to a percentage of the Issuer's Consolidated Adjusted EBITDA at the time of incurrence, if such refinancing would cause the percentage of Issuer's Consolidated Adjusted EBITDA restriction to be exceeded if calculated based on the percentage of Issuer's Consolidated Adjusted EBITDA on the date of such refinancing, such percentage of Issuer's Consolidated Adjusted EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing; and

(8) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

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 the covenant described under this "*—Limitation on Indebtedness*." The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under this "*—Limitation on Indebtedness,*" the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any Euro-denominated restriction on the incurrence of Indebtedness, the Euro equivalent 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 (a) the principal amount of such Indebtedness being refinanced plus (b) 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 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 Indenture will provide that the Issuer will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is subordinated or junior in right of payment to any Indebtedness of the Issuer, or any Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Guarantor's Notes Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer or such Guarantor, as the case may be.

No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Subsidiary 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.

Limitation on Restricted Payments

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

(1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:

    (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding; and

    (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a pro rata basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent Holdco held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "*Restricted Payment*"), unless at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) no Default has occurred and is continuing (or would result immediately thereafter therefrom);

(b) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*"; and

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made by the Issuer and its Restricted Subsidiaries subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would not exceed the sum of (without duplication):

   (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit); and

   (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (v) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (w) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (x) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Excluded Amounts); and

(iii) 100% of the aggregate Net Cash Proceeds, 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 to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (w) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Excluded Amounts; and

(iv) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date; and

(v) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of such amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment"; and

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary; and

(vii) €5.0 million;

provided , *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in any of the foregoing clauses (iv), (v) or (vi); *provided further*, that notwithstanding the foregoing, any amounts (such amounts, "**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 the purpose of, or the effect of, the receipt of such cash, property or assets or marketable securities was to reduce the Consolidated Net Leverage Ratio of the Issuer so that there would not be an occurrence of a

Change of Control that would otherwise have occurred without the receipt of such cash, property or assets or marketable securities.

The foregoing provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

(1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Excluded Amounts) of the Issuer; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(i) or (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness, Disqualified Stock or Preferred Stock:

    (a) from Net Available Cash to the extent permitted under "*—Limitation on sales of assets and Subsidiary stock*" below, but only (i) if the Issuer shall have first complied with the terms described under "*—Limitation on sales of assets and Subsidiary stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby or made thereunder, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, plus accrued and unpaid interest or dividends thereon and any premium required by the terms of such Subordinated Indebtedness, Disqualified Stock or Preferred Stock;

    (b) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness or at a premium of not greater than 1% in excess of the amount of such Disqualified Stock or Preferred Stock; or

(c) consisting of (i) Acquired Indebtedness (other than Indebtedness incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness, plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Holdco (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent Holdco to permit any Parent Holdco to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Holdco (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Holdco (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) €5.0 million, plus €2.0 million multiplied by the number of calendar years that have commenced since the Issue Date, plus (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent Holdco) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) plus (z) the Net Cash Proceeds from key man life insurance policies, to the extent such Net Cash Proceeds (in (y) and (z) are not included in any calculation under clause (c)(i) or (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions or Excluded Amounts);

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent Holdco or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Holdco, without duplication, to pay any Parent Expenses or any Related Taxes;

(b) amounts constituting or to be used for purposes of making payments of fees and expenses incurred (i) in connection with the Transactions or disclosed in the Offering Memorandum or (ii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*"; or

(c) to the extent not included in clause 9(b) of this paragraph, loans, advances or distributions made in connection with the Acquisition as specified in the Acquisition

Agreement or the Tax Structure Memo, including the repayment of any shareholder loan originally used to finance the Acquisition;

(10) so long as no Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent Holdco to pay, dividends on the common stock or common equity interests of the Issuer or any Parent Holdco following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions or Excluded Amounts) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.5 to 1.0 or (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving *pro forma* effect to such loans, advances, dividends and distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.75 to 1.0;

(11) so long as no Event of Default has occurred and is continuing (or would result immediately thereafter from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €25.0 million and 34% of the Issuer's Consolidated Adjusted EBITDA;

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent Holdco to make payments, to holders of Capital Stock of the Issuer or any Parent Holdco in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent Holdco or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent Holdco or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or Excluded Amounts, or, in the case of Designated Preference Shares by such Parent Holdco or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), any dividend, distribution, loan or other payment to any Parent Holdco; *provided* that, on the date of any such dividend, distribution, loan or other payment, the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 3.0 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) (A) dividends or other distributions to a Parent Holdco which is a Senior Debt Issuer or a Second Lien Debt Issuer (in each case as such terms, or equivalent terms, are defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) to fund the substantially concurrent, regularly scheduled payment of interest or additional amounts, if any, as such amounts come due under its Senior Debt or Second Lien Debt, the incurrence of which was permitted or not prohibited under the Indenture, other than at any time when a Secured Debt Payment Default has occurred and is continuing or a Senior Debt Payment Stop Notice or a Second Lien Payment Stop Notice is outstanding (in each case as such terms, or equivalent terms, are defined in the Intercreditor Agreement or any Additional Intercreditor Agreement); *provided* that (i) the entire net proceeds of such Senior Debt or Second Lien Debt have been contributed to the equity of or lent to the Issuer as Subordinated Shareholder Funding or Indebtedness that is contractually subordinated in right of payment to the Notes in compliance with the terms of the Indenture and (ii) such Senior Debt or Second Lien Debt has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries incurred in accordance with the covenant described under "*—Limitation on Indebtedness*"; and (B) the Guarantee by the Issuer and any Guarantor of such Senior Debt as a Senior Debt Guarantor or Second Lien Guarantor (in each case as such terms, or equivalent terms, are defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) so long as such Guarantee has been incurred in accordance with the covenant described under "*—Limitation on Indebtedness*";

(19) advances or loans to (a) any future, present or former officer, director, employee or consultant of a Restricted Subsidiary or any Parent Holdco to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent Holdco (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent Holdco (other than Disqualified Stock or Designated Preference Shares); provided however, that the total aggregate amount of Restricted Payments made under this clause (19) does not exceed €5.0 million in any calendar year (with unused amounts in any calendar year being carried over in the next two succeeding calendar years); and

(20) 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 Restricted Payments to any Parent Holdco to permit payment by such Parent Holdco of such amounts).

For purposes of determining compliance with this covenant, in the event that a Restricted Payment or an Investment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (20) above, or is permitted pursuant to the first paragraph of this covenant or one or is an Investment that meets the criteria of one or more of the clauses contained in the definition of "Permitted Investments," as applicable, the Issuer will be entitled to classify such Restricted Payment or Investment (or 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 portion thereof) in any manner that complies with this covenant, including as an Investment pursuant to one or more of the clauses contained in the definition of "Permitted Investments" to the extent it meets the criteria thereof.

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.

Limitation on Liens

The Parent will not, and will not permit any of its 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 of the Parent), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture are directly secured 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 will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under "*Security—Release of Liens.*"

Limitation on restrictions on distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries 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:

(1) 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 of its Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(2) make any loans or advances to any Restricted Subsidiary; or

(3) sell, lease or transfer any of its property or assets to 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 any Restricted Subsidiary to other Indebtedness incurred by 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) any other agreement or instrument, in each case, described in (a) or (b),

in effect at or entered into on the Issue Date (after giving effect to the Transaction) or (c) the Indenture, the Notes, the Intercreditor Agreement or the Security Documents;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any other Restricted Subsidiary, or on which such agreement or instrument is assumed by the Issuer or any other 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 other Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Issuer (as defined under "*Merger and consolidation*"), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer;

(3) 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 clause (1) or (2) of this paragraph or this clause (3) (an "**Initial Agreement**") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(4) any encumbrance or restriction:

  (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

  (b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

  (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (3) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets

of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) or (b) constituting an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or a member of Senior Management of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*."

Limitation on sales of assets and Subsidiary stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the assets sold (as determined by the Issuer's Board of Directors); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

   (a) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);

   (b) Cash Equivalents;

   (c) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's consolidated balance sheet or the notes thereto (or, if incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness and Indebtedness owed to the Issuer or any Restricted Subsidiary), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €20.0 million and 27% of the Issuer's Consolidated Adjusted EBITDA (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in clauses (a) through (g) of this paragraph (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash resulting from the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary to:

(1) (a) prepay, repay, purchase or redeem any Indebtedness incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" or any Refinancing Indebtedness in respect thereof; *provided*, *however*, that, in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (1), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed; (b) unless included in the preceding clause (1)(a), prepay, repay, purchase or redeem Notes or Pari Passu Indebtedness (other than Subordinated Indebtedness or Indebtedness owed to the Issuer or any Restricted Subsidiary) that is secured by a Lien on the Collateral on a *pari passu* basis with the Notes at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness, plus accrued and unpaid interest and Additional Amounts, if any, to the date of such prepayment, repayment, purchase or redemption; *provided* that the Issuer shall prepay, repay, purchase or redeem Pari Passu Indebtedness that is Public Debt pursuant to this clause (b) only if the Issuer makes at such time an offer to all Holders to purchase their Notes at a purchase price equal to or greater than 100% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase, and/or a notice of redemption in respect of the Notes has been given pursuant to the Indenture as described under "*Optional Redemption*," in each case on a pro rata basis with any Pari Passu Indebtedness that is purchased or prepaid or (c) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary);

(2) purchase Notes pursuant to an offer to all Holders at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase;

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, a Similar Business, if, after giving effect to any such acquisition of Capital Stock, such Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof, *provided* that, a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated, (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date.

Pending the final application of any such Net Available Cash, the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture.

Any Net Available Cash from Asset Dispositions that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**." On the 366th day after an Asset Disposition or such earlier time if the Issuer elects, when the aggregate amount of Excess Proceeds exceeds €20.0 million, the Issuer will be required within ten (10) Business Days (or at an earlier time at the Issuer's election) thereof to make an offer ("**Asset Disposition Offer**") to all Holders 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 any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, and all fees and expenses, including premiums, incurred therewith, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

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 may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in Euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "**Asset Disposition Offer Period**"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), the Issuer will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver or credit to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the applicable Global Note) and the Trustee (or an authenticating agent), upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €100,000.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "**Affiliate Transaction**") involving aggregate value in excess of €5.0 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction on an arm's-length basis at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €12.5 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*," any Permitted Payments (other than pursuant to clause 9(b)(ii) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in clauses (1)(b), (2), (11), (14) and (19) of the definition thereof);

(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 Holdco, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business or consistent with past practice;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent Holdco (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as described in "*Certain relationships and related party transactions*," in this Offering Memorandum, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; provided, that payments under such Tax Sharing Agreement shall not exceed, and shall not be duplicative of, the amounts described under clause (7) of the definition of the term "Parent Expenses" and that the related tax liabilities of the Parent and its Restricted Subsidiaries are relieved thereby;

(8) transactions with customers, clients, joint venture partners, suppliers, 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 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 or any direct or indirect Parent Holdco (*provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect Parent Holdco, 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 Preference Shares) 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 annual management, consulting, monitoring, refinancing, transaction, subsequent transaction exit fees, advisory fees and related costs not exceeding €2.5 million, and reasonable expenses and indemnities in connection therewith, (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Holdco) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures and (c) 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, which payments are approved in the case of each of clauses (a), (b) and (c) by a majority of the Board of Directors of the Issuer in good faith;

(12) any transactions which the Issuer or a Restricted Subsidiary delivers a written opinion (in form and substance reasonably satisfactory to the Trustee) to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable that might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) investments by any of the Initial Investors in securities of any of the Issuer's Restricted Subsidiaries so long as (i) each such investment has been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such investment complies with clause (1) of the preceding paragraph, (ii) the investment is being offered generally to other investors in a *bona fide* capital markets offering on the same or more favorable terms and (iii) the investment constitutes less than 5% of the issue amount of such securities;

(14) pledges of Capital Stock of Unrestricted Subsidiaries;

(15) any transaction effected as part of a Qualified Receivables Financing; and

(16) 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.

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. The Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted 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 (1) 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 reference period; and (2) no Default or Event of Default would be in existence following such designation. Any such designation or redesignation by the Issuer or the redesignation of an Unrestricted Subsidiary to a Restricted Subsidiary as contemplated in the preceding paragraph, shall be evidenced to the Trustee on the date of such designation, redesignation or reversion by filing with the Trustee an Officer's Certificate certifying that such designation, redesignation or reversion complies with the preceding conditions.

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 Parent's fiscal year ending December 31, 2017 and within 120 days after the end of the Parent's fiscal years thereafter beginning with the fiscal year ending December 31, 2018, annual reports containing (i) information with a level and type of detail that is substantially comparable in all material respects to information in the section entitled "*The Norican Group's management's discussion and analysis of financial condition and results of operations*" in this Offering Memorandum; (ii) unaudited pro forma income statement and balance sheet information of the Parent, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed

fiscal year as to which such annual report relates (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 Parent as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Parent 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 Parent, all material Affiliate Transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events; (vi) reported EBITDA; and (vii) a summary description of any material differences, if any, in the information reported by the Parent with respect to items (i) to (vi) above and the corresponding information of the Issuer (which summary description need not be audited and will not include a line-item by line-item reconciliation between financial information of the Parent and the corresponding financial information of the Issuer); *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 quarter ending April 1, 2017, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Parent, beginning with the quarter ending April 1, 2017, quarterly financial statements containing the following information: (i) the Parent'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 Parent, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *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, reported EBITDA and material changes in liquidity and capital resources of the Parent; (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) a summary description of any material differences, if any, in the information reported by the Parent with respect to items (i) to (v) above and the corresponding information of the Issuer (which summary description need not be audited and will not include a line-item by line-item reconciliation between financial information of the Parent and the corresponding financial information of the Issuer); *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Parent, a report containing a description of such event.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports furnished to the Trustee on the Issuer's website and if and so long as the Notes are listed on the Official List of Exchange, and to the extent that the rules and regulations of the

Exchange so require, copies of such reports furnished to the Trustee will also be made available at the specified office of the listing sponsor.

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 Parent 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 U.S. 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 Adjusted EBITDA 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 Parent 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 Parent 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 Parent elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d).

All reports provided pursuant to this "*Reports*" covenant shall be in English, or with a certified English translation.

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 Holdco or IPO Entity are listed on the Main Market of the London Stock Exchange (or one or more of the equivalent regulated markets of the New York Stock Exchange, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, the Oslo Stock Exchange or the Copenhagen Stock Exchange) and the Issuer or such Parent Holdco or IPO Entity is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on the Main Market of the London Stock Exchange (or the equivalent standards applicable to issuers of equity securities admitted to trading on one or more of the equivalent regulated markets of the New York Stock Exchange, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, the Oslo Stock Exchange or the Copenhagen Stock Exchange), for so long as it elects, the Issuer will make available to the Trustee such annual and interim reports, information, documents and other reports that the Issuer, Parent Holdco or IPO Entity is, or would be, required to file with the London Stock Exchange pursuant to such admission and disclosure standards (or the applicable standards of one or more of the equivalent regulated markets of the New York Stock Exchange, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, the Oslo Stock Exchange or the Copenhagen Stock Exchange, as applicable). Upon complying with the foregoing requirements, and *provided* that such requirements require the Issuer or any Parent Holdco or IPO Entity to prepare and file annual reports, information, documents and other reports with the Main Market of the London Stock Exchange, or one or more of the equivalent regulated markets of the New York Stock Exchange, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, the Oslo Stock Exchange or the Copenhagen Stock Exchange, as applicable, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Issuer may comply with any requirement to provide reports or financial statements under this covenant by providing any corresponding report or financial statements of a direct or indirect Parent Holdco so long as such reports (if an annual, half yearly or quarterly report) (a) meet the requirements (including as to content and time of delivery) of this covenant as if references to the Parent therein were references to such Parent Holdco and (b) include condensed consolidated financial information together with separate columns for: (i) such Parent Holdco; (ii) the Parent, the Issuer and the Restricted Subsidiaries on a combined basis; (iii) any other Subsidiaries of the Parent Holdco on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts. Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Delivery of any information, documents and reports to the Trustee pursuant to this "*Reports*" covenant is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein, including the Issuer's compliance with any of its covenants under the Indenture.

Suspension of covenants on achievement of Investment Grade Status

Following the first day (a) the Notes have achieved Investment Grade Status and (b) no Default or Event of Default has occurred and is continuing under the Indenture then, beginning on that day and continuing until the Reversion Date (as defined below), the Parent and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the "**Suspended Covenants**"):

- "*—Limitation on Restricted Payments*";
- "*—Limitation on Indebtedness*";
- "*—Limitation on restrictions on distributions from Restricted Subsidiaries*";
- "*—Limitation on Affiliate Transactions*";
- "*—Limitation on sales of assets and Subsidiary stock*";
- "*—Additional Guarantees*"; and
- the provisions of clause (3) of the first paragraph of "*Merger and consolidation—The Parent*" and the provisions of clause (3) of the first paragraph of "*Merger and consolidation—The Issuer*."

If at any time the Notes cease to have such Investment Grade Status, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the "**Reversion Date**") and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the Notes subsequently attain Investment Grade Status (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Notes or the Guarantees with respect to the Suspended Covenants based on, and none of the Parent or any of its Restricted Subsidiaries shall bear any liability with respect to such Suspended Covenants for, any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising prior to the Reversion Date, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reversion Date is referred to as the "**Suspension Period**."

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be deemed to have been outstanding on the Issue Date so that it is classified as permitted under clause (4)(b) of the second paragraph of "*—Limitation on Indebtedness*." On and after the Reversion Date, all Liens created during the Suspension Period will be considered Permitted Liens pursuant to clause (13) of such definition. Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "*—Limitation on Restricted Payments*" will be made as though the covenants described under "*—Limitation on Restricted Payments*" had been in effect since the Issue Date and prior to, but not during, the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under "*—Limitation on Restricted Payments*." On the Reversion Date, the amount of Excess Proceeds shall be reset at zero. Any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (6) of the second paragraph under "*—Limitation on Affiliate Transactions*." Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (A) through (C) of the first paragraph of "*—Limitation on restrictions on distributions from Restricted Subsidiaries*" that becomes effective during the Suspension Period will be deemed to have existed on the Issue Date, so that it is classified as permitted under clause (1) of the second paragraph under "*—Limitation on restrictions on distributions from Restricted Subsidiaries*." On and after each Reversion Date, the Parent and its Restricted Subsidiaries will be permitted to consummate the transactions contemplated by any contract entered into during the Suspension Period, so long as such contract and such consummation would have been permitted during such Suspension Period.

In addition, any future obligation to grant further Notes Guarantees shall be released. All such further obligation to grant Notes Guarantees shall be reinstated upon the Reversion Date.

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 or upon the occurrence of the Reversion Date. The Issuer shall notify the Trustee that the conditions under this covenant have been satisfied, although such notification shall not be a condition for suspension of the covenants to be effective.

Impairment of Security Interest

The Parent 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 Parent 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 (i) the Parent and its Restricted Subsidiaries may amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security

Documents for the purposes of incurring Permitted Collateral Liens, (ii) the Parent and its Restricted Subsidiaries may amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security Documents for the purposes of undertaking a Permitted Reorganization, (iii) 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, (iv) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, error or inconsistency therein and (v) the Parent and its Restricted Subsidiaries may amend the Security Interests in any manner that does not adversely affect Holders in any material respect; *provided*, *however*, that in the case of clause (i), (ii) and (v) above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion, in a form satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Parent 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, (2) a certificate from the Board of Directors of the relevant Person, in a form satisfactory to the Trustee, which confirms the solvency of the Person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in a form 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 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 amendments without the need for instructions from the Holders.

Additional Guarantees

The Issuer will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to guarantee the payment of, assume or in any manner become liable with respect to any other Indebtedness of the Issuer or a Guarantor under any Credit Facilities unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of the payment of the Notes by such Restricted Subsidiary, which guarantee will be senior to or *pari passu* 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 could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses. 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.

Future Notes Guarantees granted pursuant to this provision shall be released as set forth under "*Notes Guarantees—Notes Guarantees release*." 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 if such Guarantor had not been designated as a Guarantor. The Trustee and the Security Agents shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agents being indemnified and secured to its satisfaction, including by way of prefunding.

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*."

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer or the Parent, in connection with the incurrence by the Parent 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 Parent, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "**Additional Intercreditor Agreement**") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including substantially the same terms with respect to release of 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, 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 or the Parent 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 of Indebtedness covered by any such agreement that may be incurred by the Parent or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect, making all necessary provisions to ensure that the Notes and the Notes Guarantees are secured by first-priority Liens over the Collateral. The Issuer or the Parent 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 or the Parent may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and 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. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices or at the offices of the listing sponsor.

Limitations on activities of the Parent

Parent shall not trade, carry on any business or own any material assets, other than the following:

(1) the ownership of shares of the Issuer and any finance subsidiary issuer of Indebtedness lent to the Parent; *provided* that such finance subsidiary shall not trade, carry on any business or own any assets other than those permitted for Parent under this covenant (other than this clause (1));

(2) making an investment in the Issuer in the form of Subordinated Shareholder Funding, purchases of Capital Stock of the Issuer or otherwise contributed to the equity of the Issuer (on an individual or consolidated basis);

(3) the provision of services substantially similar to those provided prior to the Issue Date and the provision of other headquarters services, administrative services (including treasury services and cash-pooling arrangements), legal, accounting, contracting and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the ownership of assets necessary to provide such services;

(4) (a) incurring, guaranteeing, offering, selling, issuing, servicing, listing, purchasing, redeeming, exchanging, refinancing or retiring Indebtedness and other obligations not prohibited by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) the granting of Liens permitted under the covenant described under "*—Limitation on Liens*";

(5) rights and obligations arising under the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, any Indebtedness permitted by the covenant described under "*Limitation on Indebtedness*" and an agreement pursuant to which Refinancing Indebtedness in relation to the above Indebtedness is incurred by restricted Subsidiaries and other ancillary documents or instruments related thereto, including liabilities under any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the covenant described under "*—Limitation on Liens*" or any other agreement existing on the Issue Date to which it is a party;

(6) the ownership of (i) cash, Cash Equivalents and Temporary Cash Investments, (ii) other assets owned by it on the Issue Date and (iii) other property to the extent distributed

substantially concurrently to a Parent Holdco or contributed or lent (including as Subordinated Shareholder Funding) to the Issuer;

(7) paying dividends, making distributions and other payments, including the servicing, purchase, redemption or retirement of Indebtedness or Subordinated Shareholder Funding, in each case as permitted or not prohibited under the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any other security documents to which Parent is a party for the pledge of assets permitted to be secured under the Indenture;

(8) directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence;

(9) pursuant to or in connection with the Transactions;

(10) (A) the listing of its Capital Stock and the issuance, offering and sale of its Capital Stock (including in a Public Offering), including compliance with applicable regulatory and other obligations in connection therewith, (B) using the net cash proceeds of such issuance, or exchanging or converting such instruments, to fund the purchase, repurchase or redemption of, any Indebtedness or other equity or debt instrument of Parent or a Restricted Subsidiary, or to contribute to the equity of the Issuer (on an individual or consolidated basis), to the extent permitted or not prohibited by the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and any relevant Security Documents and (C) any purchase, repurchase, redemption or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, to the extent such activities are otherwise permitted or not prohibited by the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and any relevant Security Documents;

(11) conducting activities directly related or reasonably incidental to any Initial Public Offering or Equity Offering, including the maintenance of any listing of equity interests issued by any IPO Entity;

(12) making investments in any Indebtedness issued by it;

(13) any liabilities or obligations in connection with any employee or participation scheme, including any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of the Parent, any Parent Holdco or any Restricted Subsidiary (and/or any current or past employees, directors or members of management thereof and any related corporate entity established for such purpose);

(14) the sale, conveyance, transfer, lease or disposition of all or substantially all of its assets to the extent permitted by the covenant described under the caption "*Merger and consolidation*"; and

(15) other activities or assets not specifically enumerated above that are *de minimis* in nature.

Limitations on activities of Norican Holdings

Norican Holdings ApS ("**Norican Holdings**") at any time prior to its merger with, transfer of substantially all of its assets to or other consolidation with or into the Issuer shall not trade, carry on any business or own any material assets, other than the following:

(1) the ownership of shares of Norican Group ApS ;

(2) making an investment in Norican Group ApS in the form of Subordinated Shareholder Funding, purchases of Capital Stock of Norican Group ApS or other contributions to the equity of Norican Group ApS (on an individual or consolidated basis);

(3) the provision of services substantially similar to those provided prior to the Issue Date;

(4) (a) incurring, guaranteeing, offering, selling, issuing, servicing, listing, purchasing, redeeming, exchanging, refinancing or retiring Indebtedness and other obligations not prohibited by the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the granting of Liens permitted under the covenant described under "*—Limitation on Liens*";

(5) rights and obligations arising under the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, any Indebtedness permitted by the covenant described under "*Limitation on Indebtedness*" and an agreement pursuant to which Refinancing Indebtedness in relation to the above Indebtedness is incurred by Restricted Subsidiaries and other ancillary documents or instruments related thereto, including liabilities under any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the covenant described under "*—Limitation on Liens*" or any other agreement existing on the Issue Date to which it is a party;

(6) the ownership of (i) cash, Cash Equivalents and Temporary Cash Investments, (ii) other assets owned by it on the Issue Date and (iii) other property to the extent distributed substantially concurrently to a Norican Holdings Holdco or contributed or lent (including as Subordinated Shareholder Funding) to Norican Group ApS;

(7) paying dividends, making distributions and other payments, including the servicing, purchase, redemption or retirement of Indebtedness or Subordinated Shareholder Funding or any profit or loss sharing arrangement with a Norican Holdings Holdco or a Restricted Subsidiary, in each case as not prohibited under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any other security documents to which Norican Holdings is a party for the pledge of assets permitted to be secured under the Indenture;

(8) directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence;

(9) pursuant to or in connection with the Transactions;

(10) conducting activities directly related or reasonably incidental to any Initial Public Offering or Equity Offering, including the maintenance of any listing of equity interests issued by any Norican Holdings Holdco or any IPO Entity;

(11) any liabilities or obligations in connection with any employee or participation scheme, including any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of the Norican Holdings, any Norican Holdings Holdco or any Restricted Subsidiary (and/or any current or past employees, directors or members of management thereof and any related corporate entity established for such purpose);

(12) the sale, conveyance, transfer, lease or disposition of all or substantially all of its assets to the extent permitted by the covenant described under the caption "*Merger and consolidation*"; and

(13) other activities or assets not specifically enumerated above that are *de minimis* in nature.

Notwithstanding anything to the contrary in this covenant, under no circumstances shall Norican Holdings incur any third-party Indebtedness as issuer, borrower or other primary obligor thereof (except for any "parallel debt" obligations in respect of Indebtedness; *provided* that such other Indebtedness does not conflict with this sentence and is otherwise in compliance with this covenant).

Merger and consolidation

The Parent

The Parent will not consolidate with or merge with or into, or convey, transfer or 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:

(1) the resulting, surviving or transferee Person (the "**Successor Parent**") will be a Person organized and existing under the laws of any member state of the European Union, the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Parent (if not the Parent) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Parent under the Notes and the Indenture and all obligations of the Parent under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Parent or any Subsidiary of the Successor Parent as a result of such transaction as having been incurred by the Successor Parent or such Subsidiary at the time of such transaction), no Event of Default shall have occurred and be continuing; and

(3) the Parent or the Successor Parent, 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 a Successor Parent) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (in the case of a Successor Parent) is a legal and binding agreement enforceable against the Successor Parent; *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 (1), (2) and (3) above.

The Successor Parent will succeed to, and be substituted for, and may exercise every right and power of, the Parent under the Notes and the Indenture, but in a 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 or the Notes.

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) 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 States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Issuer (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been incurred by the Successor Issuer or such Subsidiary at the time of such transaction), Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Issuer or the applicable Successor Issuer would be able to incur at least an additional €1.00 of Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (1) of the first

paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*" or (b) 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; and

(4) the Issuer or the Successor Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in a form satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Subsidiary Guarantors

No Subsidiary Guarantor may:

(1) consolidate with or merge with or into any Person; or

(2) sell, assign, convey, transfer, lease or dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into such Subsidiary Guarantor,

unless:

(a) (i) the other Person is the Parent or any Restricted Subsidiary that is a Subsidiary Guarantor or becomes a Subsidiary Guarantor substantially concurrently with such transaction; or

(ii) either (A) the Parent or another Subsidiary Guarantor is the continuing Person or (B) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Notes Guarantee and the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and

(iii) immediately after giving effect to such transaction, no Event of Default has occurred and is continuing; or

(b) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Parent or a Restricted Subsidiary) otherwise permitted by the Indenture.

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 transferring 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 a Subsidiary 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 (1) and (4) 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 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 (1), (2) and (4) under the heading "*—The Issuer*" or "*—The Parent*" or clause (3) under the heading "*Subsidiary Guarantors*," as the case may be, shall apply to any such transaction.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this "*—The Parent*" covenant) shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary. Notwithstanding the foregoing, 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.

Financial calculations for Limited Condition Acquisitions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Acquisition are entered into, and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in the Consolidated Adjusted EBITDA of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided* that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds therefrom) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Events of Default

Each of the following is an "*Event of Default*" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply with the provisions of the covenant described under "*Merger and consolidation*";

(4) failure by the Parent or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced by any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

   (a) is caused by a failure to pay principal at Stated Maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness and such failure to make any payment has not been waived or the maturity of such Indebtedness has not been extended ("**payment default**"); or

   (b) results in the acceleration of such Indebtedness prior to its Stated Maturity (the "**cross acceleration provision**"),

   and, in each case, either (i) the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €25.0 million or more or (ii) such Indebtedness is secured by a Permitted Collateral Lien and incurred pursuant to clause (1) or (6) of the second paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*" secured by Collateral that is accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement, and (A) the 30-day consultation period under the Intercreditor Agreement with respect to the enforcement of such Indebtedness has expired, (B) certain insolvency events have occurred or (C) the consultation period under the Intercreditor Agreement does not apply because the Majority Super Senior Creditors or the Senior Secured Notes Creditors/Pari Passu Creditors (as defined therein) have determined in good faith that delay in taking enforcement action of the Collateral could reasonably be expected to have a material adverse effect on the Security Agents' ability to enforce any of the Collateral or the realization of proceeds thereof and have instructed the Security Agents as to the enforcement of the Collateral;

(6) certain events of bankruptcy, insolvency or court protection of the Parent, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "**bankruptcy provisions**");

(7) 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 €25.0 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 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**");

(8) 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 created thereunder shall be declared invalid or unenforceable or the

Parent, 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 10 days; and

(9) any Guarantee of the Notes of the Parent or a Subsidiary Guarantor that is a Significant Subsidiary (or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements for the Parent 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, or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days.

However, a Default under clauses (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes notify the Issuer of the Default and, with respect to clauses (5) and (7), the Issuer does not cure such Default within the time specified in clauses (5) or (7), as applicable, of this paragraph, after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by written notice to the Issuer or the Holders of at least 25% 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 (5) 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 (5) 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 (6) 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 of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal or interest 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 25% 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 indemnity and/or security 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 written request and the offer of 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 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any 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). However, without the consent of Holders holding not less than 90% (or, in the case of clause (10) below, 75%) of the then outstanding principal amount of the Notes, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "*Optional Redemption*";

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder to institute suit for the enforcement of any payment of principal and interest on, or Additional Amounts, if any, on such Holder's Notes, or the associated Notes Guarantee, on or after the due dates therefor;

(7) make any change in the provision of the Indenture described under "*Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release any security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Notes Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release any Guarantor from any of its obligations under its Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the Security Agent, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Notes Document;

(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 Parent or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under "*Certain covenants—Limitation on Indebtedness*" or "*—Additional Guarantees*," to add Notes Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders or parties to the Revolving Credit Facility, in any property which is required by the Security Documents or the Revolving Credit Facility (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the relevant Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*Certain covenants—Impairment of Security Interest*" is complied with; or

(10) as provided in "*Certain covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

The Indenture will not contain a covenant regulating the offer and/or payment of a consent fee to Holders.

Acts by holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

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 the obligations of the Parent and 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 the Parent and Significant Subsidiaries of the Parent other than 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 (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or Euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel, subject to customary assumptions and exclusions, to the effect that Holders, 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 conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness without consideration of reinvestment on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the notes at maturity or on the redemption date, as the case may be and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator or shareholder of the Parent or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Parent, the Issuer or any Subsidiary 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

U.S. Bank Trustees 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 received 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 received 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 sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than 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 Exchange so require, notices of the Issuer with respect to the Notes will be sent to the Exchange.

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. For so long as any Notes are represented by global notes, all notices to Holders will be delivered to Euroclear and Clearstream in accordance with the applicable procedures of Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of Book-Entry Interests.

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 and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency indemnity and calculation of Euro-denominated restrictions

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 of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any 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 Wheelabrator Group, Inc., as their 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 state court.

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 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 Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**Acquisition**" means the acquisition of the Target by Norican Group ApS pursuant to the Acquisition Agreement.

"**Acquisition Agreement**" means the agreement on the sale and transfer of all shares in the Target by and between the sellers listed therein, Norican Group ApS, as purchaser, and the Issuer, as purchaser's guarantor, dated as of February 21, 2017.

"**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.

"**Applicable Premium**" means, with respect to any Note the greater of:

(a) 1% of the principal amount of such Note; and

(b) the excess (to the extent positive) of:

  (i) the present value at such redemption date of (A) the redemption price of such Note at November , 2019 (such redemption price (expressed in percentage of principal amount) being set forth in the table set forth under "*Optional Redemption*" (excluding accrued and unpaid interest)), plus (B) all required interest payments due on such Note to and including November , 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 Note, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, the calculation of the applicable premium shall not be the obligation or responsibility of the Trustee or Paying Agent.

"**Asset Disposition**" means any direct or indirect sale, lease (other than an operating lease), transfer, issuance or other disposition, or a series of related sales leases (other than operating leases), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a 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) by any Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "**disposition**"), 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 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;

(4) a disposition of obsolete, worn-out, uneconomic, damaged or surplus property, equipment or other assets or property, equipment or other assets that are no longer economically practical or, in the good faith assessment of the Issuer, 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 a Restricted Subsidiary, 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 "*Merger and consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Issuer) of no more than €7.5 million;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*Certain covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment;

(9) disposition in connection with Permitted Liens and the granting of Liens not prohibited by the covenant described above under the caption "*Certain covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or 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) (i) conveyances, sales, transfers, licenses or sublicenses or other dispositions of intellectual property, software or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice or pursuant to a research or development agreement in which the counterparty to such agreement receives a license in the intellectual property or software that result from such agreement and (ii) the lease, assignment, license, sublease or sublicense of any real or personal property in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance or sale 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;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided*, *however*, that the Board of Directors of the Issuer shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole);

(19) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Disqualified Stock that is permitted by the covenant described above under "*Certain covenants—Limitation on Indebtedness*" or an issuance of Capital Stock by the Issuer pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer;

(20) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the "*Certain covenants—Limitation on sales of assets and Subsidiary stock*" covenant; and

(21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture.

"**Associate**" means (i) any Person engaged in a Similar Business of which the Parent or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Parent or any Restricted Subsidiary of the Parent.

"**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 November , 2019; *provided*, *however*, that if the period from the redemption date to November , 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 November , 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; *provided further, however*, that the Bund Rate shall not be less than zero.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Copenhagen, Denmark, London, United Kingdom or New York, New York are authorized or required by law to close.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalized Lease 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 (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with 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) securities or other direct obligations, issued or directly and fully guaranteed or insured by the United States of America, Canadian, Swiss, Norwegian or United Kingdom governments, the European Union or any member state of the Pre-Expansion European Union (other than Greece, Portugal and Spain) 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;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250.0 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) 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;

(6) bills of exchange issued in the United States, Canada, a member state of the Pre-Expansion European Union (other than Greece, Portugal and Spain), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) 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 (6) above; and

(8) for purposes of clause (2) of the definition of "Asset Disposition," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date.

"**Change of Control**" means:

(1) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) 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, being or becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this

clause, any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an Affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Parent and its Restricted Subsidiaries taken as a whole to a Person, other than the Parent or any of its Restricted Subsidiaries or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control solely as a result of the Issuer becoming a direct or indirect wholly-owned subsidiary of a holding company if the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Issuer's Voting Stock immediately prior to that transaction (it being understood that such holders of such Voting Stock shall not be deemed to be substantially the same if, immediately following such transaction, holders that are not Permitted Holders are the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such holding company).

"**Clearstream**" means Clearstream Banking, *société anonyme,* as currently in effect or any successor securities clearing agency.

"**Collateral**" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Notes Guarantee.

"**Commodity Hedging Agreements**" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Consolidated Adjusted EBITDA**" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent (i) in the case of clauses (1) through (11) and (13), deducted in calculating such Consolidated Net Income and (ii) solely in the case of clause (12), not included in such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization (excluding amortization of a prepaid cash charge or expense that was paid in a prior period) or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the incurrence of any Indebtedness permitted by the Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection

with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such third parties;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*Certain covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or nonrecurring 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 expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income;

(11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period;

(12) the "run rate" cost savings, operating expense reductions, restructuring charges and expenses and synergies that are, in each case, reasonably identifiable and factually supportable and expected (in good faith) by the Issuer to be realized as a result of actions taken or expected to be taken within 24 months after the date of any acquisition, disposition, divestiture, restructuring or the implementation of a cost savings or other similar initiative, as applicable (calculated on a *pro forma* basis as though such cost savings, operating expense reductions, restructuring charges and expenses and synergies had been realized from the first day of such period and during the entirety of such period), in each case net of the amount of actual benefits realized during such period from such actions; *provided* that no cost savings, operating expense reductions, restructuring charges and expenses or synergies shall be added pursuant to this defined term to the extent duplicative of any expenses or charges otherwise added to Consolidated Adjusted EBITDA, Net Income or Consolidated Adjusted EBITDA (or included in the calculation of any financial ratio), whether through a *pro forma* adjustment or otherwise, for such period (which adjustments may be incremental to *pro forma* adjustments made pursuant to the second paragraph of the definition of "Consolidated Net Leverage Ratio"); and

(13) to the extent not already otherwise included herein, adjustments and add-backs made in calculating "*pro forma adjusted EBITDA*" for the year ended December 31, 2016 included in this Offering Memorandum.

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Interest Expense**" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary of the Issuer, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(6) the consolidated interest expense that was capitalized during such period; and

(7) cash interest actually paid by the Issuer or any Restricted Subsidiary under any guarantee of Indebtedness or other obligation of any other Person;

minus accretion or accrual of discounted liabilities other than Indebtedness.

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, for any period (subject to the proviso to the definition of "Limited Condition Acquisition"), the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*Certain covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Subsidiary Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement,

instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes and the Indenture, (c) contractual restrictions in effect on the Issue Date with respect to a Restricted Subsidiary (including pursuant to the Revolving Credit Facility and the Intercreditor Agreement), and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions specified in clause (11) of the second paragraph of the covenant described under "*Certain covenants—Limitation on restrictions on distributions from Restricted Subsidiaries"*), except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration, facility consolidation and closing or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any Investments), one-time compensation charges, signing, retention and completion bonus costs, acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*Certain covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person, and any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies and the related tax effects;

(10) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(11) any goodwill or other intangible asset impairment charge or write-off or write-down; and

(12) 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 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 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 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption.

"**Consolidated Net Leverage**" means as of any date of determination, the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes (as determined in good faith by the Issuer)), *less* the aggregate amount of cash, Cash Equivalents and Temporary Cash Investments of the Issuer and its Restricted Subsidiaries on a consolidated basis.

"**Consolidated Net Leverage Ratio**" means, with respect to any Person on any determination date, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated Adjusted EBITDA for the most recent four consecutive fiscal quarters ending immediately prior to such determination date (the "**reference period**") for which internal consolidated financial statements of such Person are available.

In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees, repays, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the reference period but prior to or simultaneously with the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Net Leverage Ratio shall be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, deemed incurrence, assumption, guarantee, redemption, repayment, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter period; *provided*, *however*, that the *pro forma* calculation (solely for the purposes of determining compliance with the covenant described under "*Certain covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder)) 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*" 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*."

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed operations that have been made by the Issuer or any of its Restricted Subsidiaries, during the reference period or subsequent to the reference period and on or prior to or simultaneously with the 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 Adjusted EBITDA resulting therefrom) had occurred on the first day of the reference period;

(2) 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 Consolidated Net Leverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed operation had occurred at the beginning of the reference period;

(3) the Consolidated Adjusted EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period; and

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period,

if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be treated in accordance with IFRS.

For the avoidance of doubt, in determining the Consolidated Net Leverage Ratio, no cash, Cash Equivalents or Temporary Cash Investments shall be included that are the proceeds of Indebtedness in respect of the incurrence of which the calculation of the Consolidated Net Leverage Ratio is to be made.

"**Consolidated Senior Secured Net Leverage**" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes) *less* the aggregate amount of cash, Cash Equivalents and Temporary Cash Investments of the Issuer and its Restricted Subsidiaries on a consolidated basis; *provided* 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 for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) 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*."

"**Consolidated Senior Secured Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the Consolidated Senior Secured Net Leverage at such date to (y) the aggregate amount of Consolidated Adjusted EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio. For the avoidance of doubt, in determining the Consolidated Senior Secured Net Leverage Ratio, no cash, Cash Equivalents or Temporary Cash Investments shall be included that are the proceeds of Indebtedness in respect of the incurrence of which the calculation of the Consolidated Senior Secured Net Leverage Ratio is to be made.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Notes Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"**Default**" means any event 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 Board of Directors or a member of Senior Management of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*Certain covenants—Limitation on sales of assets and Subsidiary stock.*"

"**Designated Preference Shares**" means, with respect to the Issuer or any Parent Holdco, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) and (c)(iii) of the second paragraph of the covenant described under "*Certain covenants—Limitation on Restricted Payments*."

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*Certain covenants—Restricted Payments.*" For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"**Equity Offering**" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed to the equity of the Issuer or any of its Restricted Subsidiaries by any Parent Holdco in any form other than Indebtedness or Excluded Contributions or Excluded Amounts of the Issuer or any of its Restricted Subsidiaries or Excluded Amounts.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**Euro**" or "**€**" means the single currency of participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than Euro, at any time of determination thereof by the Issuer or the Trustee, the amount of Euro obtained by converting such currency other than Euro involved in such computation into Euro at the spot rate for the purchase of Euro with the applicable currency other than Euro as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Board of Directors or a member of Senior Management of the Issuer) on the date of such determination.

"**Euroclear**" means Euroclear Bank SA/NV or any successor securities clearing agency.

"**European Government Obligations**" means any security denominated in Euro that is (1) a direct obligation of any country that is a member of the Economic and Monetary Union of the European Union and whose long-term debt is rated "*A-1*" or higher by Moody's or "*A+*" or higher by S&P or the equivalent rating category of another 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 (2) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**European Union**" means the members of the European Union on the Issue Date (including, for the avoidance of doubt, the United Kingdom).

"**Exchange**" means The Channel Islands Securities Exchange Authority Limited.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Contribution**" means Net Cash Proceeds or property or assets (other than Excluded Amounts) received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or 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.

"**Existing Facilities Agreement**" means the amendment and restatement agreement to a senior facilities agreement dated February 24, 2015, among, *inter alios*, Norican A/S, as original borrower, and Nordea Bank Denmark A/S, as agent, providing for multi-currency term and revolving credit facilities.

"**fair market value**" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated Adjusted EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio.

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

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

(2) if any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness); and

(3) 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.

"**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.

"**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 Parent and any Restricted Subsidiary that guarantees the Notes until such Notes Guarantee is released in accordance with the terms of the Indenture.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"**Holder**" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"**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 Parent 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. 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 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 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 as in effect on the Issue Date.

"**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, guarantees, customer performance guarantees, completion guarantees, bid bonds or other similar instruments or obligations (the amount of such obligations being equal at any time to the aggregate amount of cash drawings thereunder that have not been reimbursed), except to the extent such reimbursement obligations (i) are incurred in the ordinary course of business, (ii) relate to trade payables, down payments for products received, contingent obligations under warranties or other obligations that are not Indebtedness for borrowed money, and (iii) and such obligations are satisfied within 30 days of incurrence;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of 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 Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements (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 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 Holdco appearing upon the balance sheet of the Issuer prepared on the basis of IFRS shall be excluded.

The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations incurred in the ordinary course of business or consistent with past practice, other than guarantees or other assumptions of Indebtedness;

(ii) 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;

(iii) 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;

(iv) 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;

(v) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(vi) obligations under or in respect of a Qualified Receivables Financing and Receivables Financing that is not recourse to the Issuer or any of its Restricted Subsidiaries;

(vii) Capital Stock (other than Disqualified Stock and Preferred Stock of a Restricted Subsidiary);

(viii) 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 *"Merger and consolidation"*; or

(ix) Subordinated Shareholder Funding.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third-party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Issuer.

"**Initial Investors**" means any funds or limited partnerships managed or advised by Altor Equity Partners, Altor Holding AB, Altor Fund Manager AB, Altor Fund IV (No. 1) AB, Altor Fund IV (No. 2) AB, Altor Fund IV Holding AB or any of their Affiliates or direct or indirect Subsidiaries or any entity controlled or managed by all or substantially all of the managing directors of such fund, Altor Equity Partners, Altor Holding AB, Altor Fund Manager AB, Altor Fund IV (No. 1) AB, Altor Fund IV (No. 2) AB, Altor Fund IV Holding AB from time to time.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent Holdco or any successor of the Issuer or any Parent Holdco (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, Parent the Subsidiary Guarantors and the Security Agent, and to which the Trustee will accede on the Issue Date, as amended from time to time.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of 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 in an amount equal to the fair market value of the Capital Stock of such Person not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*Certain covenants—Limitation on Restricted Payments*."

For purposes of "*Certain covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined 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 Pre-Expansion European Union (other than Greece, Portugal and Spain), Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A−" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and

(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.

"**Investment Grade Status**" shall occur when all of the Notes receive both of the following:

(1) a rating of "BBB−" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's,

or the equivalent of such rating by such rating organization or, if no rating of S&P or Moody's 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 , 2017.

"**Issuer**" means Norican A/S.

"**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.

"**Limited Condition Acquisition**" means any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third-party financing; *provided* that the Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"**LMCS Guarantors**" means the Target, SWO Holding GmbH, Striko Westofen GmbH, Light Metal Casting Equipment GmbH, Italpresse Industrie S.r.l. and Gauss Automazione S.r.l.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees, contractors or consultants of any Parent Holdco, the Issuer or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business or consistent with past practice 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 Holdco 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 €5.0 million in the aggregate outstanding at the time of incurrence.

"**Management Investors**" means (i) members of the management team of the Parent or any Restricted Subsidiary investing, or committing to invest, directly or indirectly, in the Parent as at the Issue Date and any subsequent members of the management team of the Parent or any Restricted Subsidiary who invest directly or indirectly in the Issuer or a Parent Holdco or a Restricted Subsidiary from time to time and (ii) such entity as may hold shares transferred by departing members of the management team of the Issuer, a Parent Holdco or any Restricted Subsidiary for future redistribution to such management team.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Securities 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, in each case, 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 to the extent that such Related Taxes arise as a result of such Asset Disposition, taking into account any then-available tax credits or deductions and any tax sharing agreements;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which 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 Holdco, 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; 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, in each case, after taking into account any available tax credit or deductions and any tax sharing agreements, and including distributions for Related Taxes to the extent that such Related Taxes arise as a result of such issuance or sale of Capital Stock or Subordinated Shareholder Funding, taking into account any then-available tax credits or deductions and any tax sharing agreements).

"**Norican Guarantors**" means Norican Holdings ApS, Norican Group ApS, DISA Holding II A/S, DISA Holding A/S, DISA Industries A/S, WGH UK Holdings Limited, WGH UK Limited, Wheelabrator Technologies (UK) Limited, Wheelabrator Group Limited, Wheelabrator Group Holding GmbH, Wheelabrator Group GmbH, WG Global, LLC, Castalloy, Inc., Wheelabrator Group, Inc., DISA Industries Inc., Disa US Holding LLC, DISA Industrie AG, DISA Holding AG, Wheelabrator Czech s.r.o. and WGH Holding Corp., but, for the avoidance of doubt, excludes the Target and its Subsidiaries.

"**Norican Holdings Holdco**" means any Person of which Norican Holdings at any time is or becomes a Subsidiary and any holding companies established by any Permitted Holder for purposes of holding its investment in Norican Holdings Holdco or any Norican Holdings Holdco.

"**Notes Documents**" means the Notes (including Additional Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"**Offering Memorandum**" mean this offering memorandum, dated as of , 2017, 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 reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"**Parent Expenses**" means:

(1) costs (including all legal, accounting and other professional fees and expenses) incurred by any Parent Holdco 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, the 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 Holdco 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 and its Subsidiaries;

(3) obligations of any Parent Holdco in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) fees and expenses payable by any Parent Holdco in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent Holdco related to the ownership, management or operation of the business of the Issuer or any of its Restricted Subsidiaries, and (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent Holdco, (c) any Taxes and other fees and expenses required to maintain such Parent Holdco'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 Holdco and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent Holdco or any other Person which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed €1.5 million in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries *provided, however,* that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries; and

(8) expenses incurred by any Parent Holdco in connection with any public offering or other sale of Capital Stock or Indebtedness;

    (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;

    (b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

    (c) otherwise on an interim basis prior to completion of such offering so long as any Parent Holdco shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"**Parent Holdco**" means any Person of which the Issuer at any time is or becomes a Subsidiary and any holding companies established by any Permitted Holder for purposes of holding its investment in the Issuer or any Parent Holdco.

"**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 Notes 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.

"**Permitted Collateral Liens**" means Liens on the Collateral:

(a) that are described in one or more of clauses (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "Permitted Liens" and Liens arising by operation of law that, in each case, would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(b) to secure all obligations (including paid-in-kind interest) in respect of:

    (i) the Notes (other than any Additional Notes), including any Notes Guarantee thereof;

    (ii) Indebtedness permitted to be incurred under the first paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*";

    (iii) Indebtedness described under clause (1) of the second paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*," which Indebtedness may have super senior priority status in respect of the proceeds from the enforcement of the Collateral not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

    (iv) 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;

    (v) Indebtedness described under clause (5) of the second paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*," and that is incurred by the Issuer or a Guarantor; *provided* that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred and after giving effect to the incurrence of such Indebtedness on a *pro forma* basis, (a) the Issuer's Consolidated Senior Secured Net Leverage Ratio would not exceed 4.25 to 1.0 or (b) the Issuer's Consolidated Senior Secured Net Leverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or other transaction and any related incurrence of Indebtedness, in each case after giving effect to the incurrence of such Indebtedness, calculated on a *pro forma* basis;

(vi) Indebtedness described under clause (6) of the second paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*," which Indebtedness may have super senior priority status in respect of the proceeds from the enforcement of the Collateral not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(vii) Indebtedness described under clauses (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) the second paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*";

(viii) on a junior priority basis to the Notes, (i) solely with respect to the share capital of, and any intercompany receivable from, the Issuer, and any bank accounts of the Parent, Indebtedness constituting Senior Debt (as such term, or equivalent term, is defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) and (ii) Indebtedness constituting Second Lien Debt (as such term, or equivalent term, is defined in the Intercreditor Agreement or any Additional Intercreditor Agreement), in each case that is permitted or not prohibited by the Indenture, and including corresponding Indebtedness constituting Senior Debt Guarantees or Second Lien Notes Guarantees (in each case as such terms, or equivalent terms, are defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) that is permitted or not prohibited by the Indenture; and

(ix) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (viii);

(c) incurred in the ordinary course of business of the Issuer of any of its Restricted Subsidiaries with respect to obligations that in total do not exceed €5.0 million at any one time outstanding and that (i) are not incurred in connection with the borrowing of money and (ii) 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 (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

"**Permitted Holders**" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent Holdco or the Issuer, acting in such capacity and (5) any "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing or any Persons mentioned in the following sentence are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors, any Related Person of any Initial Investor and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting Stock of the Issuer or any direct or indirect parent companies of which the Issuer is a wholly owned Subsidiary. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made or constitutes a Specified Change of Control Event, in each case in accordance with the requirements of the Indenture, will thereafter constitute a Permitted Holder.

"**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, 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, including Investments in connection with any Qualified Receivables Financing;

(5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business 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, including an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect or existence on, the Issue Date 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 (b) as otherwise permitted under the Indenture;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are incurred in compliance with "*Certain covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €20.0 million and 27% of the Issuer's Consolidated Adjusted EBITDA; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*Certain covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "*Permitted Investments*" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted

Liens" or made in connection with Liens permitted under the covenant described under "*Certain covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent Holdco as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (4), (6), (10) or (14) the second paragraph of the covenant described under "*Certain covenants—Limitation on Affiliate Transactions*";

(15) (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, and (b) performance guarantees with respect to obligations that are not prohibited by the Indenture;

(16) Investments (including repurchases) in Indebtedness of the Issuer and its Restricted Subsidiaries;

(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; and

(19) Investments in joint ventures and similar entities and/or Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (19) that are at the time outstanding, not to exceed the greater of €20.0 million and 27% of the Issuer's Consolidated Adjusted 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 (19) 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.

"**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 permitted by the covenant described under "*Certain covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, 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 rent, or other obligations of like nature, in each case incurred in the ordinary course of business; or consistent with past practice;

(3) Liens imposed by law, 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) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, charges, ground 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;

(7) Liens (a) on assets or property of the Parent or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture; (b) that are contractual rights of set-off 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 Parent or any Subsidiary of the Parent or (iii) relating to purchase orders and other agreements entered into with customers of the Parent 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) 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 (e) (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection and (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 and (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business or consistent with past practice;

(9) 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;

(10) Liens (i) on assets or property of the Parent 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 (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be incurred under the Indenture and (b) any such Liens may not extend to any assets or property of the Parent or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property and (ii) any interest or title of a lessor under any operating lease;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from New York Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Parent and its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(13) (a) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date (other than Liens securing the Notes and the Notes Guarantees or the Revolving Credit Facility);

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Parent 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 Parent or any Restricted Subsidiary); *provided*, *however*, that such Liens are not created, incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Parent or a Restricted Subsidiary, or Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness incurred to refinance Indebtedness that were previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness 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;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (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 Parent or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third-party relating to such property or assets;

(21) Liens on Receivables Assets incurred in connection with a Qualified Receivables Financing;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens on equipment of the Parent or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(26) (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*" to the extent such Liens were not created, incurred or assumed in contemplation of such redesignation;

(27) 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;

(28) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(29) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes, and (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Revolving Credit Facility and (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement; and

(30) Liens provided that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (30) does not exceed €15.0 million.

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 any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries (a "**Reorganization**") that is made on a solvent basis; *provided* that:

(a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries;

(b) 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

(c) prior to any such Permitted Reorganization, the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default is continuing or would arise as a result of such Permitted Reorganization.

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

"**Pre-Expansion European Union**" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"**Public Market**" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"**Public Offering**" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Obligations**" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"**Qualified Receivables Financing**" means any Receivables Financing that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and its Restricted Subsidiaries, (ii) all sales of Receivables Assets and related assets by the Issuer or any Restricted Subsidiary to the Receivables Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Issuer); (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 and (iv) such financing shall be non-recourse to the Restricted Subsidiaries (other than a Receivables Subsidiary) except to a limited extent customary for such transactions, including any Standard Securitization Undertakings . The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"**Receivable**" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of IFRS.

"**Receivables Assets**" means (a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Financing 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 Financing.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"**Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a Wholly Owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"**refinance**" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "**refinances**," "**refinanced**" and "**refinancing**" as used for any purpose in the Indenture shall have a correlative meaning.

"**Refinancing Indebtedness**" means Indebtedness that is incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Issue Date or incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) (a) 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 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 Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or another Subsidiary 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 has an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including premiums, accrued and unpaid interest and defeasance costs) under the Indebtedness being refinanced.

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; *provided* that it is used to refinance amounts thereunder or other Indebtedness within 180 days of the relevant termination, discharge or repayment.

"**Related Person**" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Related Taxes**" means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent Holdco), required to be paid (*provided* such taxes are in fact paid) by any Parent Holdco by virtue of its:

(1) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries);

(2) issuing or holding Subordinated Shareholder Funding;

(3) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer's Subsidiaries;

(4) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries; or

(5) having made or received any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent Holdco pursuant to "*Certain covenants—Limitation on Restricted Payments*."

"**Replacement Assets**" means properties and assets that replace the properties and assets that were the subject of an Asset Disposition or properties and assets that will be used in the Issuer's or any Restricted Subsidiary's business or any and all other businesses that in the good faith judgment of the Board of Directors or any member of Senior Management of the Issuer are related thereto.

"**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 under the multi-currency revolving credit facility agreement to be entered into on or before the Issue Date, among Norican Group ApS, as original borrower, and Skandinaviska Enskilda Banken AB (publ), as lender and arranger.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Security Documents**" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"**Senior Management**" means the officers, directors, and other members of senior management of the Issuer or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent Holdco.

"**Senior Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that (a) is secured by a first-priority Lien on the Collateral or (b) that is incurred by a Restricted Subsidiary that is not a Guarantor and that in the case of each of (a) and (b), is incurred under the first paragraph of the covenant described under "*Certain covenants—Limitation on Indebtedness*" or clauses (1), (4), (5), (7), (11), (12)(ii), (13) or (14) of the second paragraph of the covenant described under "*Certain* *covenants—Limitation on Indebtedness*" (in the case of clause (4), to the extent such Indebtedness constitutes Indebtedness under the Notes (excluding Additional Notes and Management Advances)) and any Refinancing Indebtedness in respect thereof, in all cases without double-counting.

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated Adjusted EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Specified Change of Control Event**" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that giving pro forma effect thereto, the Consolidated Net Leverage Ratio of the Issuer would have been no greater than (i) 3.75 to 1.0 prior to November 1, 2018 and (ii) 3.25 to 1.0 on and after November 1, 2018. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the indenture after the Issue Date.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, with respect to any 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 (i) expressly subordinated in right of payment to the Notes or the Notes Guarantees, as applicable, pursuant to a written agreement or (ii) secured by a Lien on the Collateral on a junior basis to the Liens on the Collateral securing the Notes pursuant to a written agreement; *provided* that Subordinated Shareholder Funding is excluded from this definition.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Issuer by any Parent Holdco, any Affiliate of any Parent Holdco 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 first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of 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 first anniversary of 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 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 "Shareholder 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 Holdco, any Affiliate of any Parent Holdco, any holder of Capital Stock of a Parent Holdco or any Affiliate of a Parent Holdco 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 Subsidiary Guarantor with its obligations under the Notes, any Notes Guarantee thereof 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.

"**Subsidiary Guarantor**" means a Guarantor that is a Subsidiary of the Issuer, including the Norican Guarantors and the LMCS Guarantors.

"**Target**" means Light Metal Casting Solutions Group GmbH (formerly known as Light Metal Casting Group GmbH).

"**Tax Sharing Agreement**" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent Holdco 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 Holdco 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 Issuer to enable a Parent Holdco to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent Holdco under any profit and loss pooling agreement).

"**Tax Structure Memo**" means the structuring report prepared by the Issuer and BDO LLP in respect of Project Feather dated as of April 28, 2017.

"**Taxes**" means all present and future taxes, levies, imposts, assessments, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"**Temporary Cash Investments**" means any of the following:

(1) any Investment in:

(a) direct obligations of, or obligations guaranteed by, (i) the United States of America or Canada, (ii) any Pre-Expansion European Union member state (other than Greece, Portugal and Spain), (iii) 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; or

(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 Pre-Expansion European Union member state (other than Greece, Portugal and Spain) or 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 Pre-Expansion European Union (other than Greece, Portugal and Spain), 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.

"**Transaction**" shall have the meaning assigned to such term in this Offering Memorandum under the caption "*Summary—The Transactions*."

"**U.S. GAAP**" means generally accepted accounting principles in the United States of America as in effect from time to time.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer, (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock of the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment, if any, of the Issuer in such Subsidiary complies with "*Certain covenants—Limitation on Restricted Payments*."

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**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

The Notes sold will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Global Notes**"). The Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or 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 or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interests in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or "holder" of the Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or their respective nominees), will be considered the sole registered holder of the Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of Euroclear or Clearstream, as applicable, and the participants through which they own Book-Entry Interests in order to exercise any rights of holders of the Notes under the Indenture.

None of the Issuer, the Notes Guarantors, the Registrar, the Transfer Agent, the Trustee, the Paying Agent under the Indenture, nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive definitive Notes in registered form (the "**Definitive Registered Notes**") only in the following circumstances:

- if either Euroclear or Clearstream notifies the Issuer that they are unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

- if the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an Event of Default under the Indenture.

In any such 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 and/or Clearstream or the Issuer (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or by applicable law. See "*Notice to investors*."

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any of their respective agents 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 offices of the Issuer, and such registration is a means of evidencing title to the Notes.

The Issuer will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

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 distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate in accordance with their respective operational procedures; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount at maturity, or less, may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture governing the Notes, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any of their respective agents will treat the registered holder of the Global Notes (for example, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Notes Guarantors, the Trustee, the Paying Agent, the Registrar nor any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

Currency and payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interest in the Notes (the "**Euroclear/Clearstream Holders**") through Euroclear and/or Clearstream, as applicable, in euro.

Action by owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes 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 Indenture, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

The Global Notes will bear a legend to the effect set forth in "*Notice to investors*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "*Notice to investors*."

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in the 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 "*Notice to investors*."

Information concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer, the Notes Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of their respective agents are responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations, and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in 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. In addition, owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the Global Notes only through Euroclear or Clearstream participants.

Global clearance and settlement under the book-entry system

The Notes represented by the Global Notes are expected to be listed on the Official List of the Exchange and for permission to be granted to deal in the Notes 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 and Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Notes Guarantors, the Initial Purchasers, the Trustee, the Registrar, the Transfer Agent, the Paying Agent nor any of their respective agents 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 euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream Holders on the business day following the settlement date against payment for value on the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special timing considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear and/or Clearstream, as applicable, 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. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels if Euroclear is used or Luxembourg if Clearstream is used.

Trustee's powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee of the Common Depositary for the clearing systems, the Trustee may have regard to, and rely on, without further investigation, any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of the Notes in such principal amounts.

Plan of distribution

Each of the Issuer, the Notes Guarantors and the Initial Purchasers will enter into a purchase agreement to be dated the date of this Offering Memorandum (the "**Purchase Agreement**"), pursuant to which the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase from the Issuer, Notes in an aggregate principal amount of €340.0 million. The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel.

The Notes will initially be offered at the price indicated on the cover page of this Offering Memorandum. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may make offers and sales in the United States through certain affiliates of the Initial Purchasers. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to prospective investors and to reject orders in whole or in part. The Initial Purchasers and their affiliates may also receive certain fees and payments in connection with the Transaction.

The Purchase Agreement provides that the Issuer and each Notes Guarantor will indemnify the Initial Purchasers against certain liabilities, including certain liabilities under the U.S. Securities Act, or will contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act. The Initial Purchasers have agreed that they will only offer or sell the Notes to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used above have the meanings given to them by Regulation S under the U.S. Securities Act.

In connection with sales outside the United States, the Initial Purchasers will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes or the date the Notes are originally issued. The Initial Purchasers will send to each distributor, dealer or person to whom it sells such Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering of the Notes or the date the Notes are originally issued, an offer or sale of such Notes within the United States by a dealer that is not participating in the offering of the Notes may violate the registration requirements of the U.S. Securities Act.

Each Initial Purchaser has represented and agreed that: (a) 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 (b) 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.

The Notes and the Notes Guarantees are a new issue of securities for which there currently is no market. Application has been 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 Exchange. However, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The Initial Purchasers (or persons acting on their behalf) have advised the Issuer that they currently intend to make a market in the Notes. However, the Initial Purchasers are not obligated to do so, and may discontinue any market-making activities with respect to the Notes at any time at the sole discretion of the Initial Purchasers without notice. In addition, market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act, and may be limited. Accordingly, there can be no assurance as to the liquidity of or the trading market for the Notes or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—The Notes may not become or remain listed on the Official List of the Exchange.*"

Buyers of the Notes sold by the Initial Purchasers may be required to pay stamp taxes, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this Offering Memorandum.

We expect that delivery of the Notes will be made against payment on the Notes on the date specified on the cover page of this Offering Memorandum, which will be seven business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+7"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the following three business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

In connection with the issue of the Notes, J.P. Morgan Securities plc, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilization Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, may also over allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in market making transaction as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—An active trading market may not develop for the Notes, in which case your ability to sell the Notes may be limited.*" Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

The Initial Purchasers or their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business for the Issuer, the Notes Guarantors and their subsidiaries and affiliates. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Initial Purchasers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and the Issuer's interests.

In particular, Skandinaviska Enskilda Banken AB (publ) will act as the arranger under the Revolving Credit Facility and receive customary fees for its services in such capacity. Additionally, Skandinaviska Enskilda Banken AB (publ) or its affiliates are lenders under the Existing Senior Facilities, and the Issuer intends to use a portion of the proceeds from the Offering to repay borrowings under such Existing Senior Facilities in full.

Additionally, the Initial Purchasers and/or their respective affiliates have previously received and may in the future receive payment and other services provided by the Issuer.

The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes. Certain of the Initial Purchasers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 the Issuer or the Issuer's affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to investors

You are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of any of the Notes and/or the Notes Guarantees offered hereby.

The Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act, or securities laws of any other jurisdiction, and, unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any other jurisdiction. Accordingly, the Notes and the Notes Guarantees offered hereby are being sold only to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

In addition, with respect to the Notes initially sold pursuant to Regulation S, until 40 days after the commencement of the offering of the Notes, an offer or sale of such Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

The Issuer and the Notes Guarantors, as applicable, have not registered and will not register the Notes or the Notes Guarantees under the U.S. Securities Act and, therefore, 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 U.S. Securities Act. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only, to non-U.S. persons in offshore transactions in accordance with Regulation S.

The terms "U.S. person," "offshore transaction" and "United States" are used with the meanings given to them in Regulation S.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the Notes Guarantees are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act and that (A) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only to a non-U.S. person in a transaction complying with Regulation S, and (iii) in compliance with the registration requirements of the U.S. Securities Act or pursuant to exemption therefrom or in any transaction not subject thereto, and in each case in compliance with the conditions for transfer set out in paragraph (5) below, in each case in accordance with any applicable securities laws of any state of the United States, and that (B) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from you of the resale restrictions referred to in (A) above.

(2) You are a non-U.S. person (not purchasing for the account or benefit of a U.S. person, other than a distributor) and you are purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that none of the Issuer, the Notes Guarantors or the Initial Purchasers, nor any person representing them, has made any representation to you with respect to the offer or sale of any 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 neither the Initial Purchasers nor any person representing the Initial

Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You acknowledge that the Issuer, and not the Initial Purchasers, have ultimate authority over the statements contained in this Offering Memorandum, including the content of those statements and whether and how to communicate them. You also acknowledge that you have had access to such financial and other information concerning the Issuer 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, the Issuer and the Initial Purchasers.

(4) 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 U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer, a Notes Guarantor or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) pursuant to offers and sales to non-U.S. persons in offshore transactions that occur outside the United States in compliance with Regulation S or (iv) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act or in any transaction not subject thereto, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and 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, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect: "THIS NOTE HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE 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 U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A NON-U.S. PERSON ACQUIRING THIS NOTE OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**"), (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 NOTES, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S ONLY (A) TO THE ISSUER, THE NOTES GUARANTORS OR ANY SUBSIDIARY THEREOF (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF REGULATION S OR

(D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR IN ANY TRANSACTION NOT SUBJECT THERETO, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE 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, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "U.S. PERSON," "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANING GIVEN TO THEM BY REGULATION S."

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL LAW OF THE UNITED STATES OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR STATE, LOCAL, OTHER FEDERAL LAW OF THE UNITED STATES OR NON-U.S. LAW, FOR WHICH AN EXEMPTION IS NOT AVAILABLE."

(7) If you purchase the Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in such Notes as well as to registered holders of such Notes.

(8) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(9) You acknowledge that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and 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, you shall promptly notify the Initial Purchasers. 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.

(10) You acknowledge that until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering of the Notes) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the U.S. Securities Act.

(11) You understand that no action has been taken in any jurisdiction (including the United States) 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 the Issuer, any of the Notes Guarantors or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in this section of the Offering Memorandum and/or in the front of the Offering Memorandum under "*Important information about selling and jurisdictional restrictions*," and "*Plan of distribution*."

(12) Each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any "employee benefit plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, or "**ERISA**") subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Internal Revenue Code of 1986, as amended from time to time, including the regulations promulgated and the rules issued thereunder, or the "**Code**," or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Law**"), or any entity whose underlying assets are considered to include "plan assets" (within the meaning of Section 2510.3-101 of Title 29 of the United States Code of Federal Regulations, as modified by Section 3(42) of ERISA) of any such plan, account or other arrangement or (ii) the acquisition, holding and disposition of the Notes does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

Certain ERISA considerations

General

ERISA imposes certain requirements on employee benefit plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans ("**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**") and certain persons (referred to as "*parties-in-interest*" or "*disqualified persons*")) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party-in-interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Any Plan fiduciary which proposes to cause a Plan to purchase the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Non-U.S. plans (as described in Section 4(b)(4) of ERISA), governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code ("**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, and the availability, if necessary, of, any exceptive relief under any such law or regulations.

Prohibited transaction exemptions

The fiduciary of a Plan that proposes to purchase and hold any Notes should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party-in-interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party-in-interest or a disqualified person; or (iii) the transfer to, or use by or for the benefit of, a party-in-interest or disqualified person, of any Plan assets. Such parties-in-interest or disqualified persons could include, without limitation, the Issuer, the Notes Guarantors, the Initial Purchasers, the Trustee or any of their respective affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the Notes on behalf of a Plan, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code or Prohibited Transaction Class Exemption ("**PTCE**") 84-14 (relating to transactions effected by a "*qualified professional asset manager*"), PTCE 90-1 (relating to investments by insurance company-pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the "**Class Exemptions**") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Representation and warranty

Accordingly, each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any Plan or plan subject to Similar Law, or any entity whose underlying assets are considered to include "plan assets" (within the meaning of Section 2510.3-101 of Title 29 of the United States Code of Federal Regulations, as modified by Section 3(42) of ERISA) of any such Plan or plan or (ii) the acquisition, holding and disposition of the Notes does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that each Plan fiduciary (and each fiduciary for non-U.S., governmental or church plans subject to Similar Law) consult with its legal advisor concerning the potential consequences to the Plan or plan under ERISA, the Code or such Similar Laws of an investment in the Notes. The sale of any Notes by or to any Plan or plan is in no respect a representation by the Issuer or any of its affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by such Plans or plans generally or any particular Plan or plan, or that such an investment is appropriate for such Plans or plans generally or any particular Plan or plan.

Taxation

The following summary is a mere outline of general rules. Taxation does, however, depend on personal circumstances of each prospective purchaser. Potential purchasers of Notes can neither rely on the accuracy of the information below nor on its applicability on their individual circumstances, wherefore they are advised to consult a tax advisor of their own in order to procure information on the tax consequences that a purchase of the Notes may have for them under the tax laws of their country of residence, including, but not limited to, the consequences of receipt of interest and premium, if any, on, and sale or redemption of, the Notes or any interest therein.

Material U.S. federal income tax consequences

The following is a summary of material U.S. federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. This summary deals only with Notes that are held as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, (the "**Code**") (generally, property held for investment) by a U.S. holder (as defined below) who acquires our Notes upon original issuance at their initial "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the Notes is sold to the public for cash).

As used herein, a "U.S. holder" means a beneficial owner of Notes that is for U.S. federal income tax purposes any of the following:

(a) an individual citizen or resident of the United States;

(b) 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;

(c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations ("**Treasury Regulations**") to be treated as a United States person.

This summary is based upon provisions of 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 U.S. federal income taxation and does not deal with foreign, state, or local or other tax considerations that may be relevant to U.S. holders in light of their personal circumstances, including the Medicare tax on net investment income. 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:

(a) 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, banks and other financial institutions, regulated investment companies, individual retirement and other tax-deferred accounts, real estate investment trusts, investors in partnerships, S corporations or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies; persons that are members of an "expanded group" or a "modified expanded group" within the meaning of Treasury Regulations Section 1.385-1 of which the Issuer is also a member; persons who actually or constructively own more than 10% of our voting stock; or U.S.

expatriates and former citizens or long-term residents of the United States or entities covered by the U.S. anti-inversion rules;

(b) tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;

(c) tax consequences to U.S. holders whose "functional currency" is not the U.S. dollar;

(d) alternative minimum tax consequences, if any; or

(e) any state, local or foreign tax consequences.

If a partnership (or other entity or arrangement 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 partner of a partnership, you should consult your tax advisors concerning the U.S. federal income tax consequences to you of the acquisition, ownership and disposition of Notes by the partnership.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the ownership of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Characterization of the Notes

Under certain circumstances (e.g., "*Description of the Notes—Change of Control*"), the Notes provide for payments in excess of Stated Interest and principal and/or redemption prior to their stated maturity. We intend to take the position that these provisions will not cause the Notes to be subject to the contingent payment debt instrument rules of applicable Treasury Regulations (the "**CPDI Rules**"). This position is based in part on assumptions that, as of the date of 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 this contingency is remote or incidental is binding on a U.S. holder, unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. The Issuer's position is not, however, binding on the IRS. If the IRS successfully challenged our position, the tax consequences of owning and disposing of the Notes could be materially different than those described herein, including with respect to the character, timing and amount of income, gain or loss recognized. The remainder of this discussion assumes that the Notes are not subject to the CPDI Rules, but there can be no assurances in this regard. U.S. holders are urged to consult their own tax advisors regarding the potential application to the Notes of the CPDI Rules and the consequences thereof.

Payments of Stated Interest

Subject to the discussion below, Stated Interest on a Note (including any Additional Amounts paid in respect of withholding taxes and without reduction for any amounts 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. You may be entitled to deduct or credit any tax that is withheld, 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). Stated Interest income (including any Additional Amounts) on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered "passive category income" or, in the case of certain U.S. holders, "general 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 advisor 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 euros 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 you may recognize exchange gain or loss attributable to the actual disposal of the euros 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 spot 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:

(a) the last day of the accrual period;

(b) the last day of the taxable year if the accrual period straddles your taxable year; or

(c) 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 availability of making the above election.

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 interest previously included in income(as discussed below)), if you use the accrual method of accounting for U.S. federal income tax purposes you will recognize exchange gain or loss in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros 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 regardless of whether the payment is in fact converted into U.S. dollars at such time. Any such exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Sale, exchange, retirement, redemption and other disposition of Notes

Upon the sale, taxable exchange, retirement, redemption 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, retirement, redemption or other disposition (less an amount equal to any accrued but unpaid Stated Interest that you did not previously include in income, which will be treated as a payment of interest for U.S. federal income tax purposes as described above under "—*Payments of Stated Interest*") 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 euros, your cost generally will be the U.S. dollar value of the purchase price on the date of such purchase. If your Note is sold, exchanged, retired, redeemed or otherwise disposed of for an amount in euros, the amount realized generally will be the U.S. dollar value of such euros amount received on the date of sale, exchange, retirement, redemption or other disposition. If you are a cash method taxpayer and the Notes are traded on an established securities market, euros paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the taxable disposition of your Notes. An accrual method taxpayer may elect the same treatment with respect to the taxable disposition 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, retirement, redemption or other 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 significant limitations. Gain or loss realized by you on the sale, exchange, retirement, redemption or other 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 euros 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, retirement, redemption or other 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 euros

Your tax basis in the euros received as interest on a Note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. Upon the sale, taxable exchange, retirement or other taxable disposition of a Note, if the Notes are traded on an established securities market, a cash basis taxpayer (or, upon election, an accrual basis taxpayer) will have a basis in the euros received equal to the U.S. dollar value thereof at the spot rate in effect on the settlement date of such disposition (that is, the same date that the euros are valued for purposes of determining the amount realized on the Note). In all other cases, since the amount realized is based on the spot rate in effect on the date of the taxable disposition of the Note (including the trade date if the Notes are traded on an established securities market), (i) the taxpayer will realize foreign exchange gain or loss to the extent the U.S. dollar value of the euros received (based on the spot rate in effect on the date of receipt) differs from the U.S. dollar value of the euros on the date of the taxable disposition of the Note, and (ii) the taxpayer's basis in the euros received will equal the U.S. dollar value of the euros, based on the spot rate in effect on the date of receipt.

Any gain or loss recognized by you on a sale, exchange or other disposition of the euros will be ordinary income or loss and generally will be U.S. source gain or loss.

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 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, in each case, 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).

Backup withholding and information reporting

Generally, information reporting requirements will apply to all payments of principal and interest on, or the proceeds from a sale or other disposition of, a Note, unless you are an exempt recipient, such as a corporation. Additionally, if you fail to provide your taxpayer identification number to the Paying Agent and certifies on IRS Form W-9, under penalties of perjury, that it is not subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules you may be subject to backup withholding at the applicable rate (currently 28 per cent).

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 U.S. federal income tax liability, *provided* that the required information is timely furnished to the IRS. You are urged to consult your own tax advisors regarding backup withholding and information reporting requirements relating to your ownership of the Notes.

United States return disclosure requirements for individual U.S. holders

Individuals that own "specified foreign financial assets" with an aggregate value in excess of certain thresholds generally are required to file an information report with respect to such assets by attaching a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets). The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Penalties may apply for failure to properly complete and file IRS Form 8938. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes.

Foreign account tax compliance act

Pursuant to Sections 1471 through 1474 of the Code and the Treasury Regulations promulgated thereunder (provisions commonly known as "FATCA"), a "foreign financial institution" may be required to withhold U.S. tax on certain foreign passthru payments to the extent such payments are treated as attributable to certain U.S. source payments. The Treasury Department has announced that withholding for foreign passthru payments will not start until the later of January 1, 2019 or the publication date of final regulations defining foreign passthru 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" from FATCA unless "materially modified" (for U.S. federal income tax purposes) after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after expiration of the grandfather period. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. You should consult your own tax advisors on how these rules may apply to your investment in the Notes. In the event any withholding under FATCA is required or advisable with respect to any payments on the Notes, there generally will be no additional amounts payable to compensate for the withheld amount.

Danish tax considerations

The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date hereof and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contract their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Resident holders of Notes

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest or any premiums on the Notes through their permanent establishment in Denmark are liable to pay tax on interest or premiums received on the Notes.

Capital gains are generally taxable to individuals and corporate entities in accordance with the Danish act on taxation of debt, debt claims and financial contracts ("*Kursgevinstloven*"). However, gains and losses are only taxable to private individual investors if the net gain or loss of a year exceeds DKK 2,000 (approximately €260). Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle ("*lagerprincippet*"), i.e. on an unrealized basis. Gains and losses on Notes held by individuals are generally taxed on a realized basis.

Pension funds and other entities governed by the Danish act on taxation of pension yield ("*Pensionsafkastbeskatningsloven*") are, irrespective of realization, taxed on the annual value increase or decrease of the Notes according to a mark-to-market principle ("*lagerprincippet*") as specified in that act.

Holders of Notes not resident in Denmark

The purchase, ownership and disposal of the Notes by non-Danish investors will generally not have any Danish tax consequences. Further, payments of interest or any premiums from the Issuer or, in case Danish Notes Guarantors become liable under the Notes Guarantees, payments of interest from such Danish Notes Guarantors are not subject to taxation in Denmark, no withholding tax will be payable with respect to such payments and any capital gain realized upon the sale, exchange or redemption of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer or to the relevant Notes Guarantor. This tax treatment applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

EU Savings Directive

Under the EU Savings Directive paying agents in Denmark are required to provide the tax authorities in Luxembourg certain specific information about the holders of beneficial interests in the Notes.

Swiss tax considerations

The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Bonds and may not apply to certain classes of persons. The Issuer and the Notes Guarantor make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

Swiss federal withholding tax

Interest payments subject to withholding tax

It may be the case that payments by the Issuer or the Notes Guarantor, of interest on, and repayment of principal of, the Notes, will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes, but this would require confirmation from Swiss tax authorities.

A holder of a Note who is an individual resident in Switzerland and who holds the Note as private asset and who duly reports the gross amount of the taxable payment in his or her tax return or, the case of a holder who is a legal entity or an individual holding a Note through a Swiss business and who includes such payment as earnings in the income statement, and, who in each case is the beneficial owner of the taxable payment, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, provided certain other conditions are met.

Potential change to Paying Agent-based system

On 4 November 2015, the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for a reform of the Swiss withholding tax system. The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments, as disclosed above, with a paying agent-based regime for Swiss withholding tax. This paying agent-based regime is expected to be similar to the one contained in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015.

Swiss federal stamp duty

The issue and the sale of the Notes on the issuance day (primary market transaction) is neither subject to Swiss federal issuance stamp duty (*Emissionsabgabe*) nor Swiss federal securities turnover stamp duty (*Umsatzabgabe*). Secondary market dealings in Notes may be subject to Swiss federal securities turnover stamp duty at a rate of up to 0.3% of the purchase price of the Notes, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss federal stamp duty act (*Bundesgesetz über die Stempelabgaben*), is a party, or acts as an intermediary, to the transaction and no exemption applies.

Income taxation on principal or interest

Notes held by non Swiss holders

Payments of interest (including, if any, payments reflecting original issue discount or accrued interest) and repayment of principal by the Issuer, failing which by the Notes Guarantor, to, and gain realized on the sale or redemption of Notes by, a holder of Notes who is not a resident of Switzerland and who during the respective taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Notes are attributable are not subject to Swiss federal, cantonal or communal income tax. For a discussion of the deduction of Swiss federal withholding tax from interest payments, see above "*—Swiss federal withholding tax*," for a discussion of the automatic exchange of information in tax matters, see below under "*—International automatic exchange of information in tax matters*," and for a discussion of the Swiss facilitation of the implementation of the Foreign Account Tax Compliance Act, see below under "*—Swiss facilitation of the implementation of the U.S. Foreign Account Tax Compliance Act*."

Notes held as private assets by Swiss resident holders

An individual who is resident in Switzerland and who holds Notes as private assets is required to include all payments of interest (including, if any, payments reflecting issue discount or accrued interest) in respect of the Notes by the Issuer, failing which by the Notes Guarantor, in his or her personal income tax return for the relevant tax period and is taxable on any net taxable income for such tax period.

A capital gain (including a gain relating to issue discount or accrued interest) realized on the sale of Notes by such a holder, is tax free private capital gain, and, conversely, respective loss is non tax deductible private capital loss.

Notes held as Swiss business assets and by private persons classified as professional securities dealers

Individuals who hold Notes as part of a business in Switzerland, and Swiss resident corporate taxpayers, and corporate taxpayers resident abroad holding Notes through a permanent establishment in Switzerland, are required to recognize payments of interest (including, if any, payments reflecting issue discount or accrued interest) in respect of the Notes by the Issuer, failing which by the Notes Guarantor, and gain realized on the sale or redemption of such Notes (including gain relating to issue discount or interest accrued) and impairment or loss in respect of such Notes in their income statement for the respective tax period and are taxable on any net taxable earnings for such period at the then prevailing tax rates. The same taxation treatment also applies to Swiss resident individuals who, for Swiss income tax purposes, classify as "professional securities dealers" for reasons of, *inter alia*, frequent dealings, or leveraged investments, in securities.

Automatic Exchange of Information in Tax Matters

On 1 January 2017, the Agreement on the Automatic Exchange of Information in Tax Matters (AEOI Agreement) became effective. Switzerland has concluded an agreement on the automatic exchange of information (AEOI) with the EU and a number of bilateral agreements with non-EU countries (Treaty States) which became effective on January 1, 2017, or, subject to ratification, will become effective on 1 January 2018. Based on these agreements and the implementing Federal Act on the International Automatic Exchange of Information in Tax Matters and the implementing Ordinance on the International Automatic Information Exchange, each effective since 1 January 2017, Switzerland collects or will collect data in respect of financial assets and accounts in Switzerland, including Notes, held by or for the benefit of individuals resident in a EU member state or in a Treaty State from 2017 or 2018, and will begin to exchange it from 2018 or 2019, depending on the effectiveness date of the relevant agreement.

Swiss facilitation of the implementation of the U.S. Foreign Account Tax Compliance Act

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland. On 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the U.S. on changing the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. The new regime may come into force earliest in 2018.

British Virgin Islands tax considerations

As regards British Virgin Islands law considerations in relation to the Notes Guarantor incorporated in the British Virgin Islands (the "**British Virgin Islands Notes Guarantor**"), the British Virgin Islands Notes Guarantor and all dividends, interest, rents, royalties, compensations and other amounts paid by the British Virgin Islands Notes Guarantor are exempt from the provisions of the Income Tax Ordinance in the British Virgin Islands; and any capital gains realized with respect to any shares, debt obligations or other securities of the British Virgin Islands Notes Guarantor are exempt from all provisions of the Income Tax Ordinance in the British Virgin Islands. No estate, inheritance, succession or gift tax is payable with respect to any shares, debt obligations or other securities of the British Virgin Islands Notes Guarantor. All instruments relating to transfers of property to or by the British Virgin Islands Notes Guarantor and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the British Virgin Islands Notes Guarantor and all instruments relating to other transactions relating to the business of the British Virgin Islands Notes Guarantor are exempt from the payment of stamp duty in the British Virgin Islands except for where an interest in land situated in the British Virgin Islands is involved. There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the British Virgin Islands Notes Guarantor.

Czech Republic tax considerations

Payments by a Notes Guarantor

If a Notes Guarantor makes any payments in respect of interest on 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 which may apply. It is not certain that such payments by the Notes Guarantor will be eligible for all the exemptions described above.

German tax considerations

The following is a summary description of the taxation in Germany of the Notes according to the German tax laws in force at the date hereof and is subject to any changes in law and the interpretation and application thereof, potentially with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Resident Holders of Notes

This subsection "*Resident Holders of Notes*" refers to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Income derived from capital investments under the Notes held by an individual holder who is tax resident in Germany is in general subject to German income tax at a flat-tax rate of 25% (plus solidarity surcharge and church tax, if applicable, thereon) (*Abgeltungsteuer*) if the Notes are held as private investment (*Privatvermögen*). Expenses are not deductible, but an allowance on flat-tax income of €801 for individuals or €1,602 for married couples or registered life partnerships is available. Such income will be subject to German withholding tax if the Notes are kept or administered in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Custodian**, *auszahlende Stelle*). The German withholding tax should usually be commensurate with the tax due by an individual tax resident in Germany who holds the investment as private investment. Where no or incomplete withholding has occurred, the individual is required to include the income in his tax returns. Losses from (partial or full) write-offs of the debt are not deductible.

Where Notes form part of a trade or business of an individual or corporate holder the withholding tax, if any, will not satisfy the personal or corporate income tax liability, instead such income tax is set at individual rates and withholding tax is credited against the final tax charge. For corporate investors, tax will be levied at the corporate income tax rate of currently 15.825% (including solidarity surcharge). Where Notes form part of a German trade or business the current income (such as interest, whether accrued or not) and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax

(*Gewerbesteuer*). The trade tax liability depends on the municipal trade tax factor (*Gewerbesteuerhebesatz*) applicable to the relevant holder. If the holder is an individual or an individual partner of a partnership, the trade tax may generally be completely or partly credited against the personal income tax pursuant to a lump sum tax credit method.

Holders of Notes not resident in Germany

The purchase, ownership and disposal of the Notes by investors who are not tax resident in Germany will generally not have any German tax consequences, provided that the Notes are not held through a German Custodian and that the Notes are not allocable to a German permanent establishment or German permanent representative and have no other nexus to Germany, such as being used as security for German source income. In potential OTC transactions involving German banks, German withholding tax may apply, too.

Other taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer)* is not levied in Germany.

The European Commission and certain EU member states (including Germany) are currently intending to introduce a financial transaction tax (**FTT**) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU member states and when the FTT will enter into force with regard to dealings with the Notes.

General tax considerations

Payments by a Notes Guarantor

If a Notes Guarantor makes any payments in respect of interest on 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 which may apply. It is not certain that such payments by the Notes Guarantor will be eligible for all the exemptions described above.

Limitations on validity and enforceability of the Notes Guarantees and the security interests

Set forth below is a summary of certain limitations on the validity and enforceability of the Notes Guarantees and the security interests in some of the jurisdictions in which Notes Guarantees or Collateral are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Notes Guarantees and the security interests in the Collateral. Also set forth below is a brief description of certain aspects of insolvency law in the European Union, Denmark, the British Virgin Islands, the Czech Republic, England and Wales, Germany, Italy, Switzerland, and the states of Delaware, Illinois and Michigan (United States of America).

European Union

The Issuer in Denmark and the Notes Guarantors in Czech Republic, Denmark, Germany, and England and Wales are organized under the laws of Member States of the European Union. There is European Union legislation governing where insolvency proceedings in respect of those companies (other than those who have their "centre of main interests", as explained further below, in Denmark) may be opened. As of June 26, 2017, Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the "**Recast EU Insolvency Regulation**") will replace the current Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "**EU Insolvency Regulation**"). The EU Insolvency Regulation will, however, continue to apply to insolvency proceedings opened prior to June 26, 2017.

Regime applicable to insolvency proceedings opened before June 26, 2017: the EU insolvency regulation

Main insolvency proceedings

Pursuant to the EU Insolvency Regulation, which applies within the European Union (other than Denmark) the court that shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the relevant company has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where a company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Furthermore, "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 jurisdiction to open insolvency proceedings, at the time of the filing of the insolvency petition or analogous document commencing the proceedings. Although under Article 3(1) of the EU Insolvency Regulation there is a rebuttable presumption that a company would have its "centre of main interests" in the Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "centre of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." The European Court of Justice has ruled that a debtor company's "centre of main interests" must be determined by attaching greater importance to the place of the company's central administration, as may be established by objective factors that are ascertainable by third parties. Factors that have been taken into account by the courts include, in particular, all the places in which the debtor company pursues economic activities and all those in which it holds assets, insofar as they are ascertainable by third parties for example, where board meetings are held and accounts prepared, the location from which the debtor company conducts the majority of its business or has its head office and the location where the debtor company's creditors perceive to be the center of the company's business operation.

The EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

Territorial or secondary insolvency proceedings

If the "centre of main interests" of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, only the courts of that member state have jurisdiction to open "main" insolvency proceedings in respect of that company under the EU Insolvency Regulation. Separately, the courts of another Member State (other than Denmark) have jurisdiction to open so-called territorial insolvency proceedings against that company, but only if such company has an "establishment" in the territory of such other Member State. An "establishment" is defined to mean a place of operations where the company carries on non-transitory economic activity with human means and goods. This means a fixed place of business and dealings with third parties (as opposed to purely internal administration). The effects of territorial insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State. Where main proceedings have been opened in the Member State in which the company has its "centre of main interests," any proceedings opened subsequently in another Member State in which the company has an establishment (secondary proceedings) are limited to "winding-up proceedings" listed in Annex B of the EU Insolvency Regulation.

Where main proceedings in the Member State in which the company has its "centre of main interests" have not yet been opened, territorial insolvency proceedings can only be opened in another Member State where the company has an establishment where either (a) insolvency proceedings cannot be opened in the Member State in which the company's "centre of main interests" is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened (i) at the request of a creditor whose claim arises from the operation of the establishment or (ii) at the request of a creditor that is domiciled, habitually resident, or has its registered office in, the other Member State.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening main proceedings, which will be given the same effect in the other Member States, so long as no territorial or secondary proceedings have been opened there. The insolvency officeholder appointed by a court in a Member State that has jurisdiction to open main proceedings (because the company's "centre of main interests" is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State, or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

Regime applicable to insolvency proceedings opened after June 26, 2017: the Recast EU Insolvency Regulation

Main insolvency proceedings

Pursuant to Article 3(1) of the Recast EU Insolvency Regulation, the court which shall have jurisdiction to open insolvency proceedings in relation to a debtor company is the court of the Member State (other than Denmark) within which the debtor company's centre of main interests is situated. The "centre of main interests" is defined as "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties". Article 3(1), paragraph 2 of the Recast EU Insolvency Regulation, provides for a rebuttable presumption that a debtor company's "centre of main interests" is in the jurisdiction of the place of its registered office. Such presumption only applies if that debtor company's registered office has not been moved to another Member State within the three-month period prior to the request of the opening of insolvency proceedings. Otherwise, the presumption shall not apply and the court which shall have jurisdiction to open insolvency proceedings in relation to a company will be presumed to be the court of the Member State (other than Denmark) within which that debtor company had its registered office before moving it. Pursuant to Preamble 30 of the Recast EU Insolvency Regulation, it should also be possible to rebut this presumption where the debtor 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 (including those mentioned above) 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.

The Recast EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the Recast EU Insolvency Regulation.

Pursuant to Article 4 of the Recast EU Insolvency Regulation, a court requested to open insolvency proceedings will be required to examine whether it has jurisdiction pursuant to Article 3; such decision may be challenged by the debtor or any creditor on grounds of international jurisdiction.

Territorial or secondary insolvency proceedings

Insolvency proceedings opened in one Member State under the Recast EU Insolvency Regulation must be recognized in the other Member States (other than Denmark). Additionally, if the "centre of main interests" of a debtor company is in one Member State (other than Denmark), under Article 3(2) of the Recast EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "secondary" or "territorial" insolvency proceedings if that debtor company has an "establishment" in the territory of such other Member State. "Establishment" is defined as 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. As is the case under the EU Insolvency Regulation, this means a fixed place of business and dealings with third parties (as opposed to purely internal administration). The effects of those territorial (or secondary) insolvency proceedings opened in that Member State are restricted to the assets of the debtor company situated in such other Member State. As is the case under the EU Insolvency Regulation, where main proceedings have been opened in the Member State in which the debtor company has its "centre of main interests," any proceedings opened subsequently in another Member State in which the debtor company has an establishment (secondary proceedings) are limited to "winding up proceedings" listed in Annex B of the Recast EU Insolvency Regulation.

Where main proceedings in the Member State in which the company has its "centre of main interests" have not yet been opened, territorial insolvency proceedings can only be opened in another Member State where the company has an establishment where either (a) insolvency proceedings cannot be opened in the Member State in which the company's "centre of main interests" is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened (i) at the request of a creditor whose claim arises from the operation of the establishment or (ii) at the request of 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.

Under Article 36 of the Recast EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may prevent the opening of secondary insolvency proceedings in another Member State (other than Denmark) by giving a unilateral undertaking in respect of the assets located in the Member State (other than Denmark) in which secondary insolvency proceedings could be opened. For this purpose the insolvency officeholder must undertake to comply with the distribution and priority rights under the relevant national law and from which the local creditors would benefit if the insolvency proceeding was opened in the Member State where the assets are located. Such undertaking must be made in writing and is subject to approval by a qualified majority of local creditors, determined in accordance with applicable local laws. If approved, the undertaking is binding on the insolvent estate and if a court is requested to open secondary insolvency proceedings, it should, at the request of the insolvency officeholder in the main insolvency proceedings, refuse to open such proceeding if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Insolvency proceedings involving members of a group of companies

The Recast EU Insolvency Regulation provides for a cooperation and communication mechanism in the event that insolvency proceedings concerning two or more members of a group of companies are opened. Insolvency officeholders appointed in proceedings concerning a member of the group shall cooperate with any insolvency officeholder appointed in proceedings concerning another member of the group to the extent that such cooperation is appropriate. Similarly, the court which has opened proceedings shall also cooperate with any other court before which a request is made to open proceedings concerning another member of the group to the extent that cooperation is appropriate to facilitate the effective administration of the proceedings, is not incompatible with the rules applicable to them and does not entail any conflict of interest. In this respect, the courts may, where appropriate, appoint a third party, provided that this is not incompatible with the rules applicable to them.

Applicability of the EU Insolvency Regulation and the Recast EU Insolvency Regulation

The EU Insolvency Regulation and the Recast EU Insolvency Regulation do not affect the jurisdiction of courts outside the European Union (or the courts of Denmark) to open insolvency proceedings in respect of the Issuer or a Notes Guarantor incorporated in a Member State of the European Union in accordance with their local insolvency laws. Accordingly, in the event that the Issuer or any Notes Guarantor becomes, or is likely to become, insolvent, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings in respect of the Issuer or a Notes Guarantor incorporated in a Member State of the European Union (or Denmark) would be commenced, or the outcome of such proceedings. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfers, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your rights, your ability to enforce your rights under the Notes, the Notes Guarantees or the Collateral in these jurisdictions and limit any amounts that you may receive.

Czech Republic

Czech insolvency proceedings

If a Notes Guarantor organized under the laws of the Czech Republic and/or having its centre of main interests in the Czech Republic (the "**Czech Notes Guarantor**") becomes insolvent, holders of the Notes may be limited in their ability to enforce their rights under the Notes Guarantees or any security interests created under any security document over assets of the Czech Notes Guarantor. Pursuant to the Czech Insolvency Act (Act of the Czech Republic No. 182/2006 Coll., as amended), a debtor is insolvent (*v úpadku*) if it is either in "payment insolvency" (*platební neschopnost*) or "over-indebted" (*předlužení*).

The debtor is in "payment insolvency" if all of the following assumptions are fulfilled: the debtor (i) has more than one creditor; (ii) has unpaid debts which are overdue for more than

30 days; and (iii) is unable to pay these debts. The debtor is presumed to be unable to pay its debts if:

- the debtor has stopped making payments of a substantial part of its debts;
- the debtor has stopped making such payments for a period of more than three months following their maturity;
- it is impossible to satisfy any of the overdue debtor's debts through enforcement proceedings or execution; or
- the debtor fails to submit to the insolvency court lists of its property, obligations and employees and documents evidencing the insolvency or impending insolvency (in cases where such lists shall be submitted by the debtor to the insolvency court pursuant to the Czech Insolvency Act).

The debtor is "over-indebted" if it has more than one creditor and the sum of its liabilities exceeds the value of its assets. In the case of "over-indebtedness," all of the debtor's debts are taken into account, irrespective of whether they are already due or not. The Czech Insolvency Act also governs a threatening or impending insolvency, meaning circumstances where it is justified to assume, in light of all relevant circumstances, that the debtor will be unable to satisfy a substantial part of its debts in a due and timely manner.

As of and from 1 July 2017, when a new amendment to the Insolvency Act (the **Czech Insolvency Amendment**) will come into force, a debtor will not be insolvent (*v úpadku*) even if it is unable to meet its monetary obligations (*platební neschopnost*) provided that the difference between its due and payable obligations and its available proceeds (the "**Liquidity Gap**") is lower than 10% of its total due and payable obligations. Similarly, a debtor will not be insolvent if, based on a cash-flow projection, the Liquidity Gap is expected to decrease below 10% of its total due and payable obligations in the future (the legislation providing the length of such forecast period has not been enacted yet).

Pursuant to the Czech Insolvency Act, insolvency proceedings commence on the day the insolvency petition is delivered to the relevant insolvency court. However, the effects of the commencement of insolvency proceedings are only invoked upon the publication of the notice of the commencement of insolvency proceedings in the insolvency register. The insolvency petition can be filed by the debtor or any creditor of the debtor. The debtor, as well as each of its statutory proxies, directors and liquidators, is under the statutory obligation to file an insolvency petition without undue delay after it has learned or should have learned, acting diligently, of the debtor's insolvency.

After the insolvency petition is filed, the insolvency court has to ascertain first whether the debtor meets the above-described criteria of insolvency. This is examined in a single entry system with a uniform initial stage of the insolvency proceeding. Upon a court decision on insolvency of the debtor, there are three forms in which the debtor's insolvency can be resolved: (i) "bankruptcy proceedings"; (ii) "reorganization"; or (iii) "discharge from debts" (this option is, however, available only to individuals who do not act as business persons). In its decision declaring the debtor insolvent, the insolvency court will also appoint an insolvency administrator (*insolvenční správce*) who holds the power to deal with the insolvency estate (*majetková podstata*) to the extent that the debtor is prohibited by law or a decision of the insolvency court from dealing with its estate. The insolvency administrator will also ascertain, examine, list and collect in the debtor's assets and scrutinize filed claims. The insolvency administrator's remaining tasks will depend on whether the debtor's insolvency will be resolved by "bankruptcy proceedings" or "reorganization." Furthermore, before declaring the debtor insolvent, the insolvency court may appoint a preliminary administrator (in Czech, *předběžný správce*). A preliminary administrator is likely to be appointed in circumstances where the insolvency estate is large, if the insolvency court approved a moratorium, or for other reasons specified in the Czech Insolvency Act.

The aim of "reorganization" is the eventual satisfaction of creditors' claims while the debtor's business continues in operation. This is achieved by measures intended to revitalize the economic operation of the debtor's business in accordance with a reorganization plan approved by the insolvency court. The performance of the reorganization plan is continuously monitored by creditors. Reorganization is generally available only to companies with total net turnover in the last accounting period of at least CZK 50,000,000 (approximately €1.9 million), or with at least 50 employees. With the creditors' consent, however, reorganization is also available to smaller debtors, subject to further procedural conditions. Reorganization may not be used, *inter alia*, by companies in liquidation.

Since only a few debtors fulfill these criteria for reorganization, the most common way of resolving the debtor's insolvency is the "bankruptcy proceedings." The "bankruptcy proceedings" therefore qualify as main proceedings under the Czech Insolvency Act. It is a stage which follows the initial examination of the debtor's insolvency and the insolvency court's decision on the method to be used in order to resolve the debtor's insolvency. Unlike reorganization, bankruptcy may be used to resolve the insolvency of any type of debtor. When the insolvency court declares the debtor insolvent it will also place it into bankruptcy proceedings if no other method of resolving the debtor's insolvency is available. In "bankruptcy proceedings," the debtor's insolvency is resolved generally by a pro rata satisfaction of the ascertained creditors' claims out of the proceeds from the liquidated insolvency estate (*majetková podstata*). As a rule, the unsatisfied claims (in whole or in part) are not discharged. However, an exception to this rule includes corporate debtors who are wound up as a result of the termination of the bankruptcy proceedings and cease to exist following their deletion from the commercial register.

The commencement of the insolvency proceedings has the following key effects resulting in an immediate stay on individual creditor action: (i) claims and other rights of the creditors may not be enforced through an individual court action as long as such claims may be filed within the insolvency proceedings; (ii) any enforcement or creation of security must be carried out under the conditions set out in the Czech Insolvency Act; and (iii) except in the case of enforcement of certain priority receivables towards the insolvency estate (such as remuneration and costs of the insolvency administrator) and certain other priority receivables, enforcement of a decision affecting the debtor's assets may be ordered but may not be carried out.

Following the commencement of the insolvency proceedings, the debtor's authority to dispose of its assets will be very limited. The debtor may not perform any steps that would affect the structure, use or determination of the assets in a substantial way. In fact, the debtor is entitled to dispose of its assets only in the ordinary course of the debtor's business (i.e., thereby excluding major, risky and unusual transactions). In addition to the immediate stay on creditor action on the application of the debtor (with the approval of the majority of creditors by value) the insolvency court may declare a moratorium over the debtor. The insolvency court will set the period for the moratorium. This period can be further extended by the insolvency court on the application of the debtor (with the approval of the majority of creditors by value). If a moratorium is declared the court may not, for the period of the moratorium, declare the debtor insolvent and the contracts required for the continuation of the debtor's business are protected.

After the commencement of the insolvency proceedings, the creditors are entitled (but not obligated) to file their claims with the insolvency court. If a creditor fails to file its claim within the period of time set out by the insolvency court, such a claim will be disregarded by the insolvency court and will not be satisfied in the insolvency proceedings. The creditors may also file their claims which are future or contingent claims. The contingent claims are claims whose maturity is dependent on the fulfillment of certain condition(s).

The Czech Insolvency Act recognizes a preferred group of creditors, the "secured creditors," whose receivables are secured by a right to assets belonging to the insolvency estate such as a pledge, a retention right, a limitation of the right to transfer of real estate, a security transfer of a right or an assignment of a receivable or another similar right pursuant to foreign law. The secured creditor's claims rank after certain administrative claims but, to the extent they are secured, in priority to the unsecured creditors. The secured creditor may actually rank differently with respect to different portions of its secured claims. The secured creditor's claims shall be satisfied (up to the amount of the secured claim) from the gross proceeds of sale of the relevant security asset, less the costs of sale of the relevant security asset, the costs of maintenance and the insolvency administrator's remuneration. The rest of the secured creditor's claim (if any) will be settled *pari passu* with unsecured creditors.

In connection with filing of creditors' claims it is important to note that the Czech Insolvency Act sets out sanctions for overvaluation of creditor's claims. If, during the review process in the insolvency proceedings, it is revealed that the actual amount of a filed claim is less than 50% of the amount of the filed claim, the consequences for the creditor are as follows: (i) the filed claim will not be taken into consideration even to the extent it is actually ascertained (unless the insolvency court's decision on the amount of the filed claim depended on an expert's opinion or the court's discretion); and (ii) the creditor may be ordered by a court (upon the insolvency administrator's motion) to pay in favor of the "insolvency estate" an amount of up to the amount constituting the excess of the filed claim over the actual amount of the receivable. A similar consequence will occur if it is ascertained that the secured creditor has the right to receive satisfaction of a filed claim to the extent of less than 50% of the amount of the secured filed claim or that such secured creditor has the right to receive satisfaction ranking lower than what was claimed in the filing. In such instances: (i) the creditor's right to that security shall not be taken into account (the secured creditor becomes an unsecured creditor) (unless the insolvency court's decision on the amount of the filed claim depended on an expert's opinion or the court's discretion); and (ii) the court may order the creditor to pay creditors who claim to receive payment on a secured basis over the same assets up to the amount by which the amount of the secured claim in the filing exceeds the value of the secured claim as determined in the insolvency proceedings.

Pursuant to the Czech Insolvency Act, the ineffectiveness of the following legal acts of the debtor shall be established by a decision of the insolvency court on an action filed by the insolvency administrator, provided that the debtor has through such acts impaired the ability or reduced the sums available for the satisfaction of its creditors or has favored certain creditors at the expense of others:

- legal acts by which the debtor enters into transactions without receiving consideration (*bezúplatně*), or for consideration substantially lower than the usual price for performing such a transaction (the "**Legal Acts at Undervalue**");
- legal acts by which the debtor enters into transactions with the intention to curtail the satisfaction of its creditor or creditors whilst such intention was or must have been known to that creditor or creditors (the "**Fraudulent Transfers**"); and
- legal acts which result in a creditor receiving greater consideration than it would otherwise have received in the debtor's bankruptcy, to the detriment of other creditors (the "**Preferential Legal Acts**").

It is upon the discretion of the insolvency administrator whether to file an action challenging such legal actions of the debtor. The insolvency administrator is always required to do so upon the resolution of the creditors' committee.

The insolvency administrator may file an action against all such acts that were taken by the debtor in the last three years preceding the commencement of the insolvency proceedings for the benefit of a person forming a corporate group, i.e., being affiliated with the debtor, or within one year preceding the commencement of the insolvency proceedings for the benefit of any third party. In general, the Czech Insolvency Act shifts the burden of proof in respect to certain matters on the insolvent debtor's counterparty and extends the clawback periods in case of legal acts made in favor of connected persons. In relation to the Fraudulent Transfers, the period in each case is five years preceding the commencement of the insolvency proceedings.

If the action of the insolvency administrator is successful, a person in whose favor a debtor's performance under ineffective legal acts was delivered or transferred must return such debtor's performance to the "insolvency estate." Persons benefiting from such ineffective legal act are also subject to such obligation.

The Legal Act at Undervalue is defined by the Czech Insolvency Act as an act by which the debtor enters into transactions without receiving consideration (*bezúplatně*), or for consideration substantially lower than the usual price for performing such a transaction, provided that the act was performed by an insolvent debtor or the act might have caused the debtor's insolvency. The Legal Act at Undervalue undertaken by the debtor for the benefit of a company in the same corporate group is deemed to be an act undertaken by the debtor when insolvent and hence the burden is on the debtor to prove that it was not insolvent at the time of the transaction or that the act was not made at an undervalue. Some acts, however, are not considered as the Legal Acts at Undervalue, such as the performance of the debtor imposed by a legal regulation, an occasional gift of reasonable value or legal acts from which the debtor reasonably expected to gain a profit, provided that such legal act was not performed for the benefit of a person belonging to the same group of companies and that the person for whose benefit the act was undertaken could not have discovered, acting diligently, that the debtor was insolvent or that the act might have caused the debtor's insolvency.

The Preferential Legal Act is defined by the Czech Insolvency Act as an act on the basis of which any creditor receives greater consideration than it would otherwise have received in the debtor's bankruptcy, to the detriment of other creditors, provided that the act was performed by an insolvent debtor or the act might have caused the debtor's insolvency. The Preferential Legal Act undertaken by the debtor for the benefit of a company in the same corporate group is deemed to be an act undertaken by the debtor when insolvent and hence the burden is on the debtor to prove that it was not insolvent at the time of the transaction or that the act was not a preference. Preferential Legal Acts include acts by which the debtor: (i) repaid a debt before maturity; (ii) agreed on an amendment or replacement of an obligation to its detriment; (iii) waived or otherwise enabled the expiry or non-performance of its claim; or (iv) provided its property as security for an existing obligation.

Fraudulent Transfers are acts by which the debtor intentionally curtailed the satisfaction of a creditor, provided that such intent was or must have been known to the other party. When such legal act is taken for the benefit of the person forming a corporate group with the debtor, the debtor's intent shall be deemed to have been known to the other party.

All legal acts taken by the debtor and an affiliated company within the relevant time frame (i.e., three years preceding the commencement of the insolvency proceedings, or, in case of Fraudulent Transfers, five years preceding the commencement of the insolvency proceedings) are generally closely examined by the insolvency administrator and the creditors' committee.

All most relevant information on insolvency proceedings in the Czech Republic is publicly accessible in the Insolvency Register, maintained in electronic form by the Ministry of Justice.

The Czech Insolvency Amendment, which will become effective on 1 July 2017, aims to strengthen the transparency of the Czech insolvency proceedings. For instance, it prevents the insolvent debtors from forum shopping, provides additional protection against creditors' insolvency petitions and, requires a creditor to disclose its beneficial owners, if it acquired a claim against a debtor within 6 months prior to the commencement of, or during insolvency proceedings.

Certain limitations on the validity and enforceability of the Notes Guarantees and the security interests

The Notes Guarantees and the Collateral may be subject to certain financial assistance and insolvency limitations under Czech law, as further described below.

Financial Assistance Limitations

Under Czech financial assistance rules, a Czech limited liability company (such as the Notes Guarantor incorporated in the Czech Republic) may not (i) provide any advance payment, loan and/or credit for the purpose of acquiring any shares (ownership interests) in that company and/or (ii) provide any security interest and/or guarantee in respect of any such loan and/or credit, unless certain procedures are complied with and certain conditions (so-called whitewash procedure) are fulfilled (e.g., (a) the financial assistance is provided on fair terms (particularly in respect of the interest rate and the provision of the security, (b) an executive of a Czech company has produced a written report containing justification of the financial assistance, list of the related advantages and risks, conditions of provision of the financial assistance and reasons why the financial assistance is not in conflict with the company's interests, (c) the financial assistance is provided with prior consent of the general meeting and (d) such financial assistance will not result in the company becoming insolvent). The Articles of Association may set further conditions for provision of financial assistance.

Czech law does not expressly extend the above limitations to the provision of an advance payment, loan, credit or security or guarantee for the purpose of acquisition of shares or ownership interests in a person directly or indirectly controlling the relevant company. However, a part of the market is of the view that the relevant limitations should nevertheless apply even in such situation and that not complying with those limitations would amount to circumvention of law.

The financial assistance rules would apply to the Notes Guarantees and the Collateral provided by each Notes Guarantor which is incorporated in the Czech Republic if the proceeds of the Notes were to be used for the purposes of acquisition of any shares (ownership interests) in that Notes Guarantor and could also apply for the purposes of acquisitions of shares (ownership interests) in any person directly or indirectly controlling that Notes Guarantor and/or the refinancing of any indebtedness incurred for the purposes of that acquisition. A breach of the financial assistance rules could cause the Notes Guarantees and the Collateral provided by the Notes Guarantors which are incorporated in the Czech Republic to be invalid.

In order to mitigate the risk that the provision of the Notes Guarantees and the Collateral by the Czech Notes Guarantors will result in a breach of the financial assistance rules, the Notes Guarantees and the secured obligations under parallel debt concept will contain a limitation language.

Enforcement of security and Notes Guarantees

Under Czech law, a security interest is not enforceable for the benefit of a beneficiary who is not a party to the relevant security agreement creating such security interest. As a result, the Intercreditor Agreement and the Indenture will provide for the creation of parallel debt obligations for the purpose of Czech security interests securing the Notes and the Notes Guarantees. Pursuant to these parallel debt obligations, the security interests will be structured such that the Security Agent will become an independent and separate creditor, acting on behalf of itself and the holders of the Notes in respect of each and every obligation owing and incurred by the Issuer under the Indenture, the Notes and the relevant security documents. The parallel debt obligations procedure is, however, generally untested before the Czech courts, and we cannot assure you that it will be recognized in accordance with its terms by the Czech courts.

Insolvency limitations (hardening periods and voidable acts)

If insolvency proceedings with respect to a Notes Guarantor are opened in the Czech Republic, any Notes Guarantee and the Collateral provided by that Notes Guarantor could be subject to potential challenges by an insolvency administrator (*insolvenční správce*) under the voidable (i.e., capable of being declared ineffective as between the borrower and the relevant creditor) act principles, as set out in the Czech insolvency law.

Based on these rules, an insolvency administrator may challenge a Notes Guarantor's transactions that are deemed detrimental to the insolvent Notes Guarantor's creditors and have been effected prior to the commencement of the insolvency proceedings. These transactions may include the payment of any amounts to the holders of the Notes, as well as the provision of any guarantee or any security interest in favor of the holders of the Notes. An insolvency administrator's right to challenge the transactions may, depending on the circumstances, extend to transactions that have occurred up to five years prior to the commencement of the insolvency proceedings. If the relevant transaction is successfully challenged, the holders of the Notes would be under an obligation to repay the amounts received to the insolvency estate. Please see further details in the Czech insolvency section above.

In addition, under Czech civil law, a creditor may challenge as ineffective a debtor's transaction with a third party if that transaction occurred: (i) within the last five years if the debtor intended to prejudice a creditor by that transaction and the relevant third party have known about that debtor's intent, (ii) within the last two years if the debtor prejudiced a creditor by that transaction and the relevant third party must have known about that debtor's intent (iii) within the last two years if the debtor prejudiced a creditor by that transaction and that transaction was made between the debtor and its related person and/or in favor of a related person, except when the related person at the time could not or must not have known about the debtor's intent to prejudice a creditor or (iv) within the last year in case of a purchase agreement or an exchange agreement if the relevant third party must have known about the debtor's intent to dissipate his assets, or (v) within the last two years in case of gratuitous transactions. The aforementioned applies similarly to an omission by the debtor which resulted in loss of the debtor's property right or creating, maintaining or securing of a third party's property right to the debtor's assets. If a creditor's challenge is successful, a Czech court has the power, among other things, to declare the respective transaction ineffective vis-a-vis the respective creditor and that creditor may request that its receivable be settled against the debtor's property which was transferred under that challenged transaction. If a creditor cannot be satisfied in that manner, the creditor may claim compensation against the person who benefited from that challenged transaction.

Limitation language in the Security Documents to be provided by the Czech Notes Guarantors

In order to mitigate certain risks, including that the Czech Notes Guarantors breach the Czech financial assistance rules, and/or become insolvent as a result of performing under a guarantee, indemnity and/or enforcement of security interests, it is a standard practice for indentures, credit agreements, guarantees and security documents provided by Czech companies to contain a limitation language.

Pursuant to the Indenture, the obligations and liabilities of the Czech Notes Guarantor under the Notes Guarantee and/or indemnity provided in respect of the Notes may not exceed a maximum cap calculated by reference to the book value of all assets of a Czech Notes Guarantor so as to mitigate the risk that the Czech Notes Guarantor becomes insolvent by being over-indebted as a result of payment under the Notes Guarantee. While this cap should generally protect the Czech Notes Guarantor from insolvency resulting from its over-indebtedness (i.e., balance sheet insolvency), it cannot fully protect the Czech Notes

Guarantor from insolvency resulting from a lack of liquidity in the event that the Notes Guarantee is enforced and the Czech Notes Guarantor is unable to fulfill its obligations under the Notes Guarantee in accordance with its terms.

Accordingly, as a result of the above limitation language, if you were to enforce the Notes Guarantees or take enforcement action with respect to the Collateral provided by a Czech Notes Guarantor, your claims are likely to be limited or you may not be able to enforce the Notes Guarantees or take enforcement action with respect to the Collateral at all. See "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—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*" and "*Risk factors—Risks related to the Notes, the Notes Guarantees and the Collateral—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*"

Perfection of security interests

In general, Czech security interests become perfected by registration in public or similar registries (e.g., Land Registry in respect of the real estate mortgage, Register of Pledges in respect of the moveable assets pledge and the Commercial Register in respect of pledge over shares in limited liability companies) or execution of a pledge agreement over receivables. However, the pledge over receivables becomes effective against the debtor owing the receivables (the sub-debtor) once the sub-debtor is notified of the pledge in accordance with the security agreement or when the existence of the pledge is proved to the sub-debtor by the pledgee.

Denmark

Insolvency proceedings under Danish law

The Issuer and six of the Notes Guarantors are organized under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer and/or any Danish Notes Guarantor may proceed under, and be governed by, the insolvency laws of Denmark. These laws may adversely affect the enforcement of the holders of the Notes' rights under the Notes and may not be as favorable to their interests as a creditor as the laws of other jurisdictions.

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 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 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.

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, by a compulsory composition/moratorium or by a combination of both. During the reconstruction procedure, creditors are restricted in their ability to enforce their claims; however valid security may be enforced under certain conditions. 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, including the fee for the bankruptcy trustee. Second rank is given to claims incurred during preceding restructuring proceedings and other costs incurred with the approval of the reconstructor. Third rank, "privileged claims," are mainly salary claims, including salary income taxes (relating to salary claims being filed) but excluding salary claims from the top management ("*Direktører*"), who are not salaried employees ("*funktionærer*"). Fourth rank is given to suppliers to the debtor who have, within 12 months of the onset of insolvency, delivered goods to the debtor with the applicable duties prepaid by the relevant supplier, but only (i) as regards certain specifically listed duties, and (ii) to the extent of the supplier's claim for reimbursement of the duties prepaid.

After fulfillment, if any, of these priority ranking claims, in the above order, any excess proceeds will be distributed among all ordinary, unsecured creditors. Interest accrued on ordinary, unsecured 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 include, among others, subordinated loans and penalties.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner 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 three months before the date of the bankruptcy petition being filed. In some cases, however, avoidance can be claimed for payments or security granted within two years or more before the date of the bankruptcy petition being filed.

Under Danish bankruptcy law, payments made by a Danish group company could be void if, among other things (i) payments are made before they are due or with an amount that has a distinctly impairing effect on such Danish group company's ability to pay its debts, provided the payment does not appear to be ordinary; (ii) payments are made after the date when a petition for bankruptcy was filed, or (iii) payments are made in an improper way that favors a creditor to the detriment of the other creditors, provided that such Danish group company was or became insolvent by the payment and the beneficiary knew or ought to have known about the insolvency and the circumstances that made the payment improper.

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. The timing requirements in respect of granting of security and perfection are interpreted very strictly under Danish law and should be considered carefully by the creditor.

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, 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 interest 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, Danish companies and their Danish and foreign subsidiaries may not grant loans to, or issue guarantees or provide security for loans to, their shareholders or the shareholders of their parent companies.

However, Danish companies may grant loans to, or issue guarantees or provide security for loans to, parent companies 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 company (*partnerselskab*), (c) a private limited company (*anpartsselskab*) or (d) a company with an equivalent corporate form, having its registered office in *inter alia* any EU or EEA country.

Danish companies are generally prohibited from granting loans, guarantees or security in connection with the financing or refinancing of the acquisition of, or subscription for, their own shares or shares in their direct or indirect parent companies and any such loan, guarantee or security will be invalid and unenforceable.

To the extent that any such acquisition debt cannot be separated from other debt, such other debt may be deemed acquisition debt and any loans, guarantees or security granted by Danish companies 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 or security are granted in violation of the prohibitions above, such loans, guarantees or security will be invalid and unenforceable and must be repaid with interests. The directors may be subject to 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 Securities Trading Act allowing representatives to hold security on behalf of noteholders and the Security Agent may be appointed as representative pursuant to the Danish Securities Trading Act. 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.

Absent perfection, the holder of the security interest may not be able to enforce its rights in the collateral against third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same collateral. Moreover, if perfection occurs only after the occurrence of certain events of default it will entail a hardening period.

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 following perfection.

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.

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.

Germany

Insolvency

In the event of an insolvency of a Notes Guarantor organized under the laws of Germany and/or having its "centre of main interests" in Germany (any such, a "**German Notes Guarantor**") at the time the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed, any main insolvency proceedings would most likely be initiated in Germany. Such proceedings would then be governed by German law. Under certain circumstances, insolvency proceedings may also be opened in Germany in accordance with German law over the assets of companies that are not established under German law (for example, if the center of main interests of such company is within Germany) or, vice versa, insolvency over German Guarantors may be opened in other jurisdictions. See "*Limitations on Validity and Enforceability of the Notes Guarantees and the security interests—European Union*."

The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*), may be less favorable to your interests as creditors than the insolvency laws of the United States or another jurisdiction with which you may be familiar, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising and other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Germany:

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court ex officio, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event of its illiquidity (*Zahlungsunfähigkeit*), meaning that the debtor is unable to pay its debts as and when they fall due. According to the relevant provision of the German Insolvency Code (*Insolvenzordnung*), a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business as a going concern is predominantly likely (*überwiegend wahrscheinlich*). If a limited liability company (*Gesellschaft mit beschränkter Haftung*), a stock corporation (*Aktiengesellschaft*), a European law stock corporation based in Germany (*Societas Europaea*) *or* any other company not having an individual as personally liable shareholder or partner finds itself in a situation of illiquidity and/or over-indebtedness, the management board or managing director(s) of such company and, in certain circumstances, its shareholders, are obligated to file for insolvency without delay but not later than three weeks after such illiquidity and/or over-indebtedness incurred or (as the case may be) was established. Non-compliance with these obligations exposes management to both severe damages claims as well as sanctions under criminal law. A debtor is not considered over-indebted when its liabilities exceed the value of its assets if, given the circumstances, it is more likely than not that the debtor's business can survive as a going concern. In addition, only the debtor, but not the creditors, can file for the opening of insolvency proceedings in the event of imminent illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk of the company being unable to pay its debts as and when they fall due, whereas imminent illiquidity does not give rise to an obligation for the management of the debtor to file for insolvency proceedings.

If a company faces imminent illiquidity (*drohende Zahlungsunfähigkeit*) and/or is over-indebted (*Überschuldung*) it may also file for preliminary "debtor in possession" moratorium proceedings (*Schutzschirmverfahren*) unless—from a third-party perspective—there is no reasonable chance for a successful restructuring. Upon such filing by the debtor, the court will appoint a preliminary trustee (*vorläufiger Sachwalter*) and prohibit enforcement measures (other than with respect to immoveable assets). It may also implement other preliminary measures to protect the debtor from creditor enforcement actions for up to three months. During that period, the debtor shall prepare an insolvency plan which ideally shall be implemented in formal "debtor in possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

The insolvency proceedings are controlled by the competent insolvency court, which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings insofar as these protective measures are reasonable to protect the debtor's assets and/or to ensure the continuation of the debtor's business.

Unless the debtor has applied for debtor-in-possession proceedings (*Eigenverwaltung*) (in which event the court will generally only appoint a preliminary trustee (*vorläufiger Sachwalter*) who will supervise the management of the affairs by the debtor) the insolvency court will in most cases appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may include safeguarding and preserving the debtor's property and assessing whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage the business and dispose of the assets of the debtor may pass to the preliminary insolvency administrator. Upon appointment of the preliminary insolvency administrator, the insolvency court may also order that the debtor can only dispose over its assets with the consent of the preliminary insolvency administrator or the court may order that the power to dispose over the assets shall fully pass to the preliminary insolvency administrator. The insolvency court can also order a stay of all enforcement measures by unsecured creditors against the debtor.

During preliminary insolvency proceedings, the insolvency court generally shall appoint a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) if the debtor satisfies at least two of the following three requirements:

(a) a balance sheet total in excess of €6,000,000 (after deducting an equity shortfall if the debtor is over-indebted);

(b) revenues of at least €12,000,000 in the twelve months prior to the last day of the financial year preceding the filing; and/or

(c) 50 or more employees on an annualized average basis.

The preliminary creditors' committee will be able to participate in certain important decisions made in the preliminary insolvency proceedings. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or an insolvency administrator (*Insolvenzverwalter*); orders for "debtor in possession" proceedings (*Anordnung der Eigenverwaltung*); and appointments of (preliminary) trustees ((*vorläufiger*) *Sachwalter*). The court orders the opening of main insolvency proceedings (*Eröffnung des Insolvenzverfahrens*) if certain formal requirements are met, including if (i) the debtor is in a situation of imminent illiquidity (if the petition has been filed by the debtor), illiquidity and/or over-indebted and (ii) if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient to cover such costs, the insolvency court will only open main insolvency proceedings if third parties (e.g., creditors), advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*).

Unless the court has granted debtor-in-possession status (*Eigenverwaltung*) (in which case the court will only appoint a trustee (*Sachwalter*) who will supervise the management of the affairs by the debtor), upon opening of the insolvency proceedings, the court will appoint an insolvency administrator (*Insolvenzverwalter*) who has full administrative and disposal authority over the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. The insolvency creditors (*Insolvenzgläubiger*) will only be entitled to change the individual appointed as insolvency administrator at the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder, i.e., sufficiently qualified, business-experienced and impartial. The insolvency administrator (or in the case of debtor- in-possession proceedings, the debtor) may raise new financial indebtedness and incur other liabilities to continue the debtor's operations, and satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any insolvency liabilities created by the debtor.

The insolvency administrator or trustee may also challenge transactions that are deemed detrimental to insolvency creditors and which were effected prior to the opening of the insolvency proceedings (See "*—Hardening Periods and Fraudulent Transfer*").

For the holders of the Notes, the consequences of the opening of German insolvency proceedings against any Notes Guarantor's subject to the German insolvency regime would include the following:

(a) unless the court orders debtor-in-possession proceedings (*Eigenverwaltung*), the right to administer and dispose of the Notes Guarantor's assets would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate;

(b) unless the court orders debtor-in-possession proceedings (*Eigenverwaltung*), disposals effected by the Notes Guarantor's management after the opening of insolvency proceedings are null and void by operation of law;

(c) if, during the final month preceding the date of filing for insolvency proceedings, a creditor in the insolvency proceedings acquires through execution (e.g., attachment) a security interest in part of the debtor's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of the insolvency proceedings; and

(d) claims against any Notes Guarantor may generally only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*).

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights (*Wahlrecht des Insolvenzverwalters*) applicable under statutory law. This may also relate to agreements that are not governed by German law.

Any person that has a right for segregation (*Aussonderung*), i.e., the relevant asset of this person does not constitute part of the insolvency estate, does not participate in the insolvency proceedings with respect to the relevant asset; the claim for segregation must be enforced in the course of ordinary court proceedings against the insolvency administrator.All other creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)), who wish to assert claims against the debtor need to participate in the insolvency proceedings and have to file their claims against the debtor and the rights they claim in the assets of the debtor with the insolvency administrator. With the exception of certain secured creditors, an individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once the insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code (*Insolvenzordnung*). Accordingly, unsecured creditors may file their claims in the insolvency proceedings and will be paid on a *pro rata* basis from the insolvency estate (to the extent sufficient assets are available). Secured creditors are not entitled to enforce their security interests after insolvency proceedings have been commenced to the extent the German Insolvency Code (*Insolvenzordnung*) authorizes the insolvency administrator to dispose of the relevant collateral but have only certain preferential rights (*Absonderungsrechte*) in the insolvency proceedings. In this case, secured creditors will only have a right to claim the recoveries (minus costs and fees) from such realization. Whether or not, after the initiation of insolvency proceedings, a secured creditor remains entitled to enforce security granted to it by the relevant debtor depends on the type of security: The insolvency administrator generally has the sole right (i) to realize any movable assets within its possession that are subject to preferential rights (*Absonderungsrechte*) (e.g., pledges over movable assets and rights (*Mobiliarpfandrechte*), transfer by way of security (*Sicherungsübereignung*)), and (ii) to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). According to some voices in legal literature, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of the pledged shares on their own or, insofar as the pledged assets are part of any insolvency estate, whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. However, there is no authoritative case law on this question.

Even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the secured creditor retains the right of preferred satisfaction with regard to the disposal proceeds (*Ersatzabsonderungsrecht*). Consequently, the enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets, and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts ("excess proceeds") will be allocated to the insolvency estate (*Insolvenzmasse*) and would, after deduction of the costs of the insolvency proceedings (e.g., fees for and expenses of the insolvency administrator and the insolvency court as well as the members of the creditors' committee) and after satisfaction of certain preferential liabilities be distributed among the non-preferential unsecured creditors, including the holders of the Notes (to the extent not satisfied after enforcement of the Collateral securing the Notes). If a German Notes Guarantor or a subsidiary subject to German insolvency proceedings grants security over its assets to creditors other than the holders of the Notes, such security may result in a preferred satisfaction of creditors secured by such security (however, the preferential treatment would be limited to the proceeds obtained through the disposal of the relevant collateral). The excess proceeds resulting from such collateral may not be sufficient to satisfy the obligations under the Notes by the German Notes Guarantors after such secured creditors have been satisfied.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a movable asset that is subject to this right. The insolvency administrator, however, must compensate the creditor in accordance with specific rules. In addition, it may take several years before proceeds from the liquidation of the insolvency estate, if any, are distributed to unsecured creditors. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, in principle, the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules. Under German insolvency laws, it is possible to implement a debt-to-equity swap through an insolvency plan. However, it will not be possible to force a creditor into a debt-to-equity conversion if it does not consent to such debt-to-equity swap. Under certain conditions, the debtor may also file for protective shield proceedings (*Schutzschirmverfahren*). In such case and upon request of the debtor, the court will prohibit enforcement measures (other than with respect to immovable assets) and may implement other preliminary measures to protect the debtor from credit enforcement actions for up to three months if an independent expert testifies that the restructuring of the debtor's business is not obviously futile (*offensichtlich aussichtslos*) and that the debtor is not already illiquid. Given the relatively recent enactment of these amendments, these provisions may not have been tested in practice and no judicial precedents are available in such respect.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In the case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (i.e., there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately. As a general principle, the claims arising from a guarantee may be enforced against a German Notes Guarantor outside of the insolvency proceedings over the assets of the Issuer. Any insolvency proceeding over the assets of the Issuer would, however, be a rather strong indication that the overall financial situation of the entire group of affiliated companies has significantly deteriorated, which may cause a German Notes Guarantor to subsequently file for insolvency. On April 13, 2017, the German legislator passed an act to facilitate the mastering of group insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*), which will come into force on April 21, 2018. This act is mainly intended to facilitate the coordination of and cooperation between insolvency proceedings of group companies. This act does not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims among the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may assume jurisdiction for other group company insolvency proceedings (*Gruppen-Gerichtsstand*), (ii) the appointment of a single person as insolvency administrator for all relevant group companies is facilitated, (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees, and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordinator" (*Verfahrenskoordinator*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

German insolvency law provides for certain creditors and their claims to be subordinated by law (including, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of repayment of shareholder loans or comparable actions). The restrictive nature of the covenants and undertakings in the Indenture may result in the holders of the Notes and/or the Trustee being considered in a "shareholder-like position" (*gesellschafterähnliche Stellung*). In that event, in an insolvency proceeding over the assets of a German Notes Guarantor, the claims arising from a Notes Guarantee would be treated as a subordinated insolvency claim (*nachrangige Insolvenzforderungen*). Subordinated insolvency claims are not eligible to participate in the insolvency proceedings over the assets of a German Notes Guarantor unless the insolvency court handling the case has granted special permission allowing these subordinated insolvency claims to be filed which is not granted in the vast majority of insolvency cases governed by German law. Claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors.

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

Limitations on Enforcement

The German Notes Guarantors are incorporated in Germany in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*—"**GmbH**"). Consequently, the granting of guarantees, indemnities and security interests by these companies is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "**GmbHG**"). These provisions would also apply to any future German Notes Guarantor in the form of a GmbH or a partnership with a GmbH as unlimited liability partner (e.g., GmbH & Co. KG).

As a general rule, sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its direct or indirect shareholders, to the extent that the amount of the GmbH's net assets (i.e., assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*). The granting of guarantees or security interests by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to issue guarantees or create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain "limitation language" in relation to subsidiaries in the legal form of a GmbH or partnership with a GmbH as unlimited liable partner incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees or the security interests agree, subject to certain adjustments and exemptions, to enforce the guarantees or the security interests against the German subsidiary only to the extent that such enforcement does not result in the GmbH's (or, in case of a partnership with a GmbH as unlimited liable partner, such GmbH's) net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Notes Guarantee, the Indenture and the Security Documents relating to the Collateral provided by the German Notes Guarantors will contain such limitation language and therefore the enforcement of the Notes Guarantees, the Indenture and the Collateral (i.e., the share pledges and any other security) is limited in the manner described. This could lead to a situation in which the respective guarantee or security granted by the relevant German Notes Guarantor cannot be enforced at all.

Sections 30 and 31 are subject to evolving case law. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of its subsidiaries constituted in the form of a GmbH or a partnership with a GmbH as unlimited liable partner, which can negatively affect the ability of the German Notes Guarantors to make payments on the Notes or the Notes Guarantees or the enforceability of the Notes Guarantees, the Indenture and the Security Documents relating to the Collateral (i.e. the share pledges and any other security interest) provided by the German Notes Guarantors.

In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding "destructive interference" (*existenzvernichtender Eingriff*) (i.e., a situation in which a shareholder deprives a GmbH of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or other collateral granted by the German Notes Guarantors. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced, even to nil. Moreover, according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the stressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners.

It cannot be ruled out that German courts may apply this case law with respect to the granting of the Notes Guarantee or other collateral by the German Notes Guarantors.

Furthermore, the beneficiary of a transaction qualifying as a repayment of the stated share capital of a German GmbH or, in the case of a partnership with a GmbH as unlimited liable partner, of such GmbH (e.g., the enforcement of a guarantee or security granted by such GmbH or partnership) could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if, for example, the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Parallel debt; security interests

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such accessory security interests (*akzessorische Sicherungsrechte*) cannot be held on behalf of third parties who do not (yet) hold the secured claim, will automatically lapse to the extent a secured claims is settled, discharged or novated, and may not be assigned independently, but will automatically follow the claims they secure in case the relevant secured claim is assigned. The holders of interests in the Notes from time to time will not be party to the Security Documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Agent under German law, the Intercreditor Agreement will provide for the creation of a "parallel debt." Pursuant to the creation of the parallel debt, the Security Agent has its own separate and independent claim equal to each amount payable by each obligor under, in particular, the Notes. The pledges governed by German law will directly and exclusively (to the extent the Notes are concerned) secure the parallel debt rather than the obligations under the Notes or the holders of the Notes directly. The validity of the parallel debt concept and of the pledges granted under German law to secure such parallel debt has not been tested under German law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by German law. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent. See "*Risk Factors—Risks Related to the Notes, the Notes Guarantees and the Collateral*."

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the Security Agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (i.e., the right to request the court to impose a stay on proceedings initiated by other creditors).

Hardening Periods and Fraudulent Transfer

Under the German Insolvency Code (*Insolvenzordnung*), an insolvency administrator or in the event that debtor-in-possession status has been granted, the trustee (*Sachwalter*) may also challenge (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings during applicable avoidance periods. The administrator's or the trustee's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the commencement of insolvency proceedings. On March 29, 2017, the German legislator passed an act for the improvement of legal certainty concerning clawback pursuant to the German Insovlency Code and the German Avoidance Act (*Gesetz zur Verbesserung der Rechtssicherheit bei Anfechtungen nach der Insolvenzordnung und nach dem Anfechtungsgesetz*), which entered into force on April 5, 2017 (subject to certain transitional provisions). The amendments to the German Insolvency Code (*Insolvenzordnung*) and the German Avoidance Act (*Anfechtungsgesetz*) concern, *inter alia*, the provisions on avoidance for intentionally disadvantaging third-party creditors (*Vorsatzanfechtung*), cash transactions (*Bargeschäfte*) and interest accruing on avoidance claims.

In the event of insolvency proceedings with respect to us, which would be based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders of Notes as well as the granting of collateral for or providing credit support for the benefit of the Notes could be subject to potential challenges by an insolvency administrator or, as the case may be, trustee under the rules of avoidance as set forth in the German Insolvency Code (*Insolvenzordnung*). In case the validity or enforceability of the Notes or any collateral in favor of the Notes is challenged successfully, the holder of the Notes may not be able to recover any amounts under the Notes or the relevant collateral. If payments have already been made under the Notes or collateral, any amounts received from a transaction that had been challenged would have to be repaid to the insolvency estate. In this case, holders of Notes would only have a general unsecured claim under the Notes without preference in insolvency proceedings.

In particular, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the provision of security (including guarantees) and the repayment of debt) detrimental to the creditors of the debtor may be avoided according to the German Insolvency Act, *inter alia*, in the following cases:

(a) any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) if such act was taken (i) during the last three months prior to the filing of a petition for the commencement of insolvency proceedings, if the debtor was illiquid (*zahlungsunfähig*) at the time such act was taken and the creditor knew of such illiquidity (or of circumstances that imperatively suggest that the debtor was illiquid) at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity or the filing of such petition (or of circumstances imperatively suggesting such illiquidity or filing);

(b) any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) to which such creditor was not entitled or which was granted or obtained in a form in which or at a time at which such creditor was not entitled to such security or satisfaction, if (i) such act was taken during the last month prior to the filing of the petition for the commencement of insolvency proceedings or after such filing, (ii) such act was taken during the second or third month prior to the filing of the petition and the debtor was illiquid at such time, or (iii) such act was taken during the second or third month prior to the filing of the petition for the opening of insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that imperatively suggest such detrimental effect);

(c) any transaction by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, provided it was entered into (i) during the three months prior to the filing of the petition of the commencement of insolvency proceedings and the debtor was illiquid at the time of such transaction and the counterparty to such transaction knew of the illiquidity at such time, or (ii) after the filing of the petition for the commencement of insolvency proceedings and the counterparty to such transaction knew of either the debtor's illiquidity or such filing at the time of the transaction;

(d) any act by the debtor without (adequate) consideration (e.g., whereby a debtor grants security (including a guarantee) for a third-party debt, which might be regarded as having been granted gratuitously (*unentgeltlich*)), if it was effected in the four years prior to the filing of the petition for the commencement of insolvency proceedings;

(e) any act performed by the debtor during the ten years prior to the filing of the petition for the commencement of insolvency proceedings or at any time after the filing with the intent to prejudice the insolvency creditors and the other party knew of such intention at the time of such act. If the act granted an insolvency creditor, or enabled an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*), the avoidance period is reduced from ten years to four years.

(f) any non-gratuitous contract (*entgeltlicher Vertrag*) concluded between the debtor and an a related party (*nahestehende Person*) which directly operates to the detriment of the creditors can be challenged unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term 'related party' includes, subject to certain limitations, members of the management or supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;

(g) any act that provides security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) for a shareholder loan made to the debtor or a similar claim if (i) in the case of the provision of security, the act took place during the ten years prior to the filing of the petition for the commencement of insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition; and

(h) any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for the commencement of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor or surety provide (*Garant oder Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (e.g., a Notes Guarantor) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. If the relevant act granted an insolvency creditor, or enabled an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung)* in a form in which and at a time at which such creditor was entitled to such security or satisfaction (*kongruente Deckungshandlung*), the words "immiment illiquidity" (*drohende Zahlungsunfähigkeit*) in the preceding sentence have to be replaced by "actual illiquidity" (*eingetretene Zahlungsunfähigkeit*). If an insolvency creditor concluded a payment agreement (*Zahlungsvereinbarung*) with, or granted other forms of deferred payment terms (*Zahlungserleichterung*) to, the debtor, there is a rebuttable presumtion that the insolveny creditor did not have knowledge of the illiquidity of the debtor at the time of such act. With respect to a "related party," there is a general statutory presumption that such party had "knowledge." Any amounts obtained from transactions that have been challenged would have to be repaid to the insolvency estate.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order but has failed to obtain satisfaction of its enforceable claims by a levy of execution, under certain circumstances, has the right to void certain transactions, such as the payment of debt and the granting of security pursuant to the German Avoidance Act (*Anfechtungsgesetz*). The conditions for avoidance under the German Avoidance Act differ to a certain extent from the above-described rules under the German Insolvency Code and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (imminent) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

United Kingdom

Each of the Notes Guarantors incorporated under the laws of England and Wales is subject to an English law debenture. Therefore, any insolvency proceedings by or against the Notes Guarantors would likely be based on English insolvency laws. However, pursuant to the EU Insolvency Regulation on Insolvency Proceedings, where a company incorporated under English law has its "centre of main interests" in a Member State of the European Union other than England and Wales, then the main insolvency proceedings for that company may be opened in the Member State in which its centre of main interests is located and be subject to the laws of that Member State. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened. The European Commission has published amendments to the EU Insolvency Regulation which may alter the manner in which the test for determining where a company has its centre of main interests might be applied during the term of the Notes. At this stage it is not possible to conclusively determine what (if any) impact there might be in relation to the Notes.

Similarly, the U.K. Cross-Border Insolvency Regulations 2006, which implement the UNCITRAL Model Law on Cross-Border Insolvency in the United Kingdom, provide that a foreign (i.e., non-English) court may have jurisdiction where any English company has its centre of main interests in such foreign jurisdiction, or where it has an "establishment" (being a place of operations in such foreign jurisdiction, where it carries out non-transitory economic activities with human means and assets or services). To the extent that the U.K. Cross-Border Insolvency Regulations 2006 conflict with an obligation of the United Kingdom under the EU Insolvency Regulation, the requirements of the EU Insolvency Regulation will prevail.

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar and it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company or a creditor making an application for administration in court, the company or the holder of a "qualifying floating charge" (discussed below) making an application for administration out of court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of a liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes.

Under the Insolvency Act 1986, as amended (the "**Insolvency Act**"), a company is insolvent if it is unable to pay its debts. A company is deemed unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due), if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), or, among other matters, if it fails either to satisfy a creditor's statutory demand for a debt exceeding £750 or to satisfy in full a judgment debt (or similar court order).

The obligations under the Notes are secured by English law governed security interests over the Collateral and therefore English insolvency laws and other limitations could limit the enforceability of security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the security interests over the Collateral that are governed by English law. The application of these laws could adversely affect investors and their ability to enforce their rights and/or the Collateral securing the Notes and therefore may limit the amounts that investors may receive in an insolvency of an English company.

Fixed and floating charges

Fixed charge security has a number of advantages over floating charge security: (a) an administrator appointed to the company which granted the floating charge can dispose of floating charge assets for cash or collect receivables charged by way of floating charge and use the proceeds and/or cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge over assets, even if created after the date of a floating charge over the assets, may rank prior to the floating charge over the relevant assets providing that the floating charge has not crystallized at the time the fixed charge is granted; (c) general costs and expenses (including the liquidator's remuneration) properly incurred in a winding-up are payable out of floating charge assets to the extent the assets of the company available for creditors generally are otherwise insufficient to meet them (subject to certain restrictions for the costs of litigation) in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of its business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge; (e) floating charge security is subject to certain challenges under English insolvency law (see "*—Grant of floating charge*"); and (f) floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees (subject to a cap per employee) and holiday pay owed to employees) and, where the floating charge is not a security financial collateral arrangement, to the claims of unsecured creditors in respect of a ring fenced amount of the proceeds (see "*—Administration and floating charges*").

Under English law there is a possibility that a court could recharacterize as floating charges any security interests expressed to be created by a security document as fixed charges where the chargee does not have the requisite degree of control over the relevant chargor's ability to deal with the relevant assets and the proceeds thereof or does not exercise such control in practice as the description given to the charges in the relevant security document as fixed charges is not determinative. Where the chargor is free to deal with the secured assets without the consent of the chargee, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Administration and floating charges

Under English insolvency law, English courts are empowered to order the appointment of an administrator in respect of an English company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor. During the administration of a company, a statutory moratorium is imposed and a creditor would not be able to enforce any security interest (other than security financial collateral arrangements) or guarantee granted by it without the consent of the administrator or the court. The moratorium does not, however, apply to a "financial collateral agreement" (such as a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. In addition, in limited circumstances (as set out in more detail below) a secured creditor can appoint an administrative receiver, at which time no automatic statutory moratorium is created and creditors may begin or continue any legal action against the company, including petitioning for liquidation.

A chargee can appoint its choice of administrator by the out of court route or an administrative receiver if it holds a qualifying floating charge and such floating charge security, together with fixed charge security charges the whole or substantially the whole of the relevant English chargor's property. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it; (b) purports to empower the chargeholder to appoint an administrator of the company or (c) purports to empower the chargeholder to appoint an administrative receiver. Even if the chargee holds a qualifying floating charge it can only appoint an administrative receiver if one of the exceptions to the general prohibition of appointing an administrative receiver applies. The most relevant exception to the prohibition on the appointment is that the chargee can appoint an administrative receiver under security forming part of a "capital market arrangement" (as defined in the Insolvency Act, as amended), which is the case if the issuer of the notes incurs (or expected to incur) a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the Insolvency Act, as amended, but is generally a rated, listed or traded debt instrument). Once an administrative receiver is appointed by the chargee the company or its directors will not be permitted to appoint an administrator by the out of court route and a court will only appoint an administrator if the charge under which the administrative receiver is appointed is successfully challenged or the chargee agrees. If an administrator is appointed to a company, any administrative receiver then in office must vacate office and any receiver of part of the company's property must resign if requested to do so by the administrator.

Liquidation/Winding-up

Liquidation is an asset realization and distribution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act, as amended. At the end of the liquidation process the company will normally be dissolved. In the case of a liquidation commenced by way of a court order, no proceedings or other actions may be commenced or continued against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected).

Under English insolvency law, a liquidator has the power to disclaim any onerous property by serving the prescribed notice on the relevant party. Onerous property, for these purposes, is any unprofitable contract and any other property of the company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on the company which may be regarded as detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous or because the company could have made, or could make, a better bargain. This power does not apply to a contract all the obligations under which have been performed nor can it be used to disturb accrued rights and liabilities. A liquidator has the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company's property and execute documents in the name of the company; and to challenge antecedent transactions.

Priority of claims

One of the primary functions of liquidation (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the insolvent company and to distribute realizations made from those assets to its creditors. Under the Insolvency Act and the Insolvency Rules 1986, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the "Prescribed Part" (see "*—Prescribed part*" below), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class. The general priority of claims on insolvency is as follows (in descending order of priority):

- *First ranking claims:* holders of fixed charge security and creditors with a proprietary interest in assets of the debtor;
- *Second ranking claims:* expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);
- *Third ranking claims*: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date. As between one another, preferential debts rank *pari passu*;
- *Fourth ranking claims:* holders of floating charge security, according to the priority of their security. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must be set aside for distribution to unsecured creditors (see "*—Prescribed part*");
- *Fifth ranking claims:* unsecured creditors. However, any secured creditor not repaid in full from the realization of assets subject to its security can also claim the remaining debt due to it (a shortfall) from the insolvent estate as an unsecured claim. To pay a shortfall, the officeholder can only use realization from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part in respect of a shortfall unless the Prescribed Part is sufficient to pay out all unsecured creditors; and
- *Sixth ranking claims:* shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Prescribed part

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ringfence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of the relevant company's net property and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English chargor's assets at the time that the floating charges are enforced will be a question of fact at that time.

Foreign currency

Under English insolvency law any debt of a company payable in a currency other than pounds sterling (such as euro or U.S. dollars) must be converted into pounds sterling at the "official exchange rate" prevailing at the date when the company went into liquidation or, if the liquidation was immediately preceded by an administration, on the date that the company entered administration. This provision overrides any agreement between the parties. The "official exchange rate" for these purposes is the middle exchange rate in the London Foreign Exchange Market at close of business as published for the date in question or, if no such rate is published, such rate as the court determines. Accordingly, in the event that an English company which has granted a guarantee or security or the Issuer goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date that such English company went into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases this will only arise if an administrator or liquidator is appointed to the company within a specified period (as set out in more detail below) of the granting of the guarantee or security and, in addition, the company was "unable to pay its debts" when the security interest or guarantee was granted or "unable to pay its debts" as a result.

If security or a guarantee granted by an English company is challenged under the laws of England and Wales, and the court makes certain findings (as described further below), it may be permitted to:

- avoid or invalidate all or a portion of an English company's obligations under the security and/or guarantee provided by such English company;
- direct that the holders of the Notes return any amounts paid by or realized from an English company under a guarantee or security to the relevant English company or to a fund for the benefit of the English company's creditors; and/or
- take other action that is detrimental to the holders of the Notes.

The Issuer cannot be certain that, in the event that the onset of an English company's insolvency (as described further below) is within any of the requisite time periods set out below, the grant of a security interest or guarantee in respect of the relevant Notes would not be challenged or that a court would uphold the transaction as valid.

Onset of insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges (as discussed below), depends on the insolvency procedure in question.

In administration, the onset of insolvency is the date on which (a) the court application for an administration order is issued or (b) the notice of intention to appoint an administrator is filed at court, or (c) otherwise, the date on which the appointment of an administrator takes effect.

In a compulsory liquidation the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes a winding-up resolution. Where liquidation follows administration, the onset of insolvency will be as for the initial administration.

Connected persons
If the given transaction at an undervalue, preference, or invalid floating charge has been entered into by the company with a "connected person," then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out more particularly below).

A "connected person" of a company granting a security interest or guarantee for the purposes of transactions at an undervalue, preferences and invalid floating charges is a party who is (i) a director of the company, (ii) a shadow director, (iii) an associate of such director or shadow director or (iv) an associate of the relevant company. A party is associated with an individual if they are (i) a relative of the individual, (ii) the individual's husband, wife or civil partner, (iii) a relative of the individual's husband, wife or civil partner or (iv) the husband, wife or civil partner of a relative of the individual.

A party is associated with a company if they are employed by that company.

A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same person by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The following potential grounds for challenge may apply to guarantees and security interests:

Transaction at an undervalue
Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside a security interest or a guarantee granted by the company (or give other relief) on the grounds that the creation of such security interest or guarantee constituted a transaction at an undervalue. The grant of a security interest or guarantee will only be a transaction at an undervalue if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. For a challenge to be made, the guarantee or security must be granted within a period of two years ending with the onset of insolvency (as defined in section 240 of the Insolvency Act, as amended). A court will not generally make an order in respect of a transaction at an undervalue if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. Subject to this, if the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into (which could include reducing payments under the guarantees or setting aside any security interests or guarantees although there is protection for a third party which benefits from the transaction and has acted in good faith for value). In any challenge proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a "connected person" (as defined in the Insolvency Act, as amended and as set out in detail above), in which case there is a presumption the company was unable to pay its debts and the connected person must demonstrate the company was not unable to pay its debts in such proceedings.

Preference
Under English insolvency law, a liquidator or administrator of a company could apply to the court for an order to set aside a security interest or a guarantee granted by such company (or give other relief) on the grounds such security interest or such guarantee constituted a preference. The grant of a security interest or guarantee is a preference if it has the effect of

placing a creditor (or a surety or guarantor of the company) in a better position in the event of the company's insolvent liquidation than if the security interest or guarantee had not been granted. For a challenge to be made, the decision to prefer must be made within the period of six months ending with the onset of insolvency (as defined in section 240 of the Insolvency Act, as amended) if the beneficiary of the security interest or the guarantee is not a connected person, or two years if the beneficiary is a connected person. A court will not make an order in respect of a preference of a person unless it is satisfied the company was influenced in deciding to give it by a desire to produce the "better position" for that person. Case law suggests there must be a desire to prefer one creditor over another and not just other commercial motives even if they had the inevitable result of producing the better position. Subject to this, if the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given (which could include reducing payments under the guarantees or setting aside the security interests or guarantees). There is protection for a third party which benefits from the transaction and acted in good faith for value. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction.

Extortionate credit transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English company up to three years before the day on which that company entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Account banks' right to set-off

With respect to English law governed charges over cash deposits (each an "**Account Charge**") granted by an chargor over any of its bank accounts, the banks with which some of those accounts are held (each an "**Account Bank**") may have reserved their right at any time (whether prior to or upon a crystallization event under the Account Charge) to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangement with that chargor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank's netting and set-off rights with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallized and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant chargor) the Account Bank will no longer be entitled to exercise its netting and set-off rights in relation to the account, except where the Account Banks have expressly reserved set-off rights.

Limitation on enforcement

The grant of an English law governed Notes Guarantee or security interest by any obligor guaranteeing or securing (as the case may be) the obligations of another member of the Group must satisfy certain legal requirements. More specifically, such transaction must be allowed by the respective obligor's memorandum and articles of association. To the extent these do not allow such an action, there is the risk that the grant of the Note Guarantee and the subsequent Collateral can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each obligor that is incorporated in England and Wales by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote success of the relevant obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Under the Companies Act 2006, subject to limited exceptions, any security (including where not governed by English law) granted by a chargor incorporated in England and Wales (together with prescribed particulars of the security constituted thereby) must be received by the Registrar of Companies in England and Wales for registration within 21 days after the date of creation of the security constituted by the applicable security document. Such security, if not registered within the 21 day period, will be deemed to be void against a liquidator, administrator and a creditor of the applicable chargor. Further, failure to register also means that the debt which was intended to be secured is deemed to have become immediately payable.

In the event where the relevant security document is not registered, a chargor incorporated in England and Wales may be required to enter into a new security document and register that with Companies House within 21 days of its creation.

Alternatively it may be possible to apply to the English courts for an order to rectify the position and allow the charge to be registered after the 21 day period has expired. This application can be made by a chargor incorporated in England and Wales or by any person interested in the relevant security. The court will grant leave to register the security out of time if it considers it "just and expedient" to do so, and will have particular regard to whether the failure to register was merely accidental and whether a late registration will prejudice the position of creditors or shareholders. The court order will have to be enclosed with any delayed application for registration of the security.

Security created on or after October 1, 2011 by overseas companies over assets in England and Wales do not need to be registered with the Registrar of Companies (although they may still need to be registered with the applicable asset registry).

Guarantees and security granted by a guarantor or security provider a chargor who is incorporated in England and Wales are also subject to limitations to the extent they would result in unlawful financial assistance within the meaning of the Companies Act 2006.

Grant of floating charge

Under English insolvency law, if an English company is unable to pay its debts at the time of (or as a result of) granting a floating charge then such floating charge can be avoided on the action of a liquidator or administrator if it was granted in the period of one year ending with the onset of insolvency (as defined in section 245 of the Insolvency Act 1986, as amended). The floating charge will, however, be validated to the extent of the value of the consideration provided for the creation of the charge in the form of money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge plus interest payable on such amounts. Where the floating charge is granted to a "connected person" the charge can be challenged if given within two years of the onset of insolvency and the prerequisite to challenge that the company is unable to pay its debts does not apply. However, if the floating charge qualifies as a "security financial collateral agreement" under the Financial Collateral Arrangements (No. 2) Regulations 2003, the floating charge will not be subject to challenge as described in this paragraph.

Schemes of arrangement

Pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction the compromise of a company's liabilities where such company (i) is liable to be wound-up under the UK Insolvency Act and (ii) has "sufficient connection" to the English jurisdiction.

In practice, any foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied by the English courts where, among other things, the company's "centre of main interests" is in England, or the company's finance documents are English law governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law.

Before the court considers the sanction of a scheme of arrangement, affected creditors will vote on a detailed debt restructuring compromise. Such restructuring compromise can be proposed by the company or its creditors. If 75% by number and 50% by value of those creditors present and voting at the creditor meeting(s) vote in favor of the proposed restructuring compromise, irrespective of the terms and approval thresholds contained in the finance documents, that restructuring compromise will be binding on all affected creditors, including those affected creditors who did not participate in the vote on the scheme of arrangement and those who voted against the scheme of arrangement.

Switzerland

The liabilities of the Notes Guarantors or any security provider organized under the laws of Switzerland (any such Notes Guarantor or security provider, a "**Swiss Collateral Guarantor**") under any up-stream or cross-stream guarantee as well as up-stream or cross-stream security provided and any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set off or subrogation rights or the subordination of intra group claims are at any time (to the extent that such is a requirement of applicable Swiss law in force at the relevant time) limited to a sum equal to the maximum amount of the respective Swiss Collateral Guarantor's freely distributable equity available for distribution as dividends, provided that such limitations shall not discharge the respective Swiss Collateral Guarantor from payment obligations in excess of its freely distributable equity, but merely postpone the payment date of those obligations until such time as payment is permitted notwithstanding such limitations. The payment under the respective Swiss Collateral Guarantor's guarantee and the enforcement of security interest may require certain prior corporate formalities to be completed including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions.

The enforcement of the respective Swiss Collateral Guarantor's guarantee or any security interest granted by such Swiss Collateral Guarantor may give rise to Swiss withholding taxes on dividends (of up to 35% at present rates which translates, because the tax would be levied on the amount of the constructive dividend plus the amount of the owed withholding tax, in an effective tax rate of presently up to 53.8%) to the extent that the payment or enforcement of such guarantee or security interest, respectively, shall be regarded as a deemed distribution by the respective Swiss Collateral Guarantor to the Issuer or any other related party.

For the above reasons, it is standard market practice for indenture agreements, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to the respective Swiss Collateral Guarantor. Pursuant to such limitation language, the enforcement of the guarantee and security interests granted by each of the Swiss Collateral Guarantors will be limited reflecting the requirement that payments under the guarantee or, as the case may be, the use of proceeds from the enforcement of security interests may not cause the Swiss Collateral Guarantor to incur a liability which would exceed its freely distributable equity at the time of the enforcement of the guarantee or, as the case may be, any security interest. These limitations apply in relation to guarantees or security interests securing the performance of any obligations of any (direct or indirect) shareholder and/or any sister company of the Swiss Collateral Guarantors.

Pledges and other security interests

Under Swiss law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor be the same person. Therefore, with respect to pledges, under Swiss law, a valid pledge may only be created in favor of the person whose claim is secured by the pledge (and not to a third party) and the enforceability of the pledge is linked to the enforceability of the secured claim. The beneficial holders of the Notes from time to time will not be party to the Security Documents relating to the collateral. In order to permit the holders of the Notes from time to time to have a secured claim the Security Documents and the Intercreditor Agreement will provide for the creation of a "parallel debt." Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by Swiss law will directly secure the parallel debt. With respect to security assignments and other security interest of non-accessory nature granted under Swiss law, such security interest will be created in favor of the Security Agent. The holders of the Notes, from time to time, will, therefore, be represented by the Security Agent, acting as indirect representative (*indirekter Stellvertreter*) in its own name but for the benefit of all holders of the Notes. Accordingly, holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent.

Parallel debt

The concept of parallel debt arrangements has not yet been tested in court under Swiss law. It is not generally recognized under Swiss law and any agreement or document may not be enforceable to the extent it purports to effect such arrangements and, as a consequence, any pledge or similar security interest established with a view to secure such parallel debt arrangement would not be enforceable and the secured parties would only have a claim under the notes and the guarantees.

Security over bank accounts

Bank accounts are typically subject to a pledge granted to the relevant account banks under the general terms and conditions of such account banks. Pursuant to article 903 of the Swiss Civil Code, a pledge over bank accounts granted by the Swiss Collateral Guarantors under the respective Security Documents is only valid and perfected if the account bank is notified in writing of the pledge to be created under the relevant Security Agreement and such pledge ranks junior to any pledges granted to the relevant account banks. As such, an account bank could instigate special enforcement proceeding to liquidate the bank account (*Betreibung auf Pfandverwertung*) or enforce its senior pledge by a private liquidation (see below under "*Insolvency*."). In this case as well as in the event of a bankruptcy (*Konkurs*) of a Swiss

Collateral Guarantor, the Security Agent would merely be entitled to receive (for the benefit of the holders of the Notes) enforcement proceeds after deduction of the secured claims of the account banks and enforcement costs. The same issue would arise if bank account claims are assigned for security purposes.

Assignments of receivables

Under Swiss law, it is not required for the Swiss Collateral Guarantors to validly assign receivables to the Security Agent that the receivables debtors are notified. However, absent notification a receivables debtor may validly discharge its obligation under a receivable by paying to the Swiss Collateral Guarantors until, but not after, the debtor receives a notification of the existence of the assignment by the Swiss Collateral Guarantors.

No lien searches

In Switzerland, no lien searches are available for security interests which are not registered, such as pledges over shares, bank accounts and receivables. As a result, no assurance can be given on the priority of the pledges over the such assets. Furthermore, any security interest granted by a Swiss Collateral Guarantor may be affected by other rights of third parties (including, without limitation, set-off rights).

Insolvency

Under Swiss insolvency law, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency laws point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and *vis-à-vis* each entity have to be dealt with separately.

In the event of a Swiss Collateral Guarantor's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of the respective Swiss Collateral Guarantor being registered in the competent commercial register in Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (*Konkurs*) and, hence, a general liquidation of all assets and liabilities of the debtor. If bankruptcy has not been declared, creditors secured by a pledge must follow a special enforcement proceeding limited to the liquidation of the collateral (*Betreibung auf Pfandverwertung*), unless the parties have agreed that general debt enforcement proceedings and/or a private liquidation are permissible. However, if bankruptcy is declared while such a special enforcement proceeding is pending, such proceeding ceases and the creditor participates in the bankruptcy proceedings with the other creditors and a private liquidation is no longer permitted.

Under Swiss insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but rather require that the debtor or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings must be initiated by the debtor itself according to Swiss corporate law in the event of over-indebtedness (*Überschuldung*) or can be initiated by a creditor according to Swiss insolvency law in the event that the debtor has obviously and permanently stopped to pay its debts as and when they fall due or has acted fraudulently, or is attempting to act fraudulently to the detriment of its creditors. Furthermore, a debtor may also initiate insolvency proceedings if it declares itself insolvent (*zahlungsunfähig*) before court. Generally, pursuant to Swiss corporate law, a debtor is over-indebted when its liabilities exceed the value of its assets, which must be assessed pursuant to the accounting standards of the Swiss Code of Obligations and on the basis of a balance sheet to be drawn up (i) on the basis of the liquidation value of the debtor's assets and (ii)—to the extent there is still a going concern scenario—based upon the going concern value. If the interim balance sheet shows that the creditors' claims are neither covered by assets valued at liquidation values nor at going concern values, the debtor's board of directors has to notify the insolvency court, provided that creditors of the debtor do not agree to subordinate their claims in the amount necessary to cover the over-indebtedness (Art. 725 of the Swiss Code of Obligations). However, as soon as the debtor loses the going concern assumption for accounting purposes, going concern values become irrelevant and over-indebtedness is assessed solely based on liquidation values. While the criterion of over-indebtedness is based on a balance sheet test (rather than a liquidity test), it is important to note that a debtor's inability to pay its debts as and when they fall due will cause the debtor to lose the going concern assumption for accounting purposes and lead to an obligation to account for liquidation values. This, in turn, will typically result in over-indebtedness. The debtor's board of directors is obliged to file for insolvency without delay and non-compliance with this obligation exposes board of directors to both damage claims as well as sanctions under criminal law. The debtor's board of directors need not file for bankruptcy if (i) creditors with claims in an aggregate amount no lower than the amount of the debtor's over-indebtedness subordinate their claims against the claims of all other creditors, or (ii) if there is a substantiated likelihood for an informal (i.e. out-of-court) workout within a relatively short period of time. It is not settled in Swiss case law as to how long such period of time is supposed to be. However, many legal scholars consider such period to be four to six weeks. Finally, the debtor's auditors have the obligation to notify the competent court if the debtor's board of directors has failed to file for insolvency despite the debtor being obviously over-indebted.

If a creditor wants to initiate insolvency proceedings it has to file an application for commencement of enforcement proceedings (*Betreibungsbegehren*) with the competent debt collection office (*Betreibungsamt*). With respect to unsecured claims, the competent collection office is located where the debtor is registered or resident. The collection office will then serve the debtor with the writ of payment (*Zahlungsbefehl*). There is virtually no material assessment of the claim at this stage. The debtor may within ten days upon having been served with the writ of payment, file an objection (*Rechtsvorschlag*) to bring the procedure to a halt and obtain an individual stay of proceedings. No reasons need to be given for the objection. The collection office notifies the creditor of the objection.

For claims based on an enforceable judgment, the creditor can without any further delay file an application to lift this stay with the court (*Rechtsöffnungsbegehren*). For claims not based on an enforceable judgment, but on a certified and/or signed document evidencing the claim, provisional lifting of such stay can be applied for in summary proceedings (*provisorische Rechtsöffnung*). In the event the objection is set aside in these summary proceedings, the debtor may within 20 days bring an action in ordinary court proceedings for negative declaration that the creditor's claim does not exist (*Aberkennungsklage*).

The creditor may then ask the debt collection office to issue a writ of continuation (*Fortsetzungsbegehren*) in relation to an existing writ of payment having full force and effect. The competent insolvency office delivers this writ of continuation to the debtor. The insolvency court may take preliminary measures to secure property of the debtor in case this is requested by a creditor and required to secure the creditor's rights. Within 20 days from receipt of the threat of insolvency (*Konkursandrohung*), the creditor may petition the opening of insolvency proceedings. The competent insolvency court decides upon the insolvency without any delay, provided that there are no reasons which would lead to a suspension of the insolvency court's decision. In addition, the debtor has the right to file a request for a moratorium. The parties may file an appeal against any decision taken by the insolvency court.

The insolvency court orders the continuation of insolvency proceedings if certain requirements are met, in particular if there are sufficient assets to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only order to continue insolvency proceedings if third parties, for instance creditors, advance the costs of the insolvency proceedings themselves. In the absence of such advancement, the insolvency proceedings will be closed for insufficiency of assets (*Einstellung des Konkursverfahrens mangels Aktiven*). Alternatively, the insolvency office may request the insolvency court to resolve upon summary insolvency proceedings (*summarisches Konkursverfahren*), if the assets are not sufficient to cover the cost of ordinary insolvency proceedings and the actual facts of the case are not complicated. Also, in such case, creditors have the right to request ordinary insolvency proceedings.

Upon the opening of formal insolvency proceedings (*Konkurseröffnung*), the right to administer and dispose over the business and the assets of the debtor passes to the insolvency office (*Konkursamt*). The insolvency office has full administrative and disposal authority over the bankrupt estate (*Konkursmasse*), provided that certain acts require the approval of the insolvency court. The creditors' meeting may appoint a private insolvency administration (*private Konkursverwaltung*) and, in addition, a creditors' committee (*Gläubigerausschuss*). In such case, the private insolvency administration will be competent to maintain and liquidate the bankrupt estate. The creditors' committee has additional competences.

All assets owned by the relevant debtor at the time of the declaration of bankruptcy form the bankrupt estate, which after deduction of costs and certain other expenses, are used to satisfy the creditors. Assets of the bankrupt estate over which a pledge was created in favor of a creditor before the declaration of bankruptcy are included in the bankrupt estate. The pledgee or the Security Agent, respectively, is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy unsecured creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise certain claims under employment contracts, accident insurance, pension plans and family law. Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of Federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

Claims assigned for security purposes by a Swiss Collateral Guarantor that come into existence prior to the opening of bankruptcy can be enforced by the Security Agent outside Swiss bankruptcy proceedings. The Security Agent will, on behalf of the secured parties, collect all assigned claims. Alternatively, it is often entitled to sell such assigned claims to third parties by way of a private sale (*Freihandverkauf*) or acquire the assigned claims for its own account, in each case without having to initiate proceedings under the Swiss Federal Act on Debt Enforcement and Bankruptcy. Assigned claims that come into existence after the opening of bankruptcy over a Swiss Collateral Guarantor may fall within the bankrupt estate and the Security Agent may not be entitled to such claim proceeds.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (moratorium; *Nachlassstundung*) pending negotiation of the composition agreement with the creditors and confirmation of such agreement by the competent court. A distinction is made between a composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) which leads to a private liquidation and in many instances has analogous effects as a bankruptcy, and a dividend composition (*Dividenden-Vergleich*) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (*Stundungsvergleich*). During a moratorium, debt collection proceedings and, as a rule, also special enforcement proceedings to liquidate collateral cannot be initiated or continued (although a secured creditor may have to take, during the moratorium, certain actions to safeguard its rights in connection with any special enforcement proceeding instigated before the moratorium). Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private liquidation until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by a majority vote of the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Generally, any security interests other than guarantees (rights *in rem*) are enforced in accordance with the terms of the respective security agreement. Typically, the security agreements provide for the right of a security agent acting on behalf of the secured parties to enforce the security either by: (i) private realization (*Private Verwertung*) and set-off of the proceeds against the secured obligations; or (ii) official enforcement proceedings pursuant to the Swiss Federal Act on Debt Enforcement and Bankruptcy, in which case the right of objection pursuant to art. 41 of the Swiss Federal Act on Debt Enforcement and Bankruptcy (*Einrede der Betreibung auf Pfandverwertung*) is typically waived in the security agreements. In such case, the parties also typically agree in advance that a private sale (*Freihandverkauf*) will be admissible. However, if bankruptcy is declared, the creditors participate in the bankruptcy proceedings with the other creditors and a private liquidation is no longer permitted.

In the course of a private realization, the Security Agent acting on behalf of the secured parties may acquire any or all of the pledged assets (*Selbsteintritt*). In such a case, in order to determine the price for the acquisition of the pledged assets, the security agent may either sell the pledged assets or liquidate the pledged company and sell its assets in such a manner as it sees fit. Thereafter, the Security Agent will settle the acquisition of the pledged assets with the pledgor. For this purpose, the net proceeds of any sale of the pledged assets or of the liquidation of the pledged company will, after payment of expenses and taxes and—in case of a liquidation—any third-party debts, be considered the price for the acquisition of the pledged assets, which is applied to the secured obligations. The Security Agent will credit any remaining surplus to the pledgor.

Hardening periods and fraudulent transfer

Under Swiss insolvency laws, the insolvency administration may, under certain conditions, avoid transactions, such as, *inter alia*, the granting of or the payment under any guarantee or security or, if a payment has already been made under the relevant guarantee or security, require that the recipients return the amount received to the bankrupt estate. In particular, a transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the debtor's other creditors may be avoided according to Swiss insolvency laws in the following cases if such acts result in damages to the creditors:

- The debtor has made a transaction being considered as a gift or a disposal of assets without any consideration, provided that the debtor made such transaction within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*). Similarly, transactions pursuant to which the debtor received a consideration which was disproportionate to its own performance, may be avoided. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such transaction was at arm's length.

- Certain acts are voidable if performed by the debtor within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*), provided that the debtor was already over-indebted at that time: (i) granting of security for existing claims, provided that the debtor was not previously obliged to grant such security, (ii) payment of a monetary obligation (*Geldschuld*) in any other way than by payment in cash (*Barschaft*) or other customary means of payment, and (iii) the payment of a debt not yet due. However, any avoidance action is dismissed if the beneficiary of the transaction can prove that it was not aware of the debtor's over-indebtedness and, being diligent, could not know that the debtor had been over-indebted at that time.

- Furthermore, any acts performed within the last five years prior to, *inter alia*, the opening of formal insolvency proceedings (*Konkurseröffnung*) or the confirmation of a composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) performed by the debtor with the intention to discriminate some creditors against others or to favor some creditors to others are voidable if such intention was, or exercising the requisite due diligence, must have been known to the debtor's counterparty. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such intention was not recognizable.

If any guarantee or security is avoided as summarized above or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee or any security interest and would have a claim solely under the notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

British Virgin Islands

For the purposes of the British Virgin Islands Insolvency Act, 2003 (as amended) of the British Virgin Islands (the "**British Virgin Islands Insolvency Act**"), a British Virgin Islands Notes Guarantor will be regarded as insolvent in any of the following circumstances:

- it fails to comply with the requirements of a statutory demand that has not been set aside under section 157 of the British Virgin Islands Insolvency Act;

- execution or other process issued on a judgment, decree or order of a British Virgin Islands court in favor of any of such British Virgin Islands Notes Guarantor's creditors is returned wholly or partly unsatisfied; or

- either the value of such British Virgin Islands Notes Guarantor's liabilities (including contingent liabilities) exceeds its assets, or it is unable to pay its debts as they fall due.

Any of those above noted circumstances will serve as the basis for making an application to the British Virgin Islands court appoint a liquidator on the grounds of the relevant British Virgin Islands Notes Guarantor's insolvency. A British Virgin Islands court could also appoint a liquidator if it is of the opinion that it is just and equitable that a liquidator should be appointed or, on the application of the British Virgin Islands Financial Services Commission or Attorney General, that it is in the public interest that a liquidator should be appointed. Conversely, the mere fact of insolvency does not itself automatically result in the appointment of a liquidator. Any such British Virgin Islands court appointed liquidator is, in this British Virgin Islands summary, referred to as a "liquidator."

A liquidator, if appointed to a British Virgin Islands Notes Guarantor, will have the powers set out in Schedule 2 of the British Virgin Islands Insolvency Act. The British Virgin Islands Court may restrict the exercise of some of these powers, and in particular the power to commence, continue or defend proceedings on behalf of the British Virgin Islands Notes Guarantor. A liquidator acts as an officer of the British Virgin Islands Court (and the agent of the company in liquidation) and a liquidation of a British Virgin Islands Notes Guarantor will take place under the supervision of the British Virgin Islands Court. Following his appointment the liquidator will give notice to such British Virgin Islands Notes Guarantor's creditors inviting them to submit their claims for payment, by notifying known creditors (if any) who have not submitted claims and by advertising his appointment, and taking any other steps he considers appropriate, after which the relevant British Virgin Islands Notes Guarantor's assets would be distributed in accordance with the British Virgin Islands Insolvency Act. As soon as practicable after completing his duties in relation to the liquidation of the British Virgin Islands Notes Guarantor, the liquidator will be required to send his final report and a statement of realizations and distributions to the creditors and members of the relevant British Virgin Islands Notes Guarantor's and to the Registrar of Corporate Affairs in the British Virgin Islands. He will also be required to provide the creditors and the members with a summary of the grounds upon which a creditors or members may object to the striking of the relevant British Virgin Islands Notes Guarantor from the register. The liquidator may determine that he requires additional time to evaluate creditors' claims (particularly if there is uncertainty over the validity or extent of the claims of any creditors). Such events might delay distribution of some of all of the relevant British Virgin Islands Notes Guarantor's assets.

The following is a summary of the key provisions of the British Virgin Islands Insolvency Act which may affect the enforceability of a transaction entered into by a British Virgin Islands Notes Guarantor whilst it was insolvent; for instance because it was unable to pay its debts as they fell due.

Court orders that may be made in relation to Voidable Transactions

On the application of the liquidator, the British Virgin Islands court, if satisfied that a transaction entered into by a British Virgin Islands Notes Guarantor is a "Voidable Transaction" (but subject to certain protections for persons who acquire an interest in an asset in good faith and for value from a person other than the relevant British Virgin Islands Notes Guarantor, or an interest deriving from such an interest or who receives a benefit from the transaction in good faith and for value):

(a) may make an order setting aside the transaction in whole or in part;

(b) in respect of an "Unfair Preference" or an "Undervalue Transaction," may make such order as it considers fit for restoring the position to what it would have been if the relevant British Virgin Islands Notes Guarantor had not entered into that transaction;

(c) in respect of an "Extortionate Credit Transaction," may by order provide for any one or more of the following:

    a. the variation of the terms of the transaction or the terms on which any security interest for the purposes of the transaction is held;

    b. the payment by any person who is or was a party to the transaction to the liquidator of any sums paid by the relevant British Virgin Islands Notes Guarantor to that person by virtue of the transaction;

    c. the surrender by any person to the liquidator of any asset held by him as security for the purposes of the transaction; and

    d. the taking of accounts between any persons.

Disclaimer of onerous property

In addition, the liquidator will have the power to disclaim "Onerous Property" belonging to a British Virgin Islands Notes Guarantor. The consequence of a disclaimer of Onerous Property is to determine, from the date of disclaimer, the rights, interests and liabilities of the British Virgin Islands Notes Guarantor in or in respect of the property disclaimed, but shall not, except so far as is necessary for the purpose of releasing the relevant British Virgin Islands Notes Guarantor from liability, affect the rights or liabilities of any other person (which could include all creditors of the relevant British Virgin Islands Notes Guarantor).

"Onerous Property" as used herein in connection with a British Virgin Islands Notes Guarantor means:

(a) an unprofitable contract; or

(b) assets of the relevant British Virgin Islands Notes Guarantor which are unsaleable or not readily saleable, or which may give rise to a liability to pay money or perform an onerous act.

Any person who claims an interest in any disclaimed property may apply to the British Virgin Islands Court for an order (which may be made on such terms as the court thinks fit) for the vesting of the disclaimed property in, or for its delivery to, such person or a trustee for such person.

It should be noted that Section 220(2) of the British Virgin Islands Insolvency Act provides that a person sustaining loss or damage in consequence of the operation of a disclaimer (which could include creditors of the relevant British Virgin Islands Notes Guarantor) may claim as a creditor of the relevant British Virgin Islands Notes Guarantor to the extent of the loss or damage in the liquidation of the British Virgin Islands Notes Guarantor.

Voidable Transactions

A "Voidable Transaction" is any of the following transactions which is entered into during the Vulnerability Period and which is (other than in respect of an Extortionate Credit Transaction) an Insolvency Transaction:

(a) an Unfair Preference;

(b) an Undervalue Transaction;

(c) a Voidable Floating Charge; or

(d) an Extortionate Credit Transaction.

The "Vulnerability Period" as used herein in connection with a British Virgin Islands Notes Guarantor means the period commencing 6 months prior to the onset of insolvency and ending on the date of the appointment of the liquidator, save in respect of an extortionate credit transaction where the period is 5 years. The period of 6 months is extended to two years where the transaction was entered into with Connected Persons.

An "Insolvency Transaction" as used herein in connection with a British Virgin Islands Notes Guarantor means a transaction entered into at a time when the relevant British Virgin Islands Notes Guarantor is Insolvent or the transaction causes the relevant British Virgin Islands Notes Guarantor to become Insolvent.

An "Unfair Preference" as used herein in connection with a British Virgin Islands Notes Guarantor means an Insolvency Transaction entered into within the Vulnerability Period which has the effect of putting a creditor of the relevant British Virgin Islands Notes Guarantor into a position which, in the event of the relevant British Virgin Islands Notes Guarantor going into insolvent liquidation, will be better than the position it would have been in if the transaction had not been entered into. A transaction is not an Unfair Preference if the transaction took place in the ordinary course of business.

Where the transaction is entered into with a Connected Person it is presumed, unless the contrary is proved, that the transaction was an Insolvency Transaction and that it did not take place in the ordinary course of business. A transaction may be an Unfair Preference notwithstanding that it is entered into pursuant to an order of court or tribunal in or outside the British Virgin Islands.

An "Undervalue Transaction" as used herein in connection with a British Virgin Islands Notes Guarantor means a transaction (including a transaction entered into pursuant to the order of a court or tribunal in or outside the British Virgin Islands) entered into by the relevant British Virgin Islands Notes Guarantor and another person where:

(a) the relevant British Virgin Islands Notes Guarantor makes a gift to that person or otherwise enters into the transaction with that person on terms that provide for the relevant British Virgin Islands Notes Guarantor to receive no consideration; or

(b) the value of the consideration provided to the relevant British Virgin Islands Notes Guarantor, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the relevant British Virgin Islands Notes Guarantor,

    provided that a transaction is not an Undervalue Transaction if:

    (A) the relevant British Virgin Islands Notes Guarantor entered into the transaction in good faith and for the purposes of its business; and

    (B) at the time the relevant British Virgin Islands Notes Guarantor entered into the transaction, there were reasonable grounds for believing that the transaction would benefit it.

Where such transaction was entered into with a Connected Person, it is presumed that, unless the contrary is proved, the transaction was an Insolvency Transaction and that the provisos referred to at paragraphs (A) and (B) immediately above did not apply to the transaction.

A "Voidable Floating Charge" as used herein in connection with a British Virgin Islands Notes Guarantor means a floating charge created by the relevant British Virgin Islands Notes Guarantor during the Vulnerability Period which is an Insolvency Transaction, save to the extent that such floating charge secures:

(a) money advanced or paid to the relevant British Virgin Islands Notes Guarantor means, or at its direction, at the same time as, or after, the creation of the charge;

(b) the amount of any liability of the relevant British Virgin Islands Notes Guarantor discharged or reduced at the same time as, or after, the creation of the charge;

(c) the value of assets sold or supplied, or services supplied, to the company at the same time as, or after, the creation of the charge; and

(d) the interest, if any, payable on the amount referred to in paragraphs (a) to (c) immediately above pursuant to any agreement under which the money was advanced or paid, the liability was discharged or reduced, the assets were sold or supplied or the services were supplied.

Where a floating charge is created in favor of a Connected Person, it is presumed that, unless the contrary is proved, the creation of the charge was an Insolvency Transaction.

An "Extortionate Credit Transaction" as used herein in connection with a British Virgin Islands Notes Guarantor means a transaction entered into by the relevant British Virgin Islands Notes

Guarantor within the Vulnerability Period involving the provision of credit to the relevant British Virgin Islands Notes Guarantor if, having regard to the risk accepted by the person providing the credit:

(a) the terms of the transaction are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of credit; or

(b) the transaction otherwise grossly contravenes ordinary principles of fair trading.

"Insolvent" as used in the context of these Voidable Transactions in connection with a British Virgin Islands Notes Guarantor means that:

(a) the relevant British Virgin Islands Notes Guarantor fails to comply with a statutory demand that has not been set aside under Section 157 of the British Virgin Islands Insolvency Act; or

(b) execution or other process issued on a judgment, decree or order of a British Virgin Islands court in favor of a creditor of the relevant British Virgin Islands Notes Guarantor is returned wholly or partly unsatisfied; or

(c) the relevant British Virgin Islands Notes Guarantor is unable to pay its debts as they fall due.

A "Connected Person" as used herein in connection with a British Virgin Islands Notes Guarantor means any one or more of the following:

(a) a promoter of the relevant British Virgin Islands Notes Guarantor;

(b) a director or member of the relevant British Virgin Islands Notes Guarantor or of a related company;

(c) a beneficiary under a trust of which the relevant British Virgin Islands Notes Guarantor is or has been a trustee;

(d) a related company;

(e) another company one of whose directors is also a director of the relevant British Virgin Islands Notes Guarantor;

(f) a nominee, relative, spouse or relative of a spouse of a person referred to in paragraphs (a) to (c) immediately above;

(g) a person in partnership with a person referred to in paragraphs (a) to (c) immediately above; and

(h) a trustee of a trust having as a beneficiary a person who is, apart from this paragraph, a connected person.

For the purposes of this Connected Person test, a company is related to another company if:

(a) it is a subsidiary or holding company of that other company;

(b) the same person has control of both companies; and

(c) the company and that other company are both subsidiaries of the same holding company.

Fraudulent trading

On the application of a liquidator of a British Virgin Islands Notes Guarantor, the British Virgin Islands Court may, where it is satisfied that, at any time before the commencement of the liquidation of the British Virgin Islands Notes Guarantor, any of its business has been carried on

(a) with intent to defraud creditors of the British Virgin Islands Notes Guarantor or creditors of any other person; or (b) for any fraudulent purpose, declare that any person who was knowingly a party to the carrying on of the business in such manner are liable to make such contribution, if any, to British Virgin Islands Notes Guarantor's assets as the British Virgin Islands Court considers proper.

Voidable dispositions

With certain limited exceptions, a conveyance of property with intent to defraud creditors shall be voidable at the instance of any person thereby prejudiced.

United States

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, under certain circumstances:

(a) the issuance of the Notes Guarantees and the grant of security in the Collateral by entities subject to or organized under the laws of the United States or certain states thereof, including the State of Michigan, the State of Illinois and the State of Delaware (each, a "**U.S. Provider**") could be avoided;

(b) claims in respect of such liens or obligations could be subordinated to some or all of its other debts and other liabilities; and

(c) the right of the Trustee to repossess and dispose of the Collateral of a U.S. Provider upon an event of default under the Indentures governing the Notes is likely to be significantly impaired if such U.S. Provider commenced U.S. bankruptcy proceedings before such repossession or disposal occurs, and the holders of the Notes could be required to repay any amounts received in connection with such Notes Guarantee or Collateral.

Federal and state insolvency proceedings

Certain U.S. Providers may have operations that would subject any one or more either to federal bankruptcy laws under title 11 of the United States Code (the "**U.S. Bankruptcy Code**") or any applicable state law insolvency proceedings. Proceedings under the U.S. Bankruptcy Code vary and provide a debtor with discretion in its pursuit of a liquidation or reorganization strategy. The U.S. Bankruptcy Code provides a detailed statutory framework that, among other things, contains terms or provisions relating to: (a) the administration of a bankruptcy case, including the provision of "adequate protection" to secured creditors, the automatic stay, terms for the use, sale or lease of property, standards for obtaining credit and the treatment of executory contracts and leases; (b) creditors and claims, including filing proofs of claim, priority and allowance of claims, rights of secured creditors and subordination of claims; (c) provisions relating to the creation of the bankruptcy estate, including the scope of property of the estate and turnover and avoidance actions; liquidation under chapter 7 of the U.S. Bankruptcy Code; reorganization under chapter 11 of the U.S. Bankruptcy Code; and ancillary and cross-border insolvency cases under chapter 15 of the U.S. Bankruptcy Code.

As a general matter, chapter 7 of the U.S. Bankruptcy Code provides for the orderly liquidation of the debtor's assets by a trustee. Chapter 11 of the U.S. Bankruptcy Code is available to debtors who seek to rehabilitate their businesses and work out their obligations to creditors. Unlike in chapter 7, the debtor in a chapter 11 case typically remains in control of its assets and continues to operate its business during the course of the bankruptcy case. In addition, "liquidating" chapter 11 cases are a frequently utilized alternative to chapter 7 liquidations, especially where the conversion of a pending chapter 11 case to a case under chapter 7 might prove prohibitively expensive or in an instance when a debtor expects to sell all or substantially all of its assets. Because bankruptcy proceedings tend to be fact specific and vary case by case and because U.S. bankruptcy courts are courts of equity with broad discretionary powers, a detailed summary of all of the provisions of the U.S. Bankruptcy Code that could impact the Notes, the Collateral or the Notes Guarantees is not contained herein.

With respect to proceedings under any applicable state insolvency laws (e.g., assignments for the benefit of creditors, receiverships or other state liquidation mechanisms), the effects and customers of these proceedings are fact-specific, vary from state to state and require an examination of both statutory and common law, the details of which also are not described herein. To the extent more information is required, potential investors in the Notes should consult an insolvency professional familiar with U.S. and the applicable state insolvency laws.

Delay and risks associated in a federal bankruptcy proceeding

If a bankruptcy proceeding were to be commenced under the U.S. Bankruptcy Code by or against any U.S. Provider, it is likely that delays will occur in enforcing the Notes Guarantees or Collateral granted by the bankrupt U.S. Provider, because of specific provisions of such laws or by a court applying general principles of equity. Aspects of federal bankruptcy laws or general principles of equity that could result in the impairment of rights include, but are not limited to:

(a) the automatic stay;

(b) avoidance of preferential transfers by a trustee or debtor-in-possession;

(c) substantive consolidation of the assets and liabilities of multiple entities;

(d) limitations on collectability of unmatured interest or attorney fees;

(e) fraudulent transfer; and

(f) forced restructuring of the bonds issued by the bankrupt company, including reduction of principal amounts and interest rates and extension of maturity dates, over the holders' objections.

As an initial matter, the commencement of a bankruptcy case operates as a stay, applicable to all creditors, of most litigation against the debtor and efforts to collect prepetition claims, enforce existing liens or impose most new liens. The purpose of the stay is to provide the chapter 11 debtor time to reorganize and the chapter 7 trustee protection under which to liquidate in an orderly fashion the debtor s assets for the benefit of creditors. The automatic stay is also intended to shield a debtor from the pressures of creditor collection efforts. Among other things, the automatic stay prohibits (a) all collection efforts by creditors, (b) the enforcement of prepetition judgments against the debtor or property of the estate, (c) any act to create, perfect or enforce a lien against property of the estate and (d) the set-off of prepetition debts owing to the debtor against debts owing by the debtor. The automatic stay ordinarily does not bar suits against non-debtor guarantors or co-obligors, nor does it enjoin payment under a letter of credit issued by a bank in favor of a creditor of the applicable debtor. Applicable federal bankruptcy laws generally do not permit the payment or accrual of interest, costs and attorney's fees for unsecured or "undersecured" claims.

Fraudulent transfer issues

Under the U.S. Bankruptcy Code or comparable provisions of state fraudulent transfer laws, the issuance of Notes Guarantees or provisions of Collateral by any U.S. Providers could be avoided if, among other things, at the time the U.S. Providers issued the Notes Guarantees or provided Collateral (as the case may be), the applicable U.S. Provider (a) intended to hinder, delay or defraud any present or future creditor or (b) received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and, in the case of (b) either:

(a) was insolvent or rendered insolvent by reason of such incurrence;

(b) was engaged in a business or transaction for which the U.S. Provider's remaining assets constituted unreasonably small capital; or

(c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, a U.S. Provider would be considered insolvent if:

(a) the sum of its debts, including contingent liabilities, was greater than all of its assets, at a fair valuation;

(b) the present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they become absolute and mature; or

(c) it could not pay its debts as they become due.

However, there can be no assurance as to what standard a court may apply in making solvency determinations, and different courts may reach different conclusions with regard to these issues. In an evidentiary ruling in the In re W.R. Grace & Co. bankruptcy case, the U.S. Bankruptcy Court for the District of Delaware held that under the Uniform Fraudulent Transfer Act, whether a transferor is rendered insolvent by a transfer depends on the actual liabilities of the transferor, and not what the transferor knows about such liabilities at the time of the transfer. Therefore, under that court's analysis, liabilities that are unknown, or that are known to exist but whose magnitude is not fully appreciated at the time of the transfer, may be taken into account in the context of a future determination of insolvency. If the principle articulated by that court is upheld, it would make it very difficult to know whether a transferor is solvent at the time of transfer, and would increase the risk that a transfer may in the future be found to be a fraudulent transfer.

By their terms, the Notes Guarantees of each U.S. Provider will limit the liability of each such guarantor to the maximum amount it can pay without the Notes Guarantee being deemed a fraudulent transfer. It is not assured, however, that this limitation will protect such guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the notes in full when due. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to protect the guarantees.

In addition to the avoidance power that may be exercised in a U.S. bankruptcy, claims in respect of liens or obligations evidenced by the Notes Guarantees or Collateral may, in certain circumstances, be subordinated under the equitable subordination provisions of the U.S. Bankruptcy Code.

Preference issues

Any future pledge of collateral in favor of the creditors might be avoidable by the pledgor (as debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the pledgee to receive a greater recovery than it would otherwise receive in a hypothetical Chapter 7 liquidation and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period.

Republic of Italy

The following is a summary of certain limitations on the validity and enforceability of the Notes, the agreements ancillary thereto and the security interests being provided for the Notes, and a summary of certain Italian insolvency law considerations. The description below is only a summary, and does not purport to be complete or exhaustive, or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes, the agreements ancillary thereto or the Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

Insolvency laws

Insolvency or restructuring proceedings may be initiated in Italy to the extent that the centre of main interests of the companies provided for under EU Insolvency Regulation is not located elsewhere. In Italy, the courts play a central role in the insolvency process and in-court procedures may be materially more complex and time-consuming than in equivalent situations in jurisdictions with which investors may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorized to carry out certain reserved activities nor it provides a comprehensive description of insolvency laws application where public companies are involved.

The two primary aims of Royal Decree No. 267 of March 16, 1942 (the main Italian bankruptcy legislation), as reformed and currently in force (the "**Italian Bankruptcy Law**"), are to liquidate the debtor's assets and restructure its business protecting, where possible, the goodwill of the going concern (if any) for the satisfaction of creditors' claims as well as, in case of the "Prodi-*bis*" procedure or "Marzano" procedure, to maintain employment. These competing aims have often been balanced by selling businesses as going concerns and ensuring that employees are transferred along with the businesses being sold. However, the Italian Bankruptcy Law has been recently amended with a view to promoting rescue procedures rather than liquidation, and a focus on the continuity and survival of financially distressed business and enhancing pre-bankruptcy restructuring options.

Under the Italian Bankruptcy Law, bankruptcy must be declared by a court, based on the insolvency (*insolvenza*) of a company upon a petition filed by the company itself, the public prosecutor and/or one or more creditors. Insolvency occurs when a debtor is no longer able to regularly meet its obligations as they become due. This must be a permanent, and not a temporary, status in order for a court to hold that a company is insolvent. Conversely, the state of crisis (*stato di crisi*) is broader in that it can be temporary and reversible.

The following forms of debt restructuring and bankruptcy are available under Italian law for companies in a state of crisis and for insolvent companies.

Italian Bankruptcy Law applies to enterprises (*imprese*) either run by companies, partnerships or by individuals.

Restructuring outside of a judicial process (accordi stragiudiziali)

Restructuring generally takes place through a formal judicial process because it is more favorable for the debtor and because informal arrangements put in place to effect an out-of-court restructuring are susceptible to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions. However, in cases where a company is solvent, but facing financial difficulties, it may be possible for it to enter into an out-of-court arrangement with its creditors, which may safeguard the existence of the company.

Out-of-court reorganization plans (Piani di risanamento) pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law

Out-of-court reorganization plans (*piani di risanamento*) are based on restructuring plans (*piani di risanamento attestati*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the debtor has to verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the expert; nevertheless, the expert can only be selected and appointed among those possessing certain specific professional requisites and qualifications (i.e. being registered in the auditors' register), and meeting the requirements under Article 2399 of the Italian Civil Code. The expert may be subject to liability in case of misrepresentation or false certification.

The terms and conditions of these out-of-court reorganization plans are freely negotiable. Unlike court-supervised pre-bankruptcy compositions with creditors and debt restructuring agreements (see below), out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Bankruptcy Law provides that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out for the implementation of the reorganization plan, subject to certain conditions are (i) not subject to claw-back action and (ii) exempted from certain potentially applicable criminal sanctions. Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register is possible upon debtor's request) and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of an court-supervised pre-bankruptcy compositions with creditors or a debt restructuring agreement (see below).

Debt restructuring agreements with creditors (accordi di ristrutturazione dei debiti) pursuant to Article 182-bis of the Italian Bankruptcy Law

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) entered into with creditors representing at least 60% of the outstanding company's debts can be ratified (*omologati*) by the court, provided that an expert appointed by the debtor assesses the truthfulness of the business data provided by the company and declares that the agreement is feasible and, particularly, that it ensures that the debts of the non-participating creditors can be fully satisfied within the following time frames: (i) 120 days from the date of ratification of the agreement by the court, in the case of debts which are due and payable to the non-participating creditors as at the date of the ratification (*omologazione*) of the debt restructuring agreement by the court; and (ii) 120 days from the date on which the relevant debts fall due, in case of receivables which are not yet due and payable to the non-participating creditors as of the date of the ratification of the debt restructuring agreement by the court. Only a debtor who is insolvent or in a state of crisis can initiate this process and request the court's ratification of the debt restructuring agreement entered into with its creditors.

The debt restructuring agreement is published in the companies' register and becomes effective as of the day of its publication. Starting from the date of such publication and for 60 days thereafter, creditors cannot start or continue any interim relief or enforcement actions over the assets of the debtor and cannot obtain any security interest (unless agreed) in relation to pre-existing debts. Such moratorium can be requested, pursuant to Article 182-*bis*, Paragraph 6 of the Italian Bankruptcy Law, to the court by the debtor pending negotiations with creditors (prior to the above-mentioned publication of the agreement), subject to the fulfilment of certain conditions. Such moratorium request must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation, sets the date for a hearing within 30 days of the publication and orders the debtor to supply to the creditors the relevant documentation in relation to the moratorium. In such hearing, creditors and other interested parties may file an opposition to the agreement and the court assesses whether the conditions for granting the moratorium have been met and, if they have, orders that no interim relief or enforcement action may be started or continued, nor can security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding 60 days) by which the restructuring agreement has to be filed. The court's decree may be challenged within 15 days of its publication. Within the same deadline of 60 days, an application for the court-supervised pre-bankruptcy composition with creditors (as described below) may be filed, without prejudice to the effect of the moratorium.

Creditors and other interested parties may oppose to the agreement within 30 days of its publication with the competent Companies' register. The court shall, after having settled the opposition (if any), validate the debt restructuring agreement by issuing a decree which may be opposed within the following 15 days of its publication.

The Italian Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, *inter alia*, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party and may contain, business refinancing agreements, moratoria, write-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

Pursuant to Article 182-*quater* of the Italian Bankruptcy Law, financings granted to a debtor "in execution of" (*in esecuzione di*) a debt restructuring agreement, as well as of a court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*), benefit of a super senior status. Additionally, even the financings granted "in view of" (*in funzione di*) the filing of a petition for the ratification (*i.e. omologazione*) of a debt restructuring agreement pursuant to Article 182-*bis* or a *concordato preventivo* benefit of the same super senior status in case of subsequent bankruptcy of the debtor where such financings are contemplated under the underlying restructuring plan and the super priority status is expressly recognized by the court in the context of the ratification (*omologazione*) of the debt restructuring agreement or the approval of the *concordato preventivo*. Same provisions apply to financings granted by shareholders up to 80% of their amount.

Moreover, pursuant to the new Article 182-*quinquies* of the Italian Bankruptcy Law, the court, pending the ratification (*omologazione*) of the debt restructuring agreement pursuant to Article 182-*bis*, Paragraph 1, or after the filing of the moratorium application pursuant to Article 182-*bis*, Paragraph 6, of the Italian Bankruptcy Law or a petition pursuant to Article 161, Paragraph 6, (in relation to the court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*) described below) may authorize the debtor, if so expressly requested: (i) to incur in new super senior indebtedness and to secure such indebtedness with in rem security ("*garanzie reali*") or by assigning the claims, provided that the expert appointed by the debtor declares that the new financing aims at providing a better satisfaction of the creditors, and (ii) to pay pre-existing debts deriving from the supply of services or goods, already payable and due, provided that the expert declares that such payments are essential for the company to operate. This possibility may be available to the applicant whereas its business activity is kept as a going concern.

It should be specified that the provision of Article 182-*quinquies* of the Italian Bankruptcy Law applies to both debt restructuring agreements and to court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*).

Pursuant to article 182-*septies* of the Italian Bankruptcy Law, the debtor can also ask that the effects of the debt restructuring agreement are extended to banks and financial intermediaries which have not agreed to the contents of the debt restructuring agreement provided that the following conditions are met: (a) at least 50% of the overall indebtedness of the debtor is represented by debts *vis-à-vis* banks and financial intermediaries; (b) the debt restructuring agreement provides for the division of such creditors in one or more categories having similar legal status and economic interests and the non-consenting creditors belong to the same category of creditors; (c) the claims of the banks and financial intermediaries belonging to one category which have agreed to the debt restructuring agreement represent at least 75% of the debtor's overall indebtedness *vis-à-vis* the banks and financial intermediaries belonging to the same category; and (d) all creditors belonging to the relevant category have been informed of the ongoing negotiations and have been allowed to participate to such negotiations in good faith. The court ratifies the debt restructuring agreement only after having ascertained that the negotiations have been carried out in good faith and that the banks and financial intermediaries in respect of which the debtor requests the extension of the effects of the agreement: (A) have legal status and economic interests similar to those of the banks and financial intermediaries which have agreed to the debt restructuring agreement; (B) have received complete and updated information on the assets, economic and financial situation of the debtor as well as on the debt restructuring agreement and its effects, and they have been allowed to participate to the negotiations; and (C) may be satisfied, on the basis of the debt restructuring agreement, in a measure which is not less than the other concrete practicable solutions. The rights and claims of the creditors different from banks and financial intermediaries are not affected by the aforementioned provisions.

The debtor may also enter into a moratorium arrangement (*convenzione di moratoria*) with its creditors which are banks and financial intermediaries by which also the non-consenting banks and financial intermediaries are bound, provided that: (i) they have been informed of the ongoing negotiations and have been allowed to participate to such negotiations in good faith; and (ii) an expert meeting the requirements provided under Article 67, Paragraph 3(d) of the Italian Bankruptcy Law certifies that the non-consenting banks and financial intermediaries have legal status and economic interests similar to those of the banks and financial intermediaries which have agreed to the moratorium arrangement. The banks and financial intermediaries which have not agreed to the moratorium arrangement may file an objection (*opposizione*) to it within 30 days after having been notified of the moratorium arrangement.

In no case the debt restructuring agreement provided under article 182-septies of the Italian Bankruptcy Law or the moratorium arrangement may impose on the non-adhering creditors the performance of new obligations, the granting of new over-draft facilities, the maintenance of the possibility to utilize existing facilities or the utilization of new facilities.

Court-supervised pre-bankruptcy composition with creditors (concordato preventivo)

In general, pursuant to Article 1 of Italian Bankruptcy Law, corporations are submitted to *concordato preventivo* provisions and/or to bankruptcy where any of the following thresholds are exceeded (i) assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million in each of the three preceding fiscal years, (ii) gross revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years or (iii) total indebtedness (including debt not overdue and payable) in excess of €0.5 million.

A company which is in a situation of "financial distress and/or crisis" but has not been declared insolvent by the court, has the option to seek an arrangement with its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of bankruptcy proceeding.

Only the debtor company can file a petition at court for a *concordato preventivo*, which must be accompanied and supported, *inter alia*, by a restructuring plan proposed to the creditors and an independent expert report assessing the feasibility of the arrangement proposal and the truthfulness of the business data on which the plan is grounded. Following the filing of the petition with the court, the petition is published by the court in the companies' register. Between the publishing in the companies' register of the *concordato preventivo* proposal and its ratification by the court, all enforcement actions by the creditors (whose title arose before the publishing in the companies' register of the *concordato preventivo* proposal) are stayed. In addition, during this time, pre-existing creditors cannot obtain security interests (unless authorized by the court) and the mortgages registered within 90 days preceding the date on which the petition for the *concordato preventivo* is published in the Italian companies' register are ineffective against such pre-existing creditors. The arrangement proposal may provide for, *inter alia*: (i) the restructuring of debts and the satisfaction of creditors' claims, in any manner, including by way of example, through extraordinary transactions such as the granting to creditors and their subsidiaries or affiliated companies of shares, bonds (also convertible into shares), or other financial instruments and debt securities; (ii) the transfer to a receiver (*assuntore*) of the operations of the business involved in the proposed arrangement agreement; (iii) the division of creditors into different classes; and (iv) different treatments for creditors belonging to different classes.

The arrangement proposal may provide that: (i) the debtor's company's business continues to be run by the debtor company as a going concern; or (ii) the business is transferred to one or more companies and any assets which are no longer necessary to run the business are liquidated (*concordato preventivo con continuità aziendale*). In both cases, the petition for the *concordato preventivo* should fully describe the costs and revenue which are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the independent expert shall also certify that the continuation of the business is conductive to the satisfaction of creditors' claim to a greater extent than if such arrangement proposal was not implemented. Furthermore the going concern-based arrangement with creditors can provide also the winding-up of those assets which are not functional to the business. The arrangement agreement may also provide a proposed tax settlement for the partial or deferred payment of certain taxes. The proposal must ensure the payment of at least 20% of the unsecured claims, except in case of a *concordato preventivo* in business continuity (*concordato con preventivo con continuità aziendale*). In case of a *concordato preventivo con continuità aziendale*, the plan may provide for a moratorium of up to one year for the payment of creditors which benefit from a privilege (*privilegio*), pledge (*pegno*) or mortgage (*ipoteca*).

Creditors (other than affiliates of the debtor) which—also as a consequence of acquisitions of claims carried out after the filing of the petition for *concordato preventivo*—hold no less than 10% of the claims against the debtor are entitled to file a *concordato preventivo* competing proposal and the related plan. Such competing proposals may not be admitted to being voted by creditors if the independent expert certifies that the debtor's proposal is capable of satisfying at least 40% (or, in case of a *concordato preventivo* in business continuity (*concordato preventivo con continuità aziendale*), 30%) of the unsecured claims. Creditors which file a competing proposal may express a vote on it only if they are included in an autonomous class of creditors. Competing proposals, as well as the debtor's proposal, may be amended up to 15 days before the date of creditors' meeting.

If the proposal includes the offer by a third party for the acquisition of a going concern (*azienda*), a branch of a going concern (*ramo d'azienda*) or certain assets, the court orders to search potential purchasers and the opening of a tender procedure. The debtor must modify the proposal and the plan on the basis of the outcome of such tender procedure.

The court determines whether the proposal for the arrangement is admissible, in which case the court, *inter alia*, delegates a judge (*giudice delegato*) to follow the procedure, appoints one or more judicial officers (*commissari giudiziali*) and calls a creditor meeting. During the implementation of the arrangement, the company is managed by its corporate bodies (usually its board of directors) under the supervision of such judicial officer(s) and the judge delegated by the court. The debtor is allowed to carry out urgent extraordinary transactions only upon the prior court's authorization, while ordinary transactions may be carried out without authorizations. Third party claims deriving from the interim acts legally carried out by the debtor rank super senior pursuant to Article 111 of the Italian Bankruptcy Law.

The *concordato preventivo* proposal made by the debtor—and the competing proposals (if any) of the creditors—are voted on at a creditors' meeting and must be approved with the favorable vote of creditors representing the majority of claims entitled to vote. If the proposal provides for different classes of creditors, the approval of the plan also requires the favorable vote of creditors representing the majority of claims in the majority of such classes. Creditors who, being entitled to vote, did not do so and whom did not express their dissent (including failing to notify their objection via telegraph, fax, mail or certified e mail) within 20 days of the closure of the minutes of the creditors' meeting are deemed to have consented to the *concordato preventivo*. Secured creditors do not generally vote on the proposal of *concordato preventivo* as they carry preferential claims, which must be fully satisfied. Secured creditors may vote if they waive their security or if the *concordato preventivo* provides that, based on an independent expert appraisal on the value of the secured assets, they will not be fully satisfied, in which case they can vote only in respect of the (unsecured) part of the debt affected by the proposal. If there are different *concordato preventivo* proposals, the proposal which has obtained the highest majority of claims admitted to vote is deemed approved. In case of equality, the debtor's proposal prevails. In case of equality between creditors' proposals, the proposal submitted before prevails. If none of the proposals has obtained the approval of the majorities provided above, the judge submits to the creditors' approval the proposal which has obtained the vote of more claims.

If any objection to the implementation of the *concordato preventivo* is filed by (i) a creditor belonging to a non-consenting class of creditors or (ii) should the proposal not provide for classes of creditors, at least 20% of the creditors entitled to vote, the court may nevertheless approve the *concordato preventivo* if it deems that the relevant creditors' claims are likely to be satisfied to an extent which is not lower than the alternatives effectively practicable.

After the creditors' approval, the court (after having settled possible objections raised by the dissenting creditors, if any) must confirm the *concordato preventivo* proposal by issuing a confirmation order.

If the approval of the *concordato preventivo* fails, the court may, upon request of the public prosecutor or a creditor and after having ascertained the conditions for the declaration of bankruptcy, declare the company bankrupt.

Pre-application for the composition with creditors (concordato preventivo), even in view of a debt restructuring agreement (accordo di ristrutturazione del debito)

The debtor may, upon filing the petition, limit the accompanying documents to the financial statements for the last three years and the list of creditors (along with the amount of the relevant receivables), and submit the composition scheme, the plan and the remaining documentation at a later stage within the deadline set by the court (so-called "blank (*in bianco*) petition"). Pursuant to article 161, Paragraph 6, of the Italian Bankruptcy Law, such deadline may vary from 60 to 120 days and may be deferred for further 60 days only on reasonable grounds. Within such term, the debtor may, at its discretion, also file the application for a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) in lieu of the proposal for the *concordato preventivo*. The "blank petition" allows the debtor to file a petition to initiate pre-bankruptcy agreement proceedings with an immediate "automatic stay" effect, but without filing the relevant proposal, plan and ancillary documentation, which can be delivered at a later stage. In the decree providing for such term, the court may appoint a judicial commissioner to monitor the company.

The debtor company may not file such pre-application if it has already done so in the previous two years without the admission to the composition with creditors (or the certification of a debt restructuring agreement (*accordo di ristrutturazione del debito*)) having followed. The decree setting the term for the presentation of the documentation contains also the periodical information requirements (relating also to the financial management of the company) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. Non-compliance with these requirements results in the application for the court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*) being declared inadmissible and, upon request of the creditors or the public prosecutor and *provided* that the relevant requirements exist, in the adjudication of the distressed company to bankruptcy.

Following the filing of the pre-application and until the decree of admission to the composition with creditors, the distressed company may (i) carry out acts pertaining to its ordinary activity and (ii) seek the court's authorization to carry out acts pertaining to its extraordinary activity, to the extent they are urgent. Receivables arising from acts lawfully carried out by the distressed company are treated as super senior (*prededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law and the related acts, payments and security interests granted are exempted from the claw-back action provided under Article 67 of the Italian Bankruptcy Law.

Pursuant to article 169-*bis* of the Italian Bankruptcy Law, the debtor may request the competent court to be authorized to terminate outstanding agreements (*contratti ancora ineseguiti o non compiutamente eseguiti*), except for certain agreements which are excluded from the scope of the above provision (e.g. employment agreements (*rapporti di lavoro subordinato*), preliminary sale agreements (*contratti preliminare di vendita*) and real estate lease agreements (*contratti di locazione di immobili*)). The request may be filed with the competent court at the time of the filing of the application for the *concordato preventivo* or to the judge (*giudice delegato*), if the application is made after admission to the procedure. Upon the debtor's request, the pending agreements can also be suspended for a period of time not exceeding 60 days, renewable just once. In such circumstances, the other party has the right to receive an indemnification equivalent to the damages suffered for the non-fulfillment of the agreement. Such indemnification would be paid prior to and outside of the admission to the pre-bankruptcy composition.

Bankruptcy (fallimento)
A request to declare a debtor bankrupt and to commence a bankruptcy proceeding (*fallimento*) and the judicial liquidation of the debtor company's assets can be filed by the debtor company itself, any of its creditors and, in certain cases, by the public prosecutor. The bankruptcy is declared by the competent bankruptcy court. The Italian Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds are met: the debtor (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, (ii) has had gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years and (iii) has total indebtedness (including debt not overdue and payable) in excess of €0.5 million.

On the commencement of bankruptcy proceedings:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period. In particular, under certain circumstances, secured creditors (*creditori garantiti da pegno o assistiti da privilegio*) may enforce their priority rights in respect of the charged assets as soon as their claims are admitted as preferred claims. Secured claims are paid out of the proceeds deriving from the liquidation of the charged assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt. The secured creditor may sell the secured asset only after it has obtained authorization from the designated judge (*giudice delegato*). After hearing the bankruptcy receiver (*curatore fallimentare*) and the creditors' committee, the designated judge decides whether to authorize the sale, and sets forth the timing in its decision;

- the administration of the debtor and the management of its assets pass from the debtor company to the bankruptcy receiver (*curatore fallimentare*);

- any act of disposition or transaction entered into by the debtor made after a declaration of bankruptcy (including payments made) is ineffective against the creditors;

- as a general rule and subject to certain exceptions, the receiver is allowed to terminate contracts with third parties where some or all of the obligations of the insolvent debtor have not been performed; and

- the execution of certain contracts and/or transactions pending as of the date of the bankruptcy declaration are suspended until the receiver decides whether to take them over. Although the general rule is that the bankruptcy receiver is allowed to either continue or terminate contracts where some or all of the obligations have not been performed by both parties, certain contracts are subject to specific rules expressly provided for by the Italian Bankruptcy Law. Any contractual provision granting a party the right of termination of the relevant contract in case of insolvency of the other party is ineffective (article 72, sub-section 6, of the Italian Bankruptcy Law).

The bankruptcy proceedings are carried out and supervised by a court-appointed bankruptcy receiver, a deputy judge (*giudice delegato*) and a creditors' committee. The bankruptcy receiver is not a representative of any one of the creditors, but is responsible for the liquidation of the assets of the debtor for the satisfaction of the creditors as a whole. The proceeds from the liquidation are distributed in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real estate property. The Italian Bankruptcy Law provides for priority of payment to certain preferential creditors, including administrative costs associated with the bankruptcy proceeding and costs related to the receiver's running of the company, Italian tax and national social security contributions and employee arrears of wages or salary. Unsecured creditors are therefore satisfied after payment of preferential and secured creditors, out of available funds and assets (if any) as below indicated.

Bankruptcy composition with creditors (concordato fallimentare)

A bankruptcy proceeding can terminate prior to liquidation through a bankruptcy composition proposal with creditors. The proposal can be filed, by one or more creditors or third parties, from the declaration of bankruptcy.

By contrast, the debtor or its subsidiaries are only permitted to file such proposal after one year following such declaration, but within two years following the decree giving effectiveness to the liabilities account (*stato passivo*). Secured creditors are not entitled to vote on the proposal of *concordato fallimentare*, unless and to the extent they waive their security or the *concordato fallimentare* provides that they will not receive full satisfaction based on the fair market value of their charged assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their unsecured debt. The proposal may provide for: (a) the splitting of the creditors into different classes and different treatment for creditors who belong to different classes; (b) the restructuring of the debts and the payment of the creditors in whatever possible way including the assignment of (all or part of) the debtor's assets to the creditors or the assignment of (all or part of) the liabilities to a third party (*accollo*) or any other corporate reorganization such as the conversion of debt into equity (*azioni o quote*), (convertible) notes or any other financial instrument; (c) the assignment to creditors of (all or part of) the recovery/claw-back actions to the extent authorized by the delegated judge with specific indication of the object and grounds of the action; and (d) only partial satisfaction of the claims of the secured creditors, provided that such creditors would not be able to obtain greater satisfaction of their claims from the sale of the debtor's assets given as security based on the market value assessed by an independent expert and that, in any case, the rules on priority of payment are not affected. The *concordato fallimentare* proposal must be submitted to the delegated judge (who requests the opinion of the bankruptcy receiver) and, following the creditors' committee's positive opinion being obtained, then approved by the creditors holding the majority (by value) of claims (and, if classes are formed, also by a majority (by value) of the claims in a majority of the classes). Final court ratification is also required.

Statutory priorities

The statutory priority given to creditors under the Italian Bankruptcy Law may be different from that established in the United States, the United Kingdom and certain other EU jurisdictions. Under Italian law, the highest priority claims (after the costs of the proceedings are paid, including the costs related to the receiver's running of the company during the proceedings) are the claims of preferential creditors including the claims of the Italian tax authorities and social security administrators, and claims for employee wages. The claims of secured creditors have priority, subject to certain claims preferred by operation of law, on the proceeds deriving from the liquidation of the secured assets, net of administrative and maintenance costs incurred during the proceedings by the receiver to preserve the value of the secured assets. To the extent the proceeds of the sale of the secured assets are not sufficient to fully satisfy the secured claim, the latter will participate with the unsecured creditors in the distribution of the proceeds of the disposal of the remaining assets. Neither the debtor nor the court can deviate from the rules of statutory priority by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles (as a consequence it must be noted that priority of payments such as those commonly provided in intercreditor contractual arrangements may not be enforceable against an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law). The rules of statutory priority apply irrespective of whether the proceeds are derived from the sale of the entire bankrupt's estate or part thereof, or from a single asset.

Article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated in a precise order. The highest priority claims, after the costs of the proceedings are paid, among the preferential creditors are pre-deductible claims (*crediti prededucibili*) which concern credits arisen with the approval of the receiver after the proceedings have commenced and credits which are defined as pre-deductible (*prededucibili*) by law. The remaining priority claims are, in order of priority, those of (i) secured creditors, including privileged creditors (*creditori privilegiati*; a priority in payment in most circumstances, but not exclusively, provided for by law), which include the claims of the Italian tax authorities and social security administrators, and claims for employee wages that arose before the insolvency has been declared (including severance pay), mortgagees (*creditori ipotecari*) and pledgees (*creditori prignoratizi*) and (ii) unsecured creditors (*crediti chirografari*).

Avoidance powers in insolvency

Under Italian law, there are claw-back (*revocatoria fallimentare*) provisions, that may lead to, *inter alia*, the revocation of payments made, or security interests granted, by the debtor prior to the declaration of bankruptcy, or avoidance provisions, that concern transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian law are normally considered to be particularly favorable to the receiver in bankruptcy, compared to the rules applicable in other jurisdictions.

The Italian Bankruptcy Law provides for a claw-back period of up to either one year or six months depending on the circumstances (please note that in the context of extraordinary administration procedures—see sections below—in relation to certain transactions the claw-back period can be extended to five and three years, respectively) and a two-year ineffectiveness period for certain other transactions.

The Italian Bankruptcy Law distinguishes between acts or transactions which may be declared ineffective and acts or transactions which may be clawed-back (*revocati*) at the request of the bankruptcy receiver/court commissioner, as detailed below.

(A) Acts ineffective by operation of law:

   (i) under Article 64 of the Italian Bankruptcy Law, all transactions without consideration are ineffective vis-à-vis creditors if entered into by the debtor in the two-year period prior to the insolvency declaration; and

   (ii) under Article 65 of the Italian Bankruptcy Law, payments of debts falling due on the day of the declaration of insolvency or thereafter are deemed ineffective *vis-à-vis* creditors if made by the debtor in the two-year period prior to the insolvency declaration.

(B) Acts which could be clawed-back at the request of the bankruptcy receiver/court commissioner:

(i) The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) unless the other party proves that it had no actual or constructive knowledge of the debtor's insolvency:

I. the onerous transactions entered into in the year preceding the insolvency declaration, where the value of the debt or of the obligations undertaken by the debtor exceed by 25% the value of the consideration received by, or promised to, the debtor;

II. payments of debts, due and payable, made by the debtor, which were not paid in cash or by other customary means of payment in the year preceding the insolvency declaration;

III. pledges and voluntary mortgages granted by the bankrupt entity in the year preceding the insolvency declaration in order to secure pre-existing debts which had not yet fallen due; and

IV. pledges and judicial or voluntary mortgages, granted by the bankrupt entity in the six months preceding the insolvency declaration, in order to secure debts which had fallen due.

(ii) The following acts and transactions, if done or made during the period specified below, may be clawed-back (*revocati*) if the bankruptcy receiver proves that the other party had actual or constructive knowledge that the bankrupt entity was insolvent at the time of the act or transaction:

I. the payments of debts due and payable and onerous transactions entered into or made in the six months preceding the insolvency declaration; and

II. the granting of security interests securing debts (even those of third parties) created simultaneously with the incurring of such debts and made in the six months preceding the insolvency declaration.

(iii) The following transactions are exempt from claw-back actions:

I. a payment for goods or services made in the ordinary course of business and in accordance with market practice;

II. a remittance on a bank account, provided that it does not reduce the bankrupt entity's debt towards the bank in a material and lasting manner;

III. a sale, including an agreement for sale registered pursuant to Article 2645-*bis* of the Italian Civil Code, currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser, on the condition that, as at the date of the insolvency declaration, such activity is actually exercised or the investments for the start of such activity have been carried out;

IV. transactions entered into, payments made and security interests granted with respect to the bankrupt entity's goods, provided that they are included in the implementation of a *piano di risanamento attestato* (see *Out-of-court Reorganization Plans (Piani di risanamento*) pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law);

V. a transaction entered into, payment made or security interest granted to implement a *concordato preventivo* (see *Court-Supervised Pre-bankruptcy Composition with Creditors (concordato preventivo)*) or an *accordo di ristrutturazione dei debiti* under Article 182-*bis* of the Italian Bankruptcy Law (see

Debt Restructuring Agreements with Creditors (accordi di ristrutturazione dei debiti) pursuant to Article 182-bis of the Italian Bankruptcy Law) and transactions entered into, payments made and security interests granted after the filing of the application for a *concordato preventivo* (see above);

VI. remuneration payments to the bankrupt entity's employees and consultants for working activities carried out by same; and

VII. a payment of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to *concordato preventivo* procedures.

Any security interest purported to be created over future assets and claims (including shares or quotas newly issued in the context of a non-gratuitous capital increase) will, in most circumstances, be deemed to be created at the time such future assets and claims come into existence, always subject to the relevant perfection formalities being duly complied with in accordance with applicable laws. Therefore, should the relevant grantor become subject to insolvency proceedings, assets and claims which come into existence after the commencement of such insolvency proceedings would be deemed part of the grantor's insolvency estate available to its creditors generally.

Extraordinary administration for large insolvent companies (amministrazione straordinaria delle grandi imprese in stato di insolvenza)

An extraordinary administration procedure applies under Italian law for large industrial and commercial enterprises (the **Prodi-bis procedure** set out under Legislative Decree no. 270 of 8 July 1999). The relevant company must be insolvent, but demonstrating serious recovery prospects. The purpose of the extraordinary administration is to save and rehabilitate a company in financial distress due to its significant technical, commercial, productive and employment value. To qualify for this procedure, the company must have employed at least 200 employees since the previous year. In addition, it must have debts equal to at least two-thirds of its assets (*attivo patrimoniale*) as shown in its latest financial statements and two-thirds of its income from sales and services during its last financial year.

Either of the creditors, the debtor, a court or the public prosecutor may make a petition to commence an extraordinary administration procedure. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to extraordinary administration proceedings. There are two main phases—a judicial phase and an administrative phase.

Judicial phase

In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and, along with an evaluation as to whether the company has serious prospects for recovery via a business sale or reorganization, appoints one or three judicial commissioners (*commissiario giudiziale*) . The judicial receiver files a report with the court within 30 days, along with an evaluation as to, and within ten days from such filing, the Italian Productive Activities Minister (the **Ministry**) makes an opinion on the admission of the company to the extraordinary administration procedure. The court then decides (within 30 days from the filing of the report) whether to admit the company to the procedure or to declare it bankruptcy.

Administrative phase

Assuming that the company is admitted to the extraordinary administration procedure, the administrative phase begins and an extraordinary commissioner (or three commissioners) is appointed by the Ministry. The extraordinary commissioner prepares a plan which can provide for either the sale of the business as a going concern within one year (unless extended by the Ministry) (the **Disposal Plan**) or a reorganization leading to the company's economic and financial recovery within two years (unless extended by the Ministry) (the **Recovery Plan**). The plan may also include an arrangement with creditors (e.g., a debt for equity swap, an issue of shares in a new company to whom the assets of the company have been transferred, etc.) (*concordato*). The plan must be approved by the Ministry within 30 days from submission by the extraordinary commissioner.

The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan, failing which the company is declared bankrupt.

Industrial restructuring of large insolvent companies (ristrutturazione industriale di grandi imprese in stato di insolvenza)

Introduced in 2003, the industrial restructuring of large insolvent companies is also known as the **Marzano procedure** set out under Law Decree no. 347 of 23 December 2003, converted into Law n. 39 of 18 February 2004 as subsequently amended. It is complementary to the Prodi-bis procedure and, except as otherwise provided, the same provisions apply. The Marzano procedure is intended to be faster than the Prodi-bis procedure. For example, although a company must be insolvent, the application to the Ministry is made together with the filing to the court for the declaration of the insolvency of the debtor. The purpose of this extraordinary administration is to continue the company's operations, while restructuring its debts and selling non-core or non-strategic assets.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have had at least 500 employees during the 12 months period before the procedure is commenced and have at least €300 million of debt. The decision whether to open a Marzano procedure is taken by the Ministry following the debtor's request (who must also file with the court an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner who will manage the company. The court also decides on the company's insolvency.

The extraordinary commissioner has 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within two years (extendable to three years). If the Disposal or Recovery Plan is not approved by the Ministry, the court will declare the company bankrupt and open a bankruptcy proceeding.

In 2008, the Italian government enacted an amendment to Law No. 39 of 2004. The reform introduced certain specific provisions applying to large companies carrying out services considered essential to the public.

Compulsory administrative winding-up (liquidazione coatta amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*) is only available for certain companies, including, *inter alia*, public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions.

It is irrelevant whether these companies belong to the public or the private sector. The procedure may be triggered not only by the insolvency of the relevant entity, but also on other grounds expressly provided for by the relevant legal provisions (e.g., in respect of Italian banks, serious irregularities concerning the management of the bank or serious violations of the applicable legal, administrative or statutory provisions).

The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the company. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers, assigned to the designated judge and the bankruptcy court under the other insolvency proceedings, under this procedure are assumed by the relevant administrative authority. The effect on creditors of the forced administrative winding-up is largely the same as under bankruptcy proceedings and includes, for example, an automatic stay of enforcement proceedings. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to compulsory administrative winding-up.

Limitations on enforcement

The enforcement of security interests by creditors in Italy can be time consuming.

In the event that the limitations on the guarantee issued by an Italian guarantor apply and/or there are payment obligations under any Notes other than in respect of principal or interest, the noteholders could have a reduced claim against the relevant guarantor.

According to Italian law, the enforcement of any claims, obligations, security interest and rights in general may be subject to, *inter alia*, the following aspects:

- the enforcement of obligations may be limited by insolvency proceedings listed above relating to or affecting the rights of creditors;
- an Italian Court will not necessarily grant any specific enforcement or precautionary measures, the availability of which is subject to the discretion of the Court;
- in contracts providing for mutual obligations (*contratti a prestazioni corrispettive*), each party can refuse to perform its obligation if the other party does not perform or does not offer to perform its own obligation thereunder, in accordance with and subject to the provisions of Article 1460 of the Italian Civil Code;
- claims arising under Italian law governed documents may become barred under the provision of Italian law concerning prescriptions and limitations by the lapse of time (*prescrizioni and decadenze*) or may be or become subject to a claim and/or defense of set-off (*compensazione*) or to counterclaim;
- pursuant to Article 1241 of the Italian Civil Code concerning set-off of reciprocal obligations (*compensazione*), persons who have reciprocal debt obligations may set-off such obligations for the correspondent amount when both such debt obligations have as an object a pecuniary obligation or fungible assets and are equally liquid and payable;
- where any party to any agreement or instrument is vested with discretion or may determine a matter in its opinion, Italian law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;
- the enforceability in Italy of obligations or contractual provisions governed by a foreign law may be limited by the fact that the relevant provisions of laws may be deemed contrary to Italian public policy principles;
- there is some possibility that an Italian court could hold that a judgment on a particular agreement or instrument, whether given in an Italian Court or elsewhere, would supersede such agreement or instrument to all intents and purposes, so that any obligation thereunder which by its terms would survive such judgment might not be held to do so;
- enforcement of obligations may be invalidated by reason of fraud or abuse of the law (*abuso del diritto*);
- the enforceability of an obligation pursuant to the terms set forth in any agreement or instrument may be subject to the interpretation of an Italian court which may carry out such interpretation pursuant to the provisions of Articles 1362 and following of the Italian Civil Code;
- any question as to whether or not any provision of any agreement or instrument which is illegal, invalid, not binding, unenforceable or void may be severed from the other provisions thereof in order to save those other provisions would be determined by an Italian court on the basis of the interpretation of the intention of the parties, taking also into account the

conduct of the parties following the execution of such agreement or instrument (Article 1419 of the Italian Civil Code);

- an Italian joint stock company (*società per azioni*), either directly or indirectly, cannot grant loans or provide security interest for the purchase or subscription of its own shares unless in respect of the strict requirements provided for by the Italian Civil Code are satisfied;
- an Italian limited liability company (*società a responsabilità limitata*) cannot grant loans or provide security interest for the purchase or subscription of its own shares;
- an Italian company, either directly or indirectly, cannot grant loans or provide security interest for the purchase or subscription of its own shares unless, in respect of a joint stock company (*società per azioni*), the strict requirements provided for by the Italian Civil Code are satisfied;
- an Italian company must have a specific corporate interest in guaranteeing or securing financial obligations of its parent company or any other companies, whether related or unrelated, such interest being determined by the relevant company on a case-by-case basis;
- in case of bankruptcy, a receiver in bankruptcy is appointed by the court to administer the proceeding under the supervision of the bankruptcy court and creditors cannot start or continue individual foreclosure actions (including the enforcement of security interests) against the debtor (automatic stay). Furthermore, the sale of the relevant pledged assets is carried out by such receiver unless the pledgee is expressly authorized by the bankruptcy court;
- the start or carrying on of individual foreclosure actions (including the enforcement of security interests) against the debtor would be prevented also if the debtor files a petition for the court's ratification of the debt restructuring agreement under Article 182 bis of the Italian Bankruptcy Law or for being admitted to the procedure of court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*);
- the priority rights (*prelazione*) granted by way of a pledge extend to interest accrued in the year in which the date of the relevant seizure/attachment or adjudication in bankruptcy falls (or, in the absence of seizure/attachment, at the date of the notification of the payment demand (*precetto*)) and extend, moreover, to interest accrued and to accrue thereafter, but only to the extent of legal interest and until the date of the forced sale in the context of the relevant foreclosure proceeding/bankruptcy proceedings;
- the tax authorities may require payment of taxes from the party liable at law (either severally or jointly with other parties) to make such payment, regardless of any provisions in any agreement or instrument requiring a party to pay or indemnify another person against payment of such taxes;
- there could be circumstances in which Italian law would not give effect to provisions concerning advance waivers or forfeitures;
- the effectiveness of terms exculpating a party from liability or duties otherwise owed is prevented by Italian law in the event of gross negligence (*colpa grave*), wilfull misconduct (*dolo*) or the violation of mandatory provisions;
- penalties and liquidated damages (*penali*) may be equitably reduced by a court;
- Italian courts do not necessarily give full effect to an indemnity for the costs of enforcement or litigation;
- a security interest does not prevent creditors of the relevant debtor other than the pledgee from continuing enforcement or enforcement proceedings on the assets secured by the relevant pledge; and

- in case of bankruptcy of the grantor of the pledge over quotas or shares, the assets secured by the pledge could be freely sold to any third party in the context of the relevant bankruptcy proceeding and, as a consequence, the proceeds would be set aside for the prior satisfaction of the pledgee but the pledge would be terminated and, therefore, the latter would lose entitlement to the voting rights on the pledged quotas/shares.

Trust and parallel debt

Under Italian law the beneficiary of a security interest must be clearly identified and indicated in the relevant security document. Due to the impossibility to clearly identify and keep track over time of the names of the individual holder of the Notes, Italian security documents are created in favor of the Security Agent as representative of all secured creditors. It is uncertain and untested in the Italian courts whether under Italian law a security can be created and perfected (i) in favor of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries; and (ii) in favor of the Trustee of holders of the Notes since there is no established concept of "trust" or "trustee" under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of the Trustee as agent or trustee for holders of the Notes under security interests on Italian assets is debatable under Italian law. Therefore, there might be risks regarding the enforceability of the security interests created by the Collateral. Moreover, Parallel Debt structures, according to which the security interests is also granted in favor of the Security Agent, as beneficiary of parallel debt obligations against the Issuer, which will be discharged to the extent the corresponding principal payment obligations of the Issuer under the Indenture and the Notes are discharged, have not been tested under Italian law and there can be no assurance that they will eliminate or mitigate the risk of unenforceability posed by Italian law. If any challenge to the validity of the security interests or any implemented Parallel Debt structure was successful, the holders of the Notes may not be able to recover any amounts under the security interests.

Insolvency claw-back

Similarly to other jurisdictions, Italian Bankruptcy Law sets forth certain "claw-back" or avoidance provisions in case of insolvency that may give rise, *inter alia*, to the revocation of payments made, transactions incurred or security interests granted before the commencement of an insolvency procedure.

The key avoidance provisions target transactions made below market value, or with a view to defraud creditors or to advantage one creditor over the others.

In particular, the Italian Bankruptcy Law distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the bankruptcy receiver/court commissioner. Transactions carried out for no consideration within two years prior to the commencement of the bankruptcy proceeding are ineffective vis-à-vis the company's creditors.

The following acts and transactions, if made by the insolvent debtor during the relevant period of time as specified below, may be avoided and declared ineffective, unless the other party proves that it had no actual or constructive knowledge of the debtor's insolvency:

- onerous transactions entered into in the year before the insolvency declaration, when the value of the debt or the obligations undertaken by the bankrupt entity exceeds 25% of the value of the consideration received by and/or promised to the debtor;
- payments of debts, due and payable, made by the bankrupt entity not in cash or by other customary means of payment in the year before the insolvency declaration;

- pledges and voluntary mortgages granted by the bankrupt entity in the year before the insolvency declaration in order to secure pre-existing debts which have not yet fallen due; and
- pledges and judicial and/or voluntary mortgages granted by the bankrupt entity in the six months before the insolvency declaration in order to secure matured debts.

The following acts and transactions, if made by the insolvent during the vulnerability period or such other period specified below, may be avoided and declared ineffective if the bankruptcy receiver proves (also by way of presumptions) that the other party knew that the bankrupt entity was insolvent:

- the payments of debts that are immediately due and payable and any onerous transactions entered into or made within six months before the insolvency declaration; and
- deeds granting pre-emptive rights in favor of debts (even those of third parties) which are simultaneously created and made within six months before the insolvency declaration.

The following transactions by the insolvent debtor are exempt from claw-back actions in case of subsequent bankruptcy of the same:

- payments for goods or services made in the ordinary course of business according to market practice;
- a remittance on a bank account, provided that it does not materially and permanently reduce the bankrupt entity's debt towards the bank;
- the sale, including an agreement for sale registered pursuant to Article 2645-*bis* of the Italian Civil Code, currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main place of business of the purchaser and the purchaser has already commenced its business activity in the relevant premises or made investments to that end, as of the date of which the bankruptcy is declared;
- transactions entered into, payments made and security interests granted with respect to the bankrupt entity's goods provided that they are carried out pursuant to a certified restructuring plan (*piano di risanamento attestato*) duly certified by an independent expert pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law;
- transactions entered into, payment made or security interest granted to implement a *concordato preventivo* or an *accordo di ristrutturazione dei debiti* under Article 182-*bis* of the Italian Bankruptcy Law and transactions entered into, payments made and security interests granted after the filing of the application for a *concordato preventivo*;
- remuneration payments to the debtor's employees and consultants for working activities carried out by same; and
- payment of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to *concordato preventivo* procedures.

In addition, the bankruptcy receiver can request that certain transactions of the debtor be declared void within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*). Under Article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the bankrupt entity disposed of its assets prejudicially to such creditor's rights be declared ineffective with respect to such creditor, provided that the bankrupt entity was aware of such prejudice (or, if the transaction was entered into prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the bankruptcy entity for the purpose of prejudicing the creditor) and that, in the case of a transaction entered into for consideration with a third person, the third person was also aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third person participated in the fraudulent design). Burden of proof is entirely with the receiver.

Certain limitations on enforcement

Under Italian law, in the event that an entity becomes subject to insolvency proceedings, guarantees and security interests given by it could be subject to potential challenges by the appointed bankruptcy receiver or by other creditors under the rules of avoidance or claw-back of Italian Bankruptcy Law and the relevant law on the non-insolvency avoidance or claw-back of transactions made by the debtor during a certain legally specified period (the **Suspect Period**). The avoidance may relate to, *inter alia* (i) transactions made by the debtor within a Suspect Period of one year prior to the declaration of the insolvency at below market value (i.e., to the extent the asset or obligation given or undertaken exceeds by one-quarter the value of the consideration received by the debtor), or involving unusual means of payment (e.g., payment in kind) or security interests granted after the relevant secured obligations have arisen but before the secured obligation became due and payable, whereby the creditor must prove its lack of knowledge of the state of insolvency of the relevant entity in order to rebut any claw-back action, (ii) security interests granted in order to secure a debt due and payable, whereby the creditor must prove its lack of knowledge of the state of insolvency of the relevant entity in order to rebut any claw-back action during the suspect period of six months prior to the declaration of the insolvency, and (iii) payments of due and payable obligations, transactions at arm's length or security interests granted simultaneously to the creation of the secured obligations during the suspect period of six months prior to the declaration of the insolvency, whereby the bankruptcy receiver must prove that the creditor was aware of the state of insolvency of the relevant entity in order to enforce any claw-back action. For a more detailed explanation of the terms, conditions and consequences of claw-back actions in an insolvency scenario, see "—*Insolvency laws*."

If challenged successfully, the security interest may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest is voided, holders of the Notes could lose the benefit of the security interest and may not be able to recover any amounts under the related security documents.

In addition under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to seek a claw-back action (*azione revocatoria ordinaria*) pursuant to Article 2901 of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and

- that, in the case of non-gratuitous act, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Corporate benefit and financial assistance issues under Italian Law—Article 1938 of the Italian Civil Code

Under Italian law, the entry into of a transaction (including the creation of a security interest) by a company must comply with the applicable laws and its by-laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit and corporate authorization. If a security interest or a guarantee is being provided in the context of an acquisition, group reorganization, refinancing or restructuring, financial assistance issues may also be triggered.

Corporate benefit

An Italian company entering into a transaction (including granting a security interest) must receive a real and adequate benefit in exchange for it. The concept of a real and adequate benefit is not specifically defined in the applicable legislation and is determined by a factual analysis on a case-by-case basis. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration.

As a general rule, absence of a real and adequate corporate benefit could render the transaction *ultra vires* and potentially affected by conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities also may be imposed on the directors of the company if it is assessed that they did not act in the interest of it and that the acts they carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also lead to civil liabilities on those companies or persons ultimately exercising control over the company or having knowingly received an advantage or profit from such improper control. Moreover, the transaction (including the security interest granted by an Italian company) could be declared null and void if the lack of corporate benefit was (or ought to be) known by the third party and such third party acted intentionally against the interest of the company.

In relation to security interests, while corporate benefit for a downstream security (i.e., a security granted to secure financial obligations of direct or indirect subsidiaries of the relevant grantor) can usually be easily proved, the validity and effectiveness of an upstream or cross-stream security (i.e., a security granted to secure financial obligations of the direct or indirect parent or sister companies of the relevant grantor) granted by an entity organized under the laws of Italy depend on the capacity to prove the existence of a real and adequate benefit in exchange for the granted security interest.

The general rule is that the risk assumed by an Italian grantor of security must not be disproportionate to the direct or indirect economic benefit to it. To this extent, customary *limitation language* is usually inserted in indentures, credit agreements and guarantees for the purpose of limiting the amount guaranteed by the guarantor to an amount that is proportionate to the direct or indirect economic benefit that the guarantor derives from a transaction.

Pursuant to paragraph 3 of Article 2391 of the Italian civil code, if the resolution taken by the board of directors of a joint stock company (*società per azioni*) approving a transaction has been taken with the decisive vote of a director having either a personal or third party's interest in such transaction or such interest has not been disclosed to the other directors and the statutory auditors of the company or the resolution does not provide an appropriate explanation of the reasons that justify such transaction and the corporate benefit deriving therefrom in favor of the company, and provided that such resolution can cause a damage to the company, the resolution may be challenged by the directors and statutory auditors of the company within 90 days from its date of approval. The resolution may be challenged also by the shareholders of the company, if it is prejudicial to their rights (article 2388, paragraph 4, of the Italian Civil Code). The directors and statutory auditors that have been previously informed of the aforementioned interest and have expressed a favorable vote may not challenge the resolution. The challenging of the resolution does not affect the rights acquired by third parties in good faith on the basis of acts carried out in fulfilment of the resolution.

Pursuant to paragraph 1 of article 2475-ter of the Italian civil code, if the director of a limited liability company (*società a responsabilità limitata*), who has the power to represent the company, at the time on which it enters into an agreement, has an interest conflicting with that of the company, that company may ask that the relevant agreement be voided (*annullato*), if such conflict of interest was (or ought to be) known by the other parties to such agreement.

Financial assistance

Save for specific exceptions, provided in respect of joint stock companies (*società per azioni*), it is unlawful under Italian laws for a company to give financial assistance—within the meaning of article 2358 and article 2474 (as the case may be) of the Italian Civil Code—(whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company, and any loan, guarantee or security given or granted in breach of these provisions is null and void. Financial assistance to refinance indebtedness incurred by a company to purchase or subscribe for its own shares or quotas or those of its direct or indirect parent company or to secure any such indebtedness upon or after a merger pursuant to Article 2501-*bis* might also be considered as falling within the scope of Italian financial assistance provisions.

Article 1938 of Italian Civil Code

Pursuant to and for the purposes of article 1938 of the Italian Civil Code, a guarantee granted by an Italian company shall have to be limited as to a maximum amount (*fideiussione*). Such maximum amount should be expressly identified at the outset and expressed in figures (either in the guarantee deed or by reference to a separate document, such as the Indenture). It has been held that such determination must be proportionate to the relevant guarantor's assets. If such determination is deemed disproportional to each relevant Guarantor's assets, there is the risk that the guarantee could be declared void.

In this respect, in relation to the Notes Guarantee under the Indenture, additional limitation language has been provided pursuant to article 1938 of the Italian Civil Code in order not to cause any breach of the Italian provisions on financial assistance (including, but not limited to, the provisions of article 2358 and/or article 2474, as the case may be, of the Italian Civil Code).

According to such limitation language, the maximum amount that the Italian Notes Guarantor may be required to pay in respect of its obligations as Notes Guarantor under the Indenture shall be determined on the basis of a formula according to which such maximum amount will not exceed the amounts from time to time outstanding under the Indenture which have been used for purposes other than the acquisition or subscription of shares of such Italian guarantor or its (direct or indirect) controlling entities.

In addition, any Notes Guarantee granted by an Italian Notes Guarantor for the obligations under the Indenture of any other Debtor (as defined in the Intercreditor Agreement) which is not a Subsidiary of the Italian Notes Guarantor shall, in any case and at any time, be limited to *a ratio whereby (i) the numerator is the percentage of the aggregate outstanding amount under the Indenture at such time equal to the portion of the proceeds of the Notes used for purposes other than the acquisition or subscription of shares of such Italian guarantor or its (direct or indirect) controlling entities and (ii) the denominator is the aggregate of any amount outstanding under all Secured Debt Documents (as defined in the Intercreditor Agreement)* *which have the benefit of a guarantee of the Italian guarantor at such time, in any case, limited to the lower of:*

(i) *the net worth (patrimonio netto*) of the Italian guarantor, as resulting from its latest approved financial statements, less the minimum capital pursuant to article 2463 of the Italian Civil Code (*capitale minimo*); and

(ii) an amount equal to the aggregate of (x) the aggregate principal amount of the Revolving Credit Facility and (y) any intercompany debt, in each case, to the extent directly or indirectly made available to the Italian guarantor or any of its subsidiaries.

Certain other additional Italian legal considerations, including in relation to security interests and enforcement thereof

Certain considerations in relation to the Notes Guarantees and the Collateral

Pursuant to Article 2412 of the Italian civil code, a joint stock company (*società per azioni*) may issue bonds (*obbligazioni*) for an amount not exceeding, on an aggregate basis, twice the sum of its share capital, legal reserve (*riserva legale*) and available reserves (*riserve disponibili*) as resulting from its latest approved financial statements. In determining the aggregate amount of bonds issued by a company, one must take into account also the aggregate amount of guarantees issued by the company in respect of bonds issued by other companies, including foreign companies. Should the Notes be destined to be subscribed by entities which are not professional investors subject to prudential supervision (*investitori professionali soggetti a vigilanza prudenziale a norma delle leggi speciali*), the aforementioned limit would apply in respect of the guarantee obligations expressed to be assumed by the Italian Guarantors and, should the amount of the guarantee obligations exceed the aforementioned limit, such obligations may be declared null and void. It is further disputed whether Article 2412 applies also to Italian limited liability companies (*società a responsabilità limitata*).

Pursuant to Article 5 of Italian Legislative Decree No. 28 of 4 March 2010 as recently amended (the **Mediation Decree**), applicable to judicial proceedings started after the 20 September 2013, before bringing a judicial action in Italy covered by (and not exempted from) the Mediation Decree and relating to a dispute on civil and commercial matters, including banking and financial contracts (*contratti bancari e finanziari*), in front of an Italian court, the claimant must attempt to settle the relevant dispute through a mediation process in accordance with the provisions set out in the Mediation Decree. If the dispute does not fall under one of the categories excluded from the application of the Mediation Decree (such as, *inter alia*, injunctions proceedings (*procedimenti per ingiunzione*) and precautionary measures (*provvedimenti urgenti e cautelari*)), the preliminary attempt of the mediation qualifies a condition to the commencement of the judicial action (*condizione di procedibilità dell'azione*).

Italian usury laws

If at any time an Italian entity would be liable for the payment of remuneration of principal (including the rate of interest, default interest, fees, charges, expenses and other costs, but excluding tax costs) resulting in a breach of Italian law on usury (Law No. 108 of March 7, 1996) and any related implementing regulations, then the obligations of such entity in respect of the remuneration of principal shall be limited to the payment of remuneration of principal which is permitted under Italian law on usury and any related implementing regulations. Indeed, Article 1815 of the Italian Civil Code provides that if the remuneration exceeds the maximum rates permitted under the Italian law on usury, no remuneration is due to the creditor.

Equitable subordination of the funding loans

Italian corporate law (Articles 2497-quinquies and 2467 of the Italian Civil Code) provides for rules to protect creditors against "undercapitalized companies" and provide for remedies in respect thereof. In this respect in case of a loan to a company by, respectively, (i) a person that, directly or indirectly, direct the company or exercises management and coordination powers over that borrowing company or (ii) a quotaholder in the case of a company incorporated in Italy as a *società a responsabilità limitata*, will be subordinated to all other creditors of that borrower and senior only to the equity in that borrower, if the loan is made when, also taking into account the kind of business of the borrower, there was an excessive imbalance of the borrower's indebtedness as compared to its net assets, or the borrower was already in a financial situation requiring an injection of equity and not a loan (undercapitalization). Any payment made by the borrower with respect to any such loan within one year prior to its bankruptcy declaration would be required to be returned to the borrower.

As of the date hereof, there are few court precedents on the applicability of the foregoing provisions and limited guidance has been provided to date by the Italian courts on the features and extent of the undercapitalization requirement. Such precedents tend however to provide a broad interpretation of such provisions, affirming, *inter alia*, that Article 2467 does indeed apply, based on an interpretation by analogy, also to companies incorporated as joint stock company (*società per azioni*) (and not only limited liability companies (*società a responsabilità limitata*)), and to indirect form of financings, such as guarantees or finance granted by parties related to the quota holders of the relevant company.

Legal matters

Certain legal matters in connection with the Offering will be passed upon for the Issuer by Kirkland & Ellis International LLP, as to matters of United States federal law, New York state law, Delaware state law, Illinois state law and English law, Plesner Advokatpartnerselskab as to matters of Danish law, Walkers Global as to matters of British Virgin Islands law, Havel, Holásek & Partners s.r.o. as to matters of Czech law, Cabinet Barker-Davies as to matters of French law, Oppenhoff & Partner Rechtsanwälte Steuerberater mbB as to matters of German law, Osborne Clarke LLP as to matters of Italian law, Schellenberg Wittmer Ltd as to matters of Swiss law and Kreis Enderle, Hudgins & Borsos, P.C. as to matters of Michigan state law.

Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Allen & Overy LLP, with respect to matters of United States federal law, New York state law, English law, Czech law, French law, German law and Italian law, Gorrissen Federspiel Advokatpartnerselskab as to matters of Danish law, Conyers Dill & Pearman as to matters of British Virgin Islands law and Homburger AG as to matters of Swiss law.

Independent auditors

The consolidated and parent company financial statements of the Norican Group as of and for the years ended December 31, 2016 and December 31, 2015 included elsewhere in the Offering Memorandum have been audited by Deloitte Touche Tohmatsu Limited, independent auditors, as stated in their report appearing herein.

The consolidated and parent company financial statements of Norican Holdings ApS as of and for the three years ended December 31, 2014 included elsewhere in the Offering Memorandum have been audited by BDO statsautoriseret revisionsaktieselskab, independent auditors of Havneholmen 29 DK-1561 Copenhagen V, Denmark, as stated in their report appearing herein.

The consolidated financial statements of the LMCS Group as of and for the year ended December 31, 2016 and as of and for the period between March 6, 2015 and December 31, 2015 included in the Offering Memorandum have been audited by Warth & Klein Grant Thornton, independent auditors, as stated in their report appearing herein.

Service of process and enforcement of civil liabilities

The Issuer is incorporated in Denmark and the Notes Guarantors are organized under the laws of Denmark, Germany, England and Wales, the Czech Republic, Switzerland, the British Virgin Islands, and the states of Delaware, Illinois and Michigan (United States of America).

The documents relating to the Collateral for the Notes will be governed by the laws of Denmark, the British Virgin Islands, the Czech Republic, England and Wales, Germany, Italy, Switzerland, and the states of Delaware, Illinois and Michigan (United States of America). The Indenture (including the Notes Guarantees) and the Notes is governed by New York law. The Intercreditor Agreement is governed by English law.

A number of the Issuer's and the Notes Guarantors' directors and executive officers are non-residents of the United States. As a consequence, you may not be able to effect service of process on these non-United States resident directors and officers in the United States or you may not be able to enforce judgments against them outside of the United States.

Although five of the Notes Guarantors are incorporated in the states of Delaware, Illinois and Michigan in the United States, the majority of assets of the Issuer and the Notes Guarantors are held outside the U.S., and any judgment obtained in the United States against the Issuer or any Notes Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, additional amounts, if any, and any redemption price and any purchase price with respect to the Notes, may only be collectable within the United States to a limited extent.

Additionally, although we have appointed an agent for service of process under the Indenture governing the Notes, it may be difficult for you to serve process or to enforce judgments obtained in U.S. courts against the Issuer, the Notes Guarantors, the directors, controlling persons and management and any experts named in this Offering Memorandum who are not residents of the United States based on the civil liability provisions of the federal or state securities laws of the United States.

In addition, as most of the assets of the Notes Guarantors are located in their respective jurisdictions of incorporation, any action for enforceability of the Notes Guarantee would likely need to be validated by the courts of their respective jurisdictions of incorporation. We cannot assure you that such judicial validation would be obtained in a timely manner or at all. If a judgment is obtained in a U.S. court against the Issuer or a Notes Guarantors, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which each of the Notes Guarantors or the Collateral is located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Czech Republic

There is currently no treaty between the United States and the Czech Republic which would provide for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters in the Czech Republic, nor has the Czech Ministry of Justice declared that reciprocity has been established with the United States in practice in the area of commercial matters. Therefore, judgments rendered by U.S. courts might not be currently recognized and enforced in the Czech Republic. Even if reciprocity is established in the future or found on an ad hoc basis in a specific case, a judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon the U.S. federal securities laws, will still not be recognized and enforced in the Czech courts if, among other things:

- the matter falls within the exclusive jurisdiction of the Czech courts or, if the Czech provisions regarding court jurisdiction were used to assess the jurisdiction of the U.S. public bodies, the proceedings would not be allowed to be conducted before any U.S. public body unless the participant in the proceedings, against whom the judgment is made, has voluntarily submitted to the jurisdiction of a U.S. public body;

- there is ongoing court proceeding in the same matter before a Czech court which commenced prior to the proceeding leading to the U.S. court judgment which is subject to the recognition and enforcement by a Czech court;
- a Czech court has issued or recognized a final judgment in the same matter;
- the U.S. court has deprived the party against whom the judgment was entered of an opportunity to participate in the proceedings before that U.S. court; or
- the recognition of the U.S. judgment would be apparently contrary to the public policy (*veřejný pořádek*) of the Czech Republic.

The recognition and enforcement in Czech courts of judgments rendered by courts in any other EU Member State is subject to similar conditions pursuant to Article 36 et seq. of the regulation (EU) no. 1215/2012 of the European Parliament an of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), except for the need to establish reciprocity.

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.

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 Danish public policy, including, among others, punitive damages. A Danish court may grant damages only to the extent necessary to compensate for actual economic losses.

England and Wales

The United States and England and Wales currently do not have a treaty between them providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England and Wales. In order to enforce any such U.S. judgment in England and Wales, fresh proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, an English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Summary judgment is a procedure by which the English court can dispose of all or part of a claim without proceeding to trial. Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law (in other words, it does not matter that the U.S. court had jurisdiction according to its own law, but instead whether it had jurisdiction according to the rules of English private international law);
- the U.S. judgment not having been given in breach of a jurisdiction or arbitration clause;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a debt for a definite sum of money;
- the U.S. judgment not contravening English public policy or the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable);
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine, or otherwise involving the enforcement of a non-English penal or revenue law;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural justice;
- there not having been a prior inconsistent, determinative or conflicting judgment of an English or other non-U.S. court in respect of the same matter involving the same parties and/or prior inconsistent judgment given in a Hague Convention Member State of the European Union or a Member State of the European Economic Area which the English Court must recognize and enforce under the Hague Convention Choice of Court Agreements of June 30, 2005 and/or Council Regulation (EC) 1215/2012 and/or the Lugano Conventions of 1988 and 2007;
- the U.S. judgment not having been wholly satisfied or not being enforceable by execution in the U.S.;
- the party seeking enforcement providing security for costs, if ordered to do so by the English court; and
- the English enforcement proceedings being commenced within six years from the date of the U.S. judgment.

Subject to the foregoing, investors may be able to enforce judgments in England and Wales in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England and Wales. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if proceedings were commenced in England and Wales, instead of the United States, in an original action predicated solely upon U.S. federal securities laws. Further, it may not be possible to obtain a judgment in England and Wales or to enforce the judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any setoff or counterclaim against the judgment creditor. Finally, note that, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought if the action had been originally brought in England and Wales unless the subject of the counterclaim was in issue and denied in the U.S. proceedings.

Germany

There is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. The enforceability of final judgments therefore may depend on the laws of the relevant U.S. state and federal laws of the United States. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany. A final judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below.

German courts will, in particular, not recognize and enforce such judgments if the judgment is not final under applicable U.S. federal or state law or if any of the reasons for excluding enforceability set forth in section 328(1) of the German Code of Civil Procedure exist:

- if, pursuant to German law, the U.S. federal or state court having rendered the foreign judgment did not have jurisdiction;
- if process has not been duly served or has not been served in a timely fashion to permit a defense, provided that the defendant did not actively participate in such process and pleads accordingly;
- if the judgment is incompatible with a prior judgment rendered by a German court or by a foreign court which is to be recognized in Germany;
- if the judgment, or the proceeding resulting in the judgment, to be recognized is incompatible with a proceeding in Germany which was pending (*rechtshängig*) before a German court before the U.S. federal or state court entered its judgment;
- if a recognition of the judgment would be obviously incompatible with fundamental principles of German law, in particular, if the recognition would be incompatible with the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*); and
- if reciprocity is not ensured (i.e., the U.S. federal or state courts would not recognize and enforce a comparable judgment by a German court in equivalent circumstances).

Subject to the foregoing, holders of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. There is some German case law to the effect that reciprocity of the recognition of judgments is ensured in relation to claims relating to assets (*vermögensrechtliche Ansprüche*) with regard to various U.S. states. We cannot, however, assure you that attempts to enforce judgments in Germany will be successful. It is also doubtful whether a German court would accept jurisdiction and impose civil liability in an original action solely predicated by U.S. federal securities laws.

In addition, the recognition and enforcement of punitive damages are usually denied by German courts as incompatible with the fundamental principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Consequently, judgments awarding monetary damages under civil liabilities provisions of the U.S. federal securities laws may not be enforceable to the extent they provide for a compensation that would qualify as being of a penal or punitive nature.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In so far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provided for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and/or the deposition of witnesses. Evidence obtained in this matter may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

In addition, it may also not be possible for investors to effect service of process within Germany upon the German Notes Guarantors or those persons under the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 and the German law implementing such convention if such service were deemed to infringe German sovereignty or security, which may be the case if such service violated the fundamental principles of German law, in particular the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution.

Republic of Italy

Final, enforceable and conclusive judgments rendered by U.S. courts, even if obtained by default, may not require retrial and will be enforceable in Italy, provided that pursuant to Article 64 of Italian Law No. 218 of May 31, 1995 (*Riforma del sistema italiano di diritto internazionale privato*) the following conditions are met:

- the relevant U.S. federal or New York state court which rendered the judgment had jurisdiction upon the matter according to Italian rules of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendant in accordance with domestic procedural laws and the essential rights of the defendant have not been violated during the proceeding;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of default by the defendant, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final and binding and not subject to any further appeal (*passato in giudicato*) in accordance with the law of the state in which it was issued;
- there is no conflicting final judgment earlier rendered by an Italian court;
- there are no proceedings pending in Italy among the same parties for decision on the same matter which commenced prior to the proceedings in the relevant U.S. federal or New York state court; and
- the provisions of the judgment rendered by the U.S. federal or New York state court are not contrary to Italian public policy.

Moreover, according to Article 67 of Law 218/95, if the judgment rendered in the U.S. federal or New York state court is not complied with, its recognition is challenged or it is necessary to enforce such judgment, a proceeding must be filed before the ordinary judicial authority to this end. The competent authority does not review the merits of the case but only the existence of all the requirements listed above (including that requiring that the judgment rendered by the U.S. federal or New York state court is not contrary to Italian public policy).

Switzerland

The United States and Switzerland 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 automatically be recognized or enforceable in Switzerland.

A final judgment by a U.S. federal or state court, however, may be recognized in Switzerland in an action before a court of competent jurisdiction in accordance with the proceeding set forth by the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*) and the Swiss Federal Act on Civil Procedure (*Schweizerische Zivilprozessordnung*). In such an action, a Swiss court generally would not reinvestigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of a U.S. judgment by a Swiss court would be conditional upon a number of conditions including those set out in articles 25 *et seqq.* of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*), which include:

- The U.S. court having had jurisdiction over the original proceedings from a Swiss perspective;
- The judgment being final under U.S. federal or state law, and no ordinary legal remedy being available against such judgment;
- The defendant having had the chance to defend herself or himself against any unduly or untimely served complaint except for a defendant having unconditionally consented to the original proceeding before the respective court;
- The original proceeding not having been conducted under a violation of material principles of Swiss civil proceedings law, in particular the right to be heard;
- The matter (*Verfahren*) resulting in the judgment of the U.S. court not being consistent with the matter (*Verfahren*) pending before a Swiss court, provided such Swiss matter was pending before a Swiss court prior to the U.S. court entered its proceedings; and
- The enforcement of the judgment by the U.S. court not being manifestly incompatible with Swiss public policy (*schweizerischer Ordre public*).

Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Switzerland. We cannot, however, assure you that any attempts to enforce judgments in Switzerland will be successful; in particular, it is uncertain whether a Swiss court would recognize U.S. jurisdiction if the defendant did not enter an appearance before a U.S. court during the substantive proceedings in the sense of art. 6 of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*).

In addition, the recognition and enforcement of punitive damages awards might be denied by Swiss courts as incompatible with Swiss public policy (*schweizerischer Ordre public*). Alternatively, a Swiss court may reduce the amount of damages ordered by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. In Switzerland, no such pre-trial discovery process exists. Instead, a Swiss court would decide upon the claims for which evidence is required from the parties and the related burden of proof.

Listing and general information

Admission to listing

Application has been made to The International Stock Exchange Authority Limited to list the Notes on the Official List of the Exchange and for permission to be granted to deal in the Notes on the Exchange. It is expected that such admission will become effective on or about , 2017. We will use our commercially reasonable best efforts to maintain such listing as long as the Notes are outstanding.

Listing information

Electronic or printed copies of the following documents will be made available at our registered offices located at Højager 8, DK-2630 Taastrup, Denmark during normal business hours for a period of 14 days following the grant of listing of the Notes:

(a) the organizational documents of the Issuer and the Notes Guarantors;

(b) the financial statements included elsewhere in this Offering Memorandum; and

(c) the Indenture (which includes the form of the Notes).

As of the date of this Offering Memorandum, our most recent audited financial statements available were as of and for the year ended December 31, 2016.

Except as disclosed in this Offering Memorandum, there has been no material adverse change to: (a) the Issuer; or (b) the Issuer's group structure; or (c) the Issuer's business or accounting policies; or (d) the financial or trading position of the Issuer since December 31, 2016.,

Except as disclosed in this Offering Memorandum, neither the Issuer nor any of the Notes Guarantors is involved in any legal or arbitration proceedings (including any proceedings that are threatened of which the Issuer or the Notes Guarantors are aware) that may have or have had in the recent past (covering at least the previous 12 months preceding the date of this Offering Memorandum) a significant effect on the financial position of the Issuer or the Notes Guarantors.

The Trustee is U.S. Bank Trustees Limited and the Paying Agent and Transfer Agent is Elavon Financial Services DAC, UK Branch and their address is 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom. The Trustee will be acting in its capacity of trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture.

Clearing information

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream under common code . The international securities identification number (the "**ISIN**") for the Notes is .

Legal information

Information on the Issuer

Norican A/S is a Danish public limited liability company (*Aktieselskab*), with the company number CVR 3645 8771, incorporated under the laws of Denmark on December 11, 2014 and having its registered office at Højager 8, DK-2630 Taastrup, Denmark, and whose business purpose is to make and distribute, as well as service technology relating to parts formation and parts preparation equipment.

The Issuer accepts responsibility for the information contained in this Offering Memorandum.

The issuance of the Notes offered hereby and their sale and listing were authorized and approved by the Issuer's Board of Directors on , 2017.

Information on the Notes Guarantors

Norican Global A/S is a Danish public limited liability company (*Aktieselskab*), with the company number CVR 36458755, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

Norican Holdings ApS is a Danish private limited liability company (*Anpartsselskab*), with the company number CVR 31286034, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

Norican Group ApS is a Danish private limited liability company (*Anpartsselskab*), with the company number CVR 31286042, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

DISA Industries A/S is a Danish public limited liability company (*Aktieselskab*), with the company number CVR 18802996, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

DISA Holding II A/S is a Danish public limited liability company (*Aktieselskab*), with the company number CVR 30085590, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

DISA Holding A/S is a Danish public limited liability company (*Aktieselskab*), with the company number CVR 28301901, organized under the laws of Denmark and having its registered office at Højager 8, DK-2630 Taastrup, Denmark.

WGH UK Holdings Limited is a British private limited company, registered under the company number 4856144 organized under the laws of the United Kingdom and having its registered office at Wheelabrator House, 22 Edward Court, Broadheath, Altrincham, Cheshire WA14 5GL, United Kingdom.

WGH UK Limited is a British private limited company registered under the company number 4856167, organized under the laws of the United Kingdom and having its registered office at Wheelabrator House, 22 Edward Court, Broadheath, Altrincham, Cheshire WA14 5GL, United Kingdom.

Wheelabrator Group Limited is a British private limited company, registered under the company number 33672, organized under the laws of the United Kingdom and having its registered office at Wheelabrator House, 22 Edward Court, Broadheath, Altrincham, Cheshire WA14 5GL, United Kingdom.

Wheelabrator Technologies (UK) Limited is a British private limited company registered under the company number 2162483, organized under the laws of the United Kingdom and having its registered office at Wheelabrator House, 22 Edward Court, Broadheath, Altrincham, Cheshire WA14 5GL, United Kingdom.

Wheelabrator Group GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), registered with the Commercial Register of the Local Court of Cologne under the number HRB 55153, organized under the laws of Germany and having its registered office at Ferdinand-Porsche-Str. 23, 51149 Cologne, Germany.

Wheelabrator Group Holding GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), registered with the Commercial Register of the Local Court of Cologne under the number HRB 30176, organized under the laws of Germany, having its registered office at Ferdinand-Porsche-Str. 23, 51149 Cologne, Germany.

Light Metal Casting Equipment GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with the Commercial Register of the Local Court of Cologne under the number HRB 86587, organized under the laws of Germany and having its registered office at Hohe Straße 14, 51643 Gummersbach, Germany.

Light Metal Casting Solutions Group GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with the Commercial Register of the Local Court of Cologne under the number HRB 86283, organized under the laws of Germany and having its registered office at Hohe Straße 14, 51643 Gummersbach, Germany.

Striko Westofen GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with the Commercial Register of the Local Court of Cologne under the number HRB 77591, organized under the laws of Germany and having its registered office at Hohe Straße 14, 51643 Gummersbach, Germany.

SWO Holding GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with the Commercial Register of the Local Court of Cologne under the number HRB 79028, organized under the laws of Germany and having its registered office at Hohe Straße 14, 51643 Gummersbach, Germany.

Castalloy, Inc. is an American limited company organized under the laws of the State of Delaware, having its registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA.

WG Global, LLC is an American limited liability company, organized under the laws of the State of Delaware, having its registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA.

Wheelabrator Group, Inc. is an American corporation organized under the laws of the State of Delaware, having its registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA.

DISA Industries, Inc. is an American limited company organized under the laws of the State of Illinois, having its registered office at 80 Kendall Point Drive, Oswego, Illinois 60543, USA.

DISA Holding LLC (formerly known as DISA US Holding Corp.) is an American limited liability company, organized under the laws of the State of Michigan, having its registered office at 601 Abbot Road, East Lansing, Michigan 48823, USA.

DISA Holding AG is a Swiss limited liability company (*Aktiengesellschaft*), registered under the company number CHE-104 339 076, organized under the laws of Switzerland and having its registered office at Kasernenstrasse 1, 8184 Bachenbülach, Switzerland.

DISA Industrie AG is a Swiss limited liability company (*Aktiengesellschaft*), registered under the company number CHE-106 776 364, organized under the laws of Switzerland and having its registered office at Kasernenstrasse 1, 8184 Bachenbülach, Switzerland.

Wheelabrator Czech s.r.o. is a Czech limited liability company (*společnost s ručením omezeným*), registered with the Commercial Register maintained by the Municipal Court in Prague, File No. C 31794, under the company number 49822977, organized under the laws of the Czech Republic and having its registered office at Za Balankou 269, Příbram 26101, Czech Republic.

WGH Holding Corp. is a British Virgin Islands business company limited by shares, registered under the company number 1427438, incorporated under the laws of the British Virgin Islands and having its registered office at Ritter House, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands.

Gauss Automazione S.r.l. is an Italian limited liability company (*società a responsabilità limitata*), registered under the company number BS-313221, organized under the laws of Italy and having its registered office at Via Trento, 178, 25020 Capriano Del Colle, Brescia, Italy.

Italpresse Industrie S.r.l. is an Italian limited liability company (*società a responsabilità limitata*), registered under the company number BS-560770, organized under the laws of Italy and having its registered office at Via Trento, 178, 25020 Capriano Del Colle, Brescia, Italy.

Annex A
Glossary of technical terms

Unless otherwise required by the context, the following definitions shall apply throughout the document:

"Airblast"	Process during which blast media is pneumatically accelerated by compressed air and projected by nozzles onto the surface.
"Brake calipers"	The shaped metal device situated on disc brakes, which can be seen through the wheel, housing the brake pads, with the function of squeezing the pads onto the discs when the brakes are hit so that the vehicle stops.
"Coil spring"	Mechanical device typically used to store energy due to resilience, and subsequently releases it, to absorb shock or to maintain a force between contacting surfaces.
"Contouring"	Process that consists in molding the material into a specific shape, typically one designed to fit into something else.
"Conveyor systems"	Common piece of mechanical handling equipment that moves materials from one location to another.
"Crankshaft"	Tool used for the conversion between reciprocating motion and rotational motion.
"Deburring"	Process that consists in removing any unwanted raised edge or small pieces of material remaining attached to a workpiece after a modification process.
"De-flashing"	Process aimed at removing flash or rind left on moldings by spaces between mold cavity edges.
"De-scaling"	Process aimed at using chemical substances used to remove limescale from metal surfaces in contact with hot water.
"Green Sand molding"	Molding technique that uses wet sands to make the mold's shape; the word "green" is referring to the fact that the sand is used in a wet state.
"Horizontal molding"	Technique that consists in pressing the sand hydraulically in a flask and subsequently handling the mound by means of a conveyor. Main applications are for larger castings with lower volumes per run.
"Installed base"	An estimated number of machines currently in use at clients' locations.
"Jolt squeeze molding (ARPA)"	Jolt squeeze molding machine suitable for smaller foundries. It is characterized by high frequency, low amplitude jolting with high dynamic squeeze force for uniform and rigid molds.
"Mass Finishing"	Process during which parts are immersed into a media and finished by vibratory action, allowing for a large number of parts to be simultaneously finished.
"Matchplate molding"	Matchplate has pattern plates with two patterns on each side of the same plate. The method is flaskless, but horizontal.

"Molding" . . . . Process of manufacturing by shaping liquid or pliable raw material using a rigid frame called a mold or matrix.

"Parts Coating" . . . . Process that consists in applying a covering on the surface of an object, to protect against corrosion and hardening of cutting tools and components.

"Parts Formation" . . . . Process related to the forming of metallic parts from molten metal through either casting or molding manufacturing processes.

"Parts Preparation" . . . . Process related to the surface preparation of metallic parts, changing the metal's surface condition through direct contact with abrasives.

"Peening" . . . . Process of working a metal's surface to improve its material properties, usually by using mechanical tools such as hammer blows, by blasting with shot (i.e., shot peening), or blasts of light beams with laser peening.

"Shotblasting" . . . . Shotblasting is a method used to clean, strengthen (i.e., peen) or polish metal.

"Vertical molding" . . . . Flask-less molding process by using vertically parted and poured molds, invented by DISA in 1962. Main applications are for castings with high volumes.

"Welded seam" . . . . Process in which two pieces of material are fused together by heat and pressure alone, creating an adequate bond on coatings.

"Wheelblasting" . . . . Process during which abrasives are accelerated using centrifugal forces generated by a spinning wheel.

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NORICAN GLOBAL A/S

Audited consolidated financial statements of Norican Global A/S

As of and for the year ended December 31, 2016

Independent auditor's report to the shareholders of Norican Global A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Norican Global A/S for the financial year 1 January 2016 to 31 December 2016, which comprise the statements of operations, statements of comprehensive income, balance sheets, statements of changes in equity, cash flow statements and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2016, and of the results of their operations and cash flows for the financial year 1 January 2016 to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial

Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity'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 and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 and the parent 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 and the parent 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 and the Entity'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 the parent 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 and the Entity'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 and the parent 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 and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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, 8 March 2017
Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Henrik Hjort Kjelgaard
State-Authorised Public Accountant

Dan Bjerregaard
State-Authorised Public Accountant

Consolidated balance sheets
(Amounts in thousands)

		31 December	
	Note	2016	2015
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	3	€ 56,098	€ 39,971
Trade and other receivables	4	62,044	64,851
Inventory	5	61,542	70,952
Other current assets		14,367	10,303
Total current assets		194,051	186,077
PROPERTY, PLANT AND EQUIPMENT	6	29,448	29,628
GOODWILL AND OTHER INTANGIBLE ASSETS	7	283,632	288,584
DEFERRED TAX ASSETS	17	21,878	15,468
OTHER NON-CURRENT ASSETS		2,135	2,614
TOTAL ASSETS		€531,144	€522,371
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade and other payables		€ 27,978	€ 23,730
Accrued liabilities and provisions	9	58,073	60,348
Deferred revenue		37,825	38,435
Current portion of long-term debt	10	22,284	26,579
Other current liabilities	17	4,394	2,381
Total current liabilities		150,554	151,473
LONG-TERM DEBT	10	139,266	148,500
PENSION AND OTHER LIABILITIES	8, 13	39,503	36,430
DEFERRED TAX LIABILITIES	17	23,972	25,112
EQUITY:			
Share capital	15	1,541	1,541
Other reserves	15	152,278	150,853
Retained earnings	15	20,646	4,600
Non-controlling interest	15	3,384	3,862
Total equity		177,849	160,856
TOTAL LIABILITIES AND EQUITY		€531,144	€522,371

Consolidated statements of operations
(Amounts in thousands)

	Note	1 January to 31 December 2016	11 December 2014 to 31 December 2015(1)	Pro Forma 1 January to 31 December 2015(2)
REVENUES		€375,509	€350,711	€401,112
COST OF SALES		250,240	233,831	266,616
GROSS MARGIN		125,269	116,880	134,496
OPERATING EXPENSES:				
Selling, general and administrative		84,788	75,906	89,682
Amortisation expense	7	7,108	5,877	7,005
Total operating expenses		91,896	81,783	96,687
OPERATING INCOME		33,373	35,097	37,809
NON-OPERATING EXPENSE:				
Finance costs	10	(10,427)	(8,091)	(11,428)
Restructuring charges	9	(408)	(1,502)	(1,502)
Foreign exchange	1	(3,312)	(5,349)	1,566
Transaction costs		(1,036)	(5,466)	(5,466)
Other		(1,058)	(2,395)	(2,498)
Total non-operating expense		(16,241)	(22,803)	(19,328)
INCOME BEFORE INCOME TAX		17,132	12,294	18,481
INCOME TAX EXPENSE	17	(625)	(7,376)	(10,400)
NET INCOME		€ 16,507	€ 4,918	€ 8,081
Net income attributable to the Parent		€ 16,046	€ 4,600	€ 7,597
Net income attributable to the non-controlling interest		€ 461	€ 318	€ 484

(1) Amounts are shown for the period from the inception of the Parent Company, 11 December 2014, to 31 December 2015, the first full operating period of the Parent Company and its consolidated subsidiaries following the acquisition of Norican Holdings ApS on 26 February 2015.

(2) Amounts are shown on a pro forma basis for the period from 1 January 2015 through 31 December 2015, which is the normal operating cycle and fiscal year for the acquired operating company, Norican Holdings ApS, and its subsidiaries. See note 1.

Consolidated statements of comprehensive income
(Amounts in thousands)

	Note	1 January to 31 December 2016	11 December 2014 to 31 December 2015
COMPREHENSIVE INCOME:			
Items that will not be recycled subsequently to the income statement:			
Actuarial losses on pension benefit obligation, net of deferred tax of €290 and €573	13	€ (3,621)	€(2,650)
Items that may be recycled subsequently to the income statement:			
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax of €77 and €347	8	(418)	(562)
Currency translation differences		5,301	4,786
Net income recognised directly in equity		1,262	1,574
Net income		16,507	4,918
COMPREHENSIVE INCOME		€17,769	€ 6,492
Comprehensive income attributable to the Parent		€17,308	€ 6,174
Comprehensive income attributable to the non-controlling interest		€ 461	€ 318

Consolidated statements of cash flows
(Amounts in thousands)

	Note	1 January to 31 December 2016	11 December 2014 to 31 December 2015
CASH FLOWS FROM OPERATIONS:			
Net income		€ 16,507	€ 4,918
Adjustments to reconcile net income to net cash from operations:			
Non-cash items:			
Foreign exchange	1	3,312	5,349
Depreciation	6	4,548	3,812
Amortisation of intangibles and debt issuance costs	7, 10	8,255	6,841
Restructuring charges and impairment	9	408	1,502
Deferred tax	17	(7,426)	(206)
Changes in working capital:			
Trade and other receivables	4	2,807	(10,634)
Trade and other payables		4,248	(6,021)
Inventory	5	9,410	3,949
Accrued liabilities and provisions	9	(1,133)	(3,522)
Deferred revenue		(610)	(12,496)
Other		(4,130)	1,254
Net cash from operations		36,196	(5,254)
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Acquisition of Norican Holdings ApS, net of cash acquired	2	—	(65,200)
Capital expenditures	6	(4,551)	(2,569)
Asset disposal proceeds		115	2,009
Net cash used in investing activities		(4,436)	(65,760)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of debt facilities, net		(8,817)	(54,950)
India share buyback		(763)	—
(Repayments)/borrowings of revolving credit facility		(6,000)	18,000
Debt issuance costs		—	(8,118)
Capital contribution		—	154,377
Dividend to non-controlling interest		(13)	(13)
Net cash from financing activities	10, 19	(15,593)	109,296
FOREIGN CURRENCY EFFECT ON CASH AND CASH EQUIVALENTS		(40)	1,689
NET INCREASE IN CASH		16,127	39,971
CASH, BEGINNING OF PERIOD		39,971	—
CASH, END OF PERIOD	3	€ 56,098	€ 39,971
Cash paid for interest, included in net cash from operations	10	€ 9,312	€ 6,970
Cash paid for income taxes, included in net cash from operations	17	€ 7,029	€ 8,782

Notes to consolidated financial statements

1. Summary of significant accounting policies

The Annual Report of Norican Global A/S ("Norican Global" or "Parent Company," formerly known as Naciron Holding A/S), a Danish company, and its subsidiary companies has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, and additional Danish disclosure requirements applicable to reporting class C enterprises (large), including the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Norican Global was formed on 11 December 2014 by Altor Fund IV Holding AB. On 26 February 2015, Norican A/S, a wholly owned subsidiary of the Parent Company, acquired Norican Holdings ApS and its subsidiary companies through the purchase of the entire share capital of Norican Holdings ApS, also a Danish company, pursuant to an agreement dated 18 December 2014 (the "Acquisition"). For its inaugural year, the consolidated financial statements of the Parent Company are presented for the period from the date of formation of the Parent Company, 11 December 2014, through 31 December 2015, the first full period of operations of the Parent Company (hereinafter referred to as the "Company"), including its consolidated subsidiaries, effective with the acquisition of Norican Holdings ApS as of 26 February 2015. Pro forma comparative amounts are shown in the statements of operations for the period from 1 January 2015 to 31 December 2015 which is the normal operating cycle and fiscal year for the acquired company, Norican Holdings ApS.

The consolidated financial statements are presented in euros, as this is the major currency in which revenues and capital transactions are denominated.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company, its wholly owned subsidiaries and its majority owned Indian subsidiary. All intercompany balances and transactions have been eliminated in consolidation. The interest of non-controlling shareholders is stated at the non-controlling shareholders' proportion of the respective entity's identifiable assets, liabilities and contingent liabilities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Company.

In order to provide a comparable basis of analysis, pro forma comparative figures covering the full year 2015 of the acquired company, Norican Holdings ApS and its subsidiaries, are presented on the consolidated statements of operations. The pro forma figures have been prepared based on the accounting principles of Norican Global A/S. Included in the pro forma 2015 figures is amortisation attributed to intangibles of Norican Holdings ApS for the period 1 January to 26 February 2015 and amortisation of intangibles corresponding to the purchase price allocation adjustments resulting from the Acquisition.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. The carrying values of the Company's cash equivalents approximate their fair values at 31 December 2016.

Trade receivables

Trade receivables are measured at fair value and subsequently at amortised cost, less adjustments for doubtful receivables. Adjustments for doubtful receivables are calculated based on historical experience and by reviewing individual receivable balances, taking into account contractual terms, payment history and other available evidence of whether the receivable is collectible. Receivable balances are written off only when there is no prospect of any further collections.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overhead costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out ("FIFO") method, or a method that approximates the use of the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event that it is probable will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal restructuring plan and the plan has either been announced or has commenced.

The Company warrants its products against certain manufacturing and other defects. These product warranties are generally provided for a period of one year but may vary depending on the nature of the product, the geographic location of its sale and other factors. The accrued product warranty costs are based on historical experience of actual warranty claims as well as current information on repair costs. Where some or all of the expenditure required to settle a claim is expected to be reimbursed by another party, the reimbursement is recognised only when reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Property, plant and equipment

Property, plant and equipment are stated at cost if purchased, or fair value as of the acquisition date if obtained in an acquisition. Depreciation on property and equipment is calculated on the straight-line method over 20 to 50 years for buildings and improvements and three to ten years for equipment and other.

Additional costs, which extend the useful life of the property, plant and equipment, are capitalised and depreciated over the revised remaining useful life of the asset. Maintenance and repair costs are charged to expense as incurred. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognised. Residual value is determined using estimates of the asset value when fully depreciated.

Financial instruments

Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities. The carrying amounts of such instruments are considered to be representative of their respective fair values due to the short-term maturity of the instruments.

Financial debts

Financial debts are initially recognised at the amount of proceeds received. Finance charges are accounted for on an accrual basis and are included in accrued liabilities to the extent that they are not settled in the period in which they arise, with premiums payable on settlement or redemption included in financial debts. Financial debts are classified as non-current if there is an unconditional right to defer payments beyond one year; otherwise they are classified as current.

Derivative financial instruments

Derivative financial instruments are recorded at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in equity until the hedged cash flow materialises. Amounts initially recognised in equity are released to the statement of operations in the same period in which the hedged transactions (cash flows) affect the statement of operations. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of operations as they arise.

Debt issuance costs

Debt issuance costs are included in the value of debt and are amortised using a method that approximates the effective interest rate method over the term of the underlying credit facility or note.

Goodwill and other intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets acquired in a business combination. Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. On disposal of a subsidiary, the amount attributable of unamortised goodwill that has not been subject to impairment is included in the determination of the gain or loss on disposal.

Intangible assets other than goodwill are valued at cost less accumulated amortisation and any impairment losses. Trademarks have been assigned an indefinite useful life. Capitalised development costs are amortised on a straight-line basis over a six-year useful life. Customer relationships, patents and other intangibles are amortised on a straight-line basis over a 10-to 20-year useful life. Costs for acquired assets represent the purchase price at acquisition.

Impairment of non-current assets

Non-current assets are tested for impairment in accordance with IAS 36 and are reviewed annually to determine whether events or changes in conditions indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the Company estimates the asset's recoverable amount as the higher of the asset's fair value less selling costs and value-in-use, which is the present value of the cash flows expected from the asset's use and eventual disposal. If necessary, an impairment loss is recorded in the statement of operations to the extent that the carrying amount of the asset exceeds its recoverable amount.

Revenue recognition

Revenue from product sales is generally recognised upon shipment of products, provided there are no significant uncertainties regarding customer acceptance, persuasive evidence of an arrangement exists, the sales price is fixed and determinable, and it is probable that the sale is collectible. Allowances for returns, discounts and uncollectible accounts are recorded at the time of sale. Amounts billed to customers for shipping and handling are included in net sales and are recorded upon shipment of goods to customers. Costs of providing these services are included in cost of sales.

For large engineered systems (capital equipment), revenue is recognised following shipment, which is generally after the Company has demonstrated that the equipment meets the customer's specifications. Capital equipment sales generally require the customer to make advance cash payments as work progresses. Revenue associated with advance payments is recognised upon delivery and when ownership and risk of loss have passed to the customer.

Service revenues are recognised in the period in which the services are performed.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Foreign currencies

Transactions in foreign currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts. Gains and losses arising on exchange are included in net income for the period. Monetary assets and liabilities denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date.

On consolidation, the assets and liabilities of the Company's operations are translated into presentation currency (euros) at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

Where loans are made between two subsidiaries with different functional currencies, currency translation differences arise in one or both subsidiaries. In accordance with IAS 21, currency translation differences for intercompany loans that are not considered part of the investment in subsidiaries are recognised in net income. Amounts are presented within non-operating expense.

Retirement benefit costs

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with valuations carried out at each balance sheet date in accordance with International Accounting Standard 19, Employee Benefits. Actuarial gains and losses are recognised immediately in other comprehensive income as they are incurred.

The pension liability recognised in the balance sheet represents the present value of defined benefit obligations and is reduced by the fair value of plan assets. If benefit plan membership or benefits are significantly reduced by a restructuring, or an event or transaction that results in the Company's benefit obligations being settled, the effects are recorded in the statement of operations when the restructuring or settlement occurs.

Research and development

Where expenditures relate to the development of research findings, or other knowledge, for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use, they are generally capitalised. Costs related to a specific customer and research and development expenditures not yet in the application phase are expensed as incurred.

Development expenditures of €1,595 and €1,896 were capitalised as intangible assets for the year ended 31 December 2016 and in the period from 11 December 2014 to 31 December 2015, respectively. Additional costs not related to specific customer orders of €4,919 and €4,037 were expensed for the year ended 31 December 2016 and for the period from 11 December 2014 to 31 December 2015, respectively.

Income taxes

Income taxes for the year comprise current and deferred tax, using rates enacted or substantively enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year and any adjustments to tax payable in respect of previous years. Deferred taxes are provided for the difference between asset and liability carrying amounts for financial reporting purposes and their tax basis. A valuation allowance is provided against deferred tax assets if realisation is not assured on a probable basis. The Company's tax provision or benefit includes a provision for taxes currently payable or receivable plus the change in deferred taxes for the period. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net tax basis.

Business combinations

Newly acquired or newly established companies and activities are recognised in the consolidated financial statements from the date of acquisition or establishment. The date of acquisition is the date when control of the company or activity actually passes to the Group. Acquisitions are accounted for using the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of companies acquired are measured at fair value at the date of acquisition. Non-current assets held for sale are, however, measured at fair value less expected costs to sell.

The cost of a company or activity is the fair value of the consideration paid. If the final determination of the consideration is conditional on one or more future events these are recognised at their fair value as of the acquisition date. Any excess of the cost of an acquired company or activity over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill and tested for impairment at least annually. Restructuring costs are only recognised in the take-over balance sheet if they represent a liability to the acquired company. The tax effect of revaluations is taken into account.

Costs that can be attributed directly to the transfer of ownership are recognised in the income statement when they are incurred. Adjustments to estimates of conditional consideration are generally recognised directly to the statement of operations.

If uncertainties regarding the measurement of acquired identifiable assets, liabilities, contingent liabilities or the consideration for the business combination exist at the acquisition date, initial recognition takes place on the basis of preliminary fair values. If identifiable assets, liabilities, contingent liabilities and the consideration for the business combination are subsequently determined to have had a different fair value at the acquisition date than first assumed, goodwill is adjusted up until 12 months after the acquisition date. The effect of the adjustments is recognised in the opening equity, and the comparative figures are restated accordingly. Goodwill is not adjusted subsequently except in the event of material errors.

Sold or wound up enterprises are excluded from consolidation at the date of transfer of the control of the enterprise. The date of disposal is the date when control of the company actually passes to a third party.

Non-controlling interests

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as non-controlling interests' proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

Use of estimates

Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated financial statements in conformity with IFRS. Actual results could differ from those estimates.

Effect of new accounting standards

Norican Group has adopted all new, amended or revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning on 1 January 2016.

Effect of new accounting standards not yet in force

Revised or new standards and interpretations issued, but not yet effective or approved by the EU at the time of publication of this Annual Report, have not been included in this Annual Report.

Issued in May 2014 and endorsed by the EU in 2016, IFRS 15, Revenue from Contracts with Customers, establishes a single comprehensive model for entities to be used in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18, Revenue, and related interpretations when it becomes effective. The amounts reported and disclosed by the Group are not expected to change as a result of adoption of IFRS 15. The standard is expected to be effective beginning on or after 1 January 2018. Earlier recognition may apply as it is highly probable that no significant reversal of the revenue will occur.

Issued in January 2016, IFRS 16, Leases, requires lessees to recognise nearly all leases on the balance sheet. Management has not yet evaluated the expected future impact on the amounts reported and disclosed by the Group from the application of IFRS 16. IFRS 16 is expected to take effect on 1 January 2019.

Significant accounting estimates

Post-employment benefits

The assumptions used to measure the expense and liabilities related to the Company's defined benefit pension plans are reviewed annually by external actuaries. The measurement of the expense for a period and of the benefit obligation at the period end requires judgement with respect to the following matters, among others: probable long-term rate of increase in pensionable pay; probable average future service lives of employees; probable life expectancy of employees; mix of investments in funded pension plans in the period; expected future rate of return on the investments in the funded pension plans, and how that rate will compare with the market rates of return observed in past economic cycles. Assumptions used to value the benefit obligation at 31 December are updated based on actual experience when appropriate. Variances are caused principally by external financial market movements in corporate bond yields used to benchmark the discount rate, and in asset prices that affected the actual return on assets. These factors are outside the Company's direct control, and it is reasonably possible that future variances could exceed past variances. See note 13.

Deferred tax assets

Tax losses are recognised as deferred tax assets when it becomes probable that they will be utilised in the future. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilised. In making this assessment, the Company considers the scheduled reversal of deferred tax liabilities and projected future taxable income.

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, as of 31 December 2016, the Company believes that it is more likely than not that the Company will realise the benefits of these deductible differences. The amount of the deferred tax asset considered realisable could be reduced in subsequent years if estimates of future taxable income during the carryforward period are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market and government related uncertainties, as well as the Company's own future decisions. See note 17.

Tax positions

The Company's policy is to comply fully with applicable tax regulations in all jurisdictions in which the Company's operations are subject to income taxes.

The Company's estimates of current income tax expense and liabilities are calculated on the assumption that all tax computations filed by the Company's subsidiaries will be subject to review or audit by the relevant tax authorities. Current income tax liabilities include the Company's best estimate of the tax that will ultimately be payable when the review or audits have been completed. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense, net income, and effective tax rates in future years' consolidated statement of operations. Several prior years' tax computations are still open for review or audit by the tax authorities for most of the Company's subsidiaries at the balance sheet date. The Company's estimates of income tax expense and liabilities at each year end include management judgements about the eventual outcome of the reviews and audits of all open years based on the latest information available about the positions taken by each tax authority. See note 17.

Goodwill impairment test

The assessment of whether goodwill is impaired requires a determination of the value in use of the cash-generating units to which the goodwill amounts have been allocated. The determination of the value in use requires estimates of the expected future cash flows of each cash-generating unit and a reasonable discount rate.

The impairment test of goodwill and the associated particularly sensitive factors and sensitivity analyses are described in note 7 to the consolidated financial statements.

Purchase price allocation in business combinations

In connection with allocation of the purchase price in business combinations, calculations are made of fair value of acquired assets and liabilities. As this determination is based on expected future cash flows related to the assets and liabilities acquired, the realisation of such cash flows as anticipated is subject to an inherent uncertainty. See note 2.

2. Acquisitions

On 26 February 2015, Norican A/S, a wholly owned subsidiary of the Parent Company, acquired Norican Holdings ApS and its subsidiary companies through the purchase of the entire share capital of Norican Holdings ApS. The acquisition price was allocated to the assets and liabilities based on their respective fair values as of the date of the purchase as follows:

Current assets	€ 208,907
Property, plant and equipment	31,556
Intangible assets	170,543
Other	16,731
Total assets acquired	427,737
Current liabilities	(146,680)
Long-term debt	(217,149)
Other	(46,257)
Total liabilities assumed	(410,086)
Net assets acquired	€ 17,651

Current assets acquired as of 26 February 2015 include accounts receivable of €54,207, inventory of €86,131 and other assets of €6,474. Intangible assets included in the purchase price allocation include €47,724 attributed to customer relationships (20-year useful life), €32,844 attributed to trademarks (indefinite useful life), €22,059 attributed to patents (ten-year useful life), and €20,042 attributed to other.

3. Cash and cash equivalents

Cash includes cash on hand and in banks and investments in money market instruments totaling €56,098 and €39,971 at 31 December 2016 and 2015, respectively. The Company maintains cash deposits related to certain of its performance obligations for the manufacturing, delivery and installation of capital equipment sales. At 31 December 2016 and 2015, the amount of €598 and €2,224 was posted as cash bonds, respectively, and is included in cash and cash equivalents on the Company's balance sheet.

4. Trade and other receivables

Trade accounts receivable includes other receivables of €466 and €499 at 31 December 2016 and 2015, respectively. The movement in allowance for doubtful accounts is as follows:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Balance at beginning of period	€3,361	€ —
Acquisition of Norican Holdings ApS	—	3,514
Changes in provisions during the year	(131)	(217)
Currency translation	(64)	64
Balance at end of period	€3,166	€3,361

The Company has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

5. Inventory

Inventories, net of provisions, consist of the following at 31 December:

	2016	2015
Raw material	€ 7,741	€ 6,564
Work-in-process	21,886	29,665
Finished goods	31,915	34,723
Total	€61,542	€70,952

Cost of goods sold represents the Company's cost of inventory and related production costs. Norican uses a standard costing methodology for allocating costs of production to inventory.

6. Property, plant and equipment

	Land, Buildings and Improvements	Equipment and Other	Total
Cost:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	34,751	58,891	93,642
Additions	228	2,341	2,569
Disposals	(1,228)	(2,129)	(3,357)
Currency translation	367	(4)	363
Balance at 31 December 2015	34,118	59,099	93,217
Additions	764	3,787	4,551
Disposals	(13)	(2,031)	(2,044)
Currency translation	2	(43)	(41)
Balance at 31 December 2016	€ 34,871	€ 60,812	€ 95,683
Accumulated Depreciation:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	(16,436)	(45,650)	(62,086)
Depreciation expense	(883)	(2,929)	(3,812)
Disposals	408	2,114	2,522
Currency translation	(211)	(2)	(213)
Balance at 31 December 2015	(17,122)	(46,467)	(63,589)
Depreciation expense	(991)	(3,557)	(4,548)
Disposals	13	1,926	1,939
Currency translation	(71)	34	(37)
Balance at 31 December 2016	€(18,171)	€(48,064)	€(66,235)
Carrying amount at 31 December 2015	€ 16,996	€ 12,632	€ 29,628
Carrying amount at 31 December 2016	€ 16,700	€ 12,748	€ 29,448

7. Goodwill and other intangible assets

	Goodwill	Other(1)	Total
Cost:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	171,220	122,669	293,889
Additions	—	1,896	1,896
Currency translation	(29)	363	334
Balance at 31 December 2015	171,191	124,928	296,119
Additions	79	1,595	1,674
Currency translation	337	382	719
Balance at 31 December 2016	€171,607	€126,905	€298,512
Accumulated Amortisation:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	—	(1,454)	(1,454)
Amortisation expense	—	(5,877)	(5,877)
Currency translation	—	(204)	(204)
Balance at 31 December 2015	—	(7,535)	(7,535)
Amortisation expense	—	(7,108)	(7,108)
Currency translation	—	(237)	(237)
Balance at 31 December 2016	€ —	€ (14,880)	€ (14,880)
Carrying amount at 31 December 2015	€171,191	€117,393	€288,584
Carrying amount at 31 December 2016	€171,607	€112,025	€283,632

(1) The gross (and net) carrying values of intangibles other than goodwill consists of customer relationships €48,083 (€43,351), patents €22,183 (€18,646), trademarks €33,074 (€33,074) and other €23,565 (€16,954) at 31 December 2016. The gross (and net) carrying values of intangibles other than goodwill consists of customer relationships €47,908 (€45,912), patents €22,120 (€20,459), trademarks €32,962 (€32,962) and other €21,938 (€18,060) at 31 December 2015.

Goodwill is tested for impairment at least annually. The results of the 2016 analysis did not identify a need to impair goodwill as of 31 December 2016. In the impairment test, applying a 12% estimated weighted average cost of capital, the discounted value of future net cash flows are compared with the carrying amounts of goodwill and other net assets. Future cash flows are based on a forecast for the next five years at a terminal value assuming 3% growth. Projections included in the forecast are based on general parameters, such as expected market growth, selling prices and profitability assumptions. Company units are integrated, and management considers the overall business as two cash-generating units.

8. Derivative financial instruments

The fair values of derivative financial instruments included in other long-term liabilities consist of interest rate swap cash flow hedges of €1,989 and €1,501 at 31 December 2016 and 2015, respectively. The fair value of the interest rate swaps are classified based on the maturity of the contracts at 31 December. The interest rate swaps are used to manage exposure to interest rate movements on a significant portion of the Company's bank borrowings, with nominal values totaling €111,275 and €111,083 at 31 December 2016 and 2015, respectively. The interest rate swaps mature in June 2020. The fixed interest rates vary from 0.5% to 1.8%, and the primary floating rates are Euribor and LIBOR. All of the interest rate swaps are designated and effective as cash flow hedges, and the fair value thereof has been deferred in equity. The fair value of derivatives is determined based on observable market data using generally accepted methods (level 2 in the fair value hierarchy).

9. Accrued liabilities and provisions

Provisions included in accrued liabilities and provisions on the balance sheet include the following:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Warranty		
Balance at beginning of period	€ 6,943	€ —
Acquisition of Norican Holdings ApS	—	6,933
Additional provisions	3,221	2,271
Reductions through payments	(2,842)	(2,199)
Foreign exchange adjustment	41	(62)
Balance at end of period	€ 7,363	€ 6,943
Restructuring		
Balance at beginning of period	€ 1,502	€ —
Acquisition of Norican Holdings ApS	—	167
Additional provisions	408	1,502
Reductions through payments	(1,606)	(170)
Foreign exchange adjustment	15	3
Balance at end of period	€ 319	€ 1,502

10. Borrowings

Borrowings at amortised cost consist of the following at 31 December:

	2016	2015
Senior financing	€167,229	€181,965
Other	269	229
	167,498	182,194
Debt issuance costs	(5,948)	(7,115)
	€161,550	€175,079

Of the borrowings outstanding at 31 December 2016, 63% were denominated in euros, 32% in US dollars and 5% in pounds sterling.

Senior credit facility

Effective 24 February 2015, in conjunction with the Acquisition, the Company entered into a financing agreement, as amended on 30 June 2016 and amended and restated on 25 September 2015 (the "Senior Credit Facility"), which provides a revolving credit facility and a term loan facility. The revolving credit facility provides a €50,000 commitment. The term loan facility provides an aggregate commitment of €165,000 with two tranches, tranche A of €66,000 and tranche B of €99,000.

Interest on the facilities is variable and ranges from 3.5% to 4.4% at 31 December 2016. Scheduled repayments began 30 September 2015 and continue through the maturity of the facility. Tranche A of the term loan terminates six years after the first utilisation, and tranche B terminates seven years after the first utilisation. The credit facilities are secured by substantially all worldwide assets of the Company. Balances reported include the effect of foreign currency translation differences. The Company was in compliance with its financial covenants at 31 December 2016.

The Company estimates that the amortised cost of the facility represents the fair value of the facility at 31 December 2016. The Company has entered into interest rate swaps to manage its exposure to interest rate movements on a significant portion of its borrowings. See note 8.

Scheduled repayments of the Company's borrowings are as follows at 31 December:

	2016	2015
Within one year	€ 22,284	€ 26,579
Between two and five years	45,066	29,637
After five years	100,148	125,978
Total	€167,498	€182,194

Net finance cost of €10,427 includes interest expense and amortisation of debt issuance costs of €9,280 and €1,147, respectively, for the year ended 31 December 2016. Net finance cost of €8,091 includes interest expense and amortisation of debt issuance costs of €7,126 and €965, respectively, for the period from 11 December 2014 to 31 December 2015.

11. Commitments

Lease commitments

The Company leases certain facilities and equipment under various non-cancellable long-term and month-to-month leases accounted for as operating leases.

Future minimum rental payments under non-cancellable operating leases are as follows at 31 December:

	2016	2015
Not later than one year	€ 4,496	€ 4,220
Later than one year and not later than five years	11,917	11,988
Later than five years	9,391	11,590
Total	€25,804	€27,798

Lease expense for the year ended 31 December 2016 and for the period from 11 December 2014 to 31 December 2015 is €6,515 and €6,240, respectively.

12. Litigation

Silicosis

Subsidiaries of the Company in the United States have been named in various cases involving alleged exposure to silica by employees of its customers. In accordance with the terms of the Silicosis Litigation Management and Indemnification Agreement (the "Indemnity"), Water Application & Systems Corp. (formerly known as United States Filter Corp.) is liable for all silicosis claims arising from equipment or product sales prior to 19 August 2003 for subsidiaries of WGH Holding Corp. ("WGH") at that date. With respect to claims against non-United States subsidiaries of WGH at that date, the Indemnity continues until 19 August 2018. With respect to those United States subsidiaries of WGH, the Indemnity is not limited in time. There are no claims at present for exposure related to non-United States subsidiaries for equipment sales subsequent to 19 August 2003.

Other claims

The Company has been named in litigation arising in the ordinary course of business. In the opinion of legal counsel and management, the Company has meritorious defences against such claims and is covered by insurance and has reserves to cover self-insured retentions for any material adverse outcome in most claims. For claims for which insurance coverage may not be available, the Company has established reserves deemed adequate to cover possible adverse outcomes and related fees. As a result, these cases are not expected to have a significant negative impact on future results of operations or the financial condition of the Company.

13. Benefit plans

The Company's pension plan benefit obligations consist of multiple plans which provide benefits to employees of operations in Switzerland, United Kingdom, Germany, United States and India which have largely similar risk profiles.

The following table sets forth the significant components of the Company's pension plan benefit obligations, fair value of plan assets and funded status for the periods presented.

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Change in Benefit Obligation		
Benefit obligation at beginning of period	€148,970	€ —
Acquisition of Norican Holdings ApS	—	138,441
Service cost	1,074	1,402
Interest cost	3,129	3,259
Plan participants' contributions	560	640
Actuarial loss	12,512	2,829
Benefits paid	(7,357)	(6,480)
Plan curtailment	600	—
Impact of foreign currency changes	(7,773)	8,879
Benefit obligation at end of period	€151,715	€148,970
Change in Plan Assets		
Fair value of plan assets at beginning of period	€115,098	€ —
Acquisition of Norican Holdings ApS	—	107,548
Actual return on plan assets	10,505	2,019
Company contributions	1,459	1,472
Participant contributions	560	640
Benefits paid and expenses	(6,763)	(5,865)
Other	4	—
Impact of foreign currency changes	(5,335)	9,284
Fair value of plan assets at end of period	€115,528	€115,098
Accrued benefit liability per balance sheet at end of period	€ 36,187	€ 33,872
Of which arising from:		
Funded plans	€ 27,749	€ 25,120
Unfunded plans	€ 8,438	€ 8,752

The Company's estimate of employer contributions to be paid to defined benefit plans for the year ended 31 December 2017 is €1,946. Actual payments could differ materially from this estimate if any new funding regulations or laws are enacted or due to changes in business and market conditions during 2017.

The fair values of the assets of the Company's defined benefit pension plans are as follows at 31 December:

	2016		2015	
	Fair Value	%	Fair Value	%
Equities	€ 37,853	33%	€ 44,946	39%
Property	26,271	23%	26,063	23%
Bonds	39,852	34%	35,657	31%
Other assets	11,552	10%	8,432	7%
Fair value of assets	€115,528	100%	€115,098	100%

The plan assets do not include any assets used by the Company or any shares in the Company.

Principal actuarial assumptions, expressed as weighted averages and components of net periodic pension cost, are as follows at 31 December:

	2016	2015
Benefit cost:		
Discount rate	1.8%	2.9%
Expected return on plan assets	1.8%	2.2%
Rate of compensation increase	2.1%	2.3%
Benefit obligation:		
Discount rate	1.6%	2.2%
Rate of compensation increase	1.8%	1.7%
Future pension increase	1.2%	1.2%
Components of net periodic pension cost:		
Service cost	€ 1,074	€ 1,402
Interest cost	3,129	3,259
Expected return on plan assets	(2,279)	(2,486)
Net periodic pension cost	€ 1,924	€ 2,175

Accumulated actuarial losses included in the statement of comprehensive income are as follows:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Balance at beginning of period	€(2,402)	€ —
Actuarial (losses)/gains for the year, net of deferred tax	(3,621)	(2,650)
Currency translation	972	248
Balance at end of year	€(5,051)	€(2,402)

Norican Group, through its Swiss subsidiary, participates in the Pensionskasse Georg Fischer and Durach-Stiftung (together, the “Georg Fischer Plan”), which are separate legal entities. The Georg Fischer Plan Foundation is responsible for the governance of the plan, and the governance board is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies. The Swiss pension accrued benefit liability is €10,580 and €8,818 as of 31 December 2016 and 2015, respectively.

14. Financial risk management

The Company’s activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company’s financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Indian rupee and the Chinese renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. The Company’s individual subsidiaries predominately transact their operational activities in their respective functional currencies. However, the global nature of the business leads to transactional risk at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Transactional committed risk for which the Company has a contractual obligation that is recorded on the balance sheet is primarily managed through the use of forward foreign exchange contracts.

Translation exposure arises from consolidation of foreign currency-denominated financial statements of the Company's subsidiaries. The risk arising from translation of foreign subsidiary balance sheets (the effect of which is a currency- impact in consolidated Company equity) is partially hedged. The Company has certain principal balances of foreign currency denominated debt that is considered a hedge of the foreign currency exposure related to the investment in its foreign operations. The majority of the Company's debt is denominated in euros; therefore, a significant portion of the Company's debt is not exposed to foreign currency risk. A 10% change in the currency translation rate between the US dollar and the euro could positively or negatively affect revenue by approximately €8,700, and the net income impact on equity is approximately €1,000 based on results for the year ended 31 December 2016. The risk from equity fluctuations in other currencies is not considered significant.

Commodity price risk

Commodity price fluctuations also affect aspects of the Company's business. Changes in commodity prices can affect the profitability of the Company's operations and its net cash flows.

The Company does not consider commodity price risk to be a significant financial statement risk as most of the machine orders are completed within six months and the portion of commodity cost in the cost of finished goods inventory is not considered significant. For large orders, the Company mitigates exposure to commodity price risk by committing to raw materials purchases periodically throughout the year as sales occur. Inventory pricing is reviewed periodically to reduce the risk of commodity purchase price changes.

Interest rate risk

The Company is exposed to fluctuations in interest rates on its long-term borrowings. While a significant amount of the long-term debt under the Senior Credit Facility is hedged through interest rate swap agreements to mitigate the risk of rising interest rates on the variable rate agreement, a portion of the facility is exposed to interest rate fluctuations.

A one percentage point increase in interest rates would increase annual finance costs by €535 and positively affect equity by €604 as of 31 December 2016 due to the fact that the Company had entered into fixed interest rate swap agreements. See note 8.

Credit risk

The exposure to credit risk is represented by the balance sheet values of the receivables and positive market values of derivatives that are carried at the balance sheet date.

Credit quality of customers is assessed taking into account the customer's financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. The utilisation of credit limits is regularly monitored. Although the Company monitors the credit ratings of its customers, changes in the financial position of its customers can adversely affect the Company's future collection of the receivables and the Company's cash flows.

Liquidity risk

The Company's principal source of liquidity consists of cash generated from operations and borrowings available under the revolving credit portion of the senior financing agreement. See note 10.

Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

Other risk

At 31 December 2016, €26,244 in performance bonds related to equipment delivered were outstanding that are not reflected on the balance sheet but expose the Company to a minimal albeit potential risk.

Classes of financial instruments

Besides cash and cash equivalents, trade and other receivables as well as long-term debt, trade payables and other payables, which are financial instruments measured at amortised cost, the Group has entered into interest rate swaps, which are financial instruments designated for cash flow hedge accounting. The Group does not have financial instruments classified as either fair value through profit and loss, available for sale or held-to-maturity.

15. Equity

	Share capital	Other reserves	Retained earnings	Total shareholders equity	Minority interests	Total equity
Balance at 11 December 2014	€ —	€ —	€ —	€ —	€ —	€ —
Capital contribution	1,541	149,279	—	150,820	3,557	154,377
Total comprehensive income	—	1,574	4,600	6,174	318	6,492
Non-controlling interest dividend	—	—	—	—	(13)	(13)
Balance at 31 December 2015	€1,541	€150,853	€ 4,600	€156,994	€3,862	€160,856
Total comprehensive income	—	1,262	16,046	17,308	461	17,769
India share buyback	—	163	—	163	(926)	(763)
Non-controlling interest dividend	—	—	—	—	(13)	(13)
Balance at 31 December 2016	€1,541	€152,278	€20,646	€174,465	€3,384	€177,849

Common shares

The Company is authorised to issue up to 11,474,301 common shares, each with a par value of one Danish krone. Shares are entitled to one vote per share. There are 11,474,301 shares outstanding at 31 December 2016.

Other reserves

Other reserves consist of the following at 31 December:

	2016	2015
Capital reserves	€149,279	€149,279
Actuarial losses on pension benefit obligation, net of deferred tax	(5,051)	(2,402)
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax	(973)	(560)
India share buyback	163	—
Currency translation	8,860	4,536
	€152,278	€150,853

Non-controlling interest

The Company's majority owned Indian subsidiary, DISA India Ltd. ("DIL"), is listed on the Bombay Stock Exchange. As a result, the Company recognises the non-controlling interest's share of the net asset value of DIL as a component of equity. During the year ended 31 December 2016, DIL repurchased a portion of its outstanding shares through a share repurchase programme by paying €763 to non-controlling interests for 11,403 shares repurchased. The repurchased shares of the Indian subsidiary have been retired as of 31 December 2016.

16. Common stock warrants

The Company has issued 771,936 common stock warrants to management and directors of the Company. The warrants were issued at fair market value and therefore no compensation expense is recognised. The warrants give the holder the right (without pre-emption right for the Company's existing shareholders) to subscribe for up to 771,936 shares in the Company at par value of DKK 1 per share, by cash contribution at exercise. The Company's share capital may be increased in order to make it possible for the holders of the warrants to exercise the warrants.

17. Income tax recognised in profit or loss

The composition of income tax expense is as follows:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Current tax expense	€ 8,051	€ 7,582
Deferred tax benefit relating to the origination and reversal of temporary differences	(7,426)	(206)
Total income tax expense	€ 625	€ 7,376
Deferred tax benefit recognised directly in equity	€ 367	€ 923
Deferred taxes consist of the following at 31 December:		
Net operating and other deferred loss carryovers	€ 7,961	€ 1,140
Current assets and liabilities, net	4,893	4,533
Property, plant and equipment	(76)	(44)
Pension	5,866	5,855
Goodwill and identifiable intangible assets	(22,162)	(22,179)
Other	1,424	1,051
Net deferred tax liability	€ (2,094)	€ (9,644)

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 22.0% and 23.5% for the year ended 31 December 2016 and the period from 11 December 2014 to 31 December 2015, respectively, due to the following:

Income tax expense calculated at 22.0% (2016) and 23.5% (2015)	€(3,769)	€(2,889)
Effect of non-taxable income	(96)	559
Effect of non-deductible expenses	(728)	(3,263)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	5,524	(899)
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	(48)	(121)
Effect of different tax rates of subsidiaries operating in other jurisdictions, and other rate effects	(2,064)	(1,423)
	(1,181)	(8,036)
Adjustments recognised in the current year in relation to the current tax of prior years	556	660
Income tax expense recognised in net income	€ (625)	€(7,376)

Danish, United Kingdom and Canadian loss carryovers do not expire.

18. Employee benefit expense

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Wages and salaries, including termination	€109,321	€93,840
Pension costs, defined benefit	1,924	2,175
Pension costs, defined contribution	3,187	2,588
	€114,432	€98,603
Average number of employees	2,187	2,193

Employee benefit expenses are deducted in arriving at the Company's operating income, excluding net interest cost included in defined benefit pension cost. See note 13.

19. Related parties

Executive board

The remuneration of the executive board is as follows:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Short-term benefits	€1,013	€1,195
Post-employment benefits	23	18
Total	€1,036	€1,213

The remuneration of the executive board is determined by the remuneration committee of the board of directors having regard to the performance of individuals and market trends.

Shareholders

Directors and management own common shares and common share warrants of the Company. As of 31 December 2016, Altor Fund IV Holding AB has controlling shareholding positions in the Parent Company. Management fees of €543 and €3,496 were accrued to the benefit of Altor Fund IV Holding AB for the year ended 31 December 2016 and the period from 11 December 2014 to 31 December 2015, respectively.

During the period from 11 December 2014 to 31 December 2015, Altor Fund IV AB provided a bridge loan to the Company in the amount of €175,000 which was fully repaid within the period, including interest and fees of €1,654.

20. Audit fees

Fees to auditors appointed at the General Meeting are as follows:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Audit fee: Deloitte	€404	€404
Non-attest fees: Deloitte	€ 19	€ —

21. Subsequent event

Subsequent to the balance sheet date, on 21 February 2017, the Company entered into a sale and purchase agreement for the purchase of 100% of the outstanding shares of Light Metals Casting Solutions Group. Subject to the terms of the purchase agreement, it is expected that the purchase will be completed in 2017. The sale and purchase agreement is subject to normal closing conditions. Annual revenue of Norican Group is expected to increase by approximately 45% with accretive earnings as a result of the acquisition.

22. List of major subsidiary companies

Name of subsidiary	Country of origin	% Owned	Type of company
Norican A/S	Denmark	100%	Holding
Norican Holdings ApS	Denmark	100%	Holding
Norican Group ApS	Denmark	100%	Holding
DISA Holding II A/S	Denmark	100%	Holding
DISA Holding A/S	Denmark	100%	Holding
DISA Industries A/S	Denmark	100%	Manufacturing
WGH Holding Corp.	British Virgin Islands	100%	Holding
Wheelabrator Group (Canada) ULC	Canada	100%	Manufacturing
DISA Machinery Ltd.	China	100%	Manufacturing
DISA Trading (Shanghai) Co. Ltd.	China	100%	Sales
Wheelabrator Czech s.r.o.	Czech Republic	100%	Manufacturing
Matrasur Composites SAS	France	100%	Manufacturing
Wheelabrator Group SAS	France	100%	Manufacturing
DISA Industrieanlagen GmbH	Germany	100%	Manufacturing
Wheelabrator Group GmbH	Germany	100%	Manufacturing
Wheelabrator Group Holding GmbH	Germany	100%	Holding
Wheelabrator OFT GmbH	Germany	100%	Sales
DISA Limited Hong Kong	Hong Kong	100%	Sales
DISA India Ltd.	India	75%	Manufacturing
DISA Technologies Private Ltd.	India	100%	Manufacturing
DISA K.K.	Japan	100%	Sales
WG Plus de Mexico S de RL de CV	Mexico	100%	Manufacturing
Wheelabrator Schlick Sp. Z.o.o.	Poland	100%	Manufacturing
Wheelabrator Group SLU	Spain	100%	Sales
DISA Industrie AG	Switzerland	100%	Manufacturing
DISA Holding AG	Switzerland	100%	Holding
WGH UK Holdings Limited	United Kingdom	100%	Holding
WGH UK Ltd.	United Kingdom	100%	Holding
Wheelabrator Technologies (UK) Ltd.	United Kingdom	100%	Holding
Wheelabrator Group Ltd.	United Kingdom	100%	Manufacturing
DISA Industries Inc.	United States	100%	Sales
WG Global LLC	United States	100%	Holding
DISA Holding LLC	United States	100%	Holding
Wheelabrator Group Inc.	United States	100%	Manufacturing
Wheelabrator (Delaware) LLC	United States	100%	Holding

Parent Company
Balance sheets
(Amounts in thousands)

	Note	31 December 2016	2015
CURRENT ASSETS:			
Cash		€ 8	€ 483
Intercompany receivables		1,215	738
Total current assets		1,223	1,221
INVESTMENT IN SUBSIDIARY COMPANIES	2	153,291	153,291
TOTAL ASSETS		€154,514	€154,512
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Income tax payable	1	€ 7	€ 32
Total current liabilities		7	32
SHAREHOLDERS' EQUITY:			
Common shares		1,541	1,541
Additional paid-in capital		152,836	152,836
Retained result, etc.		130	103
Total shareholders' equity	3	154,507	154,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		€154,514	€154,512

Statements of income
(Amounts in thousands)

	Note	1 January to 31 December 2016	11 December 2014 to 31 December 2015
OPERATING INCOME		€—	€ —
NON-OPERATING INCOME		—	—
Net finance income		34	135
Total non-operating income		34	135
INCOME BEFORE INCOME TAX		34	135
INCOME TAX EXPENSE	1	(7)	(32)
NET INCOME		€27	€103
PROPOSED DISTRIBUTION OF RESULT FOR THE YEAR:			
Proposed dividend for the year		€—	€ —
Transfer to retained result		27	103
		€27	€103

Statements of cash flows
(Amounts in thousands)

	Note	1 January to 31 December 2016	11 December 2014 to 31 December 2015
CASH FLOWS FROM OPERATIONS:			
Net income		€ 27	€ 103
Adjustments to reconcile net income to net cash from operations, changes in working capital:			
Intercompany receivables		(477)	—
Accrued income tax payable		(25)	32
Net cash from operations		(475)	135
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Investments in subsidiaries		—	(153,291)
Net cash from investing activities		—	(153,291)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Capital contribution	3	—	154,377
Loan and accrued interest to Norican A/S		—	(738)
Net cash from financing activities		—	153,639
NET CHANGE IN CASH		(475)	483
CASH, BEGINNING OF PERIOD		483	—
CASH, END OF PERIOD		€ 8	€ 483

1. Income tax recognised in net income

The Danish companies of the group are jointly and severally liable for the Danish group's joint taxable income.

Tax expense is comprised of the following:

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Current tax expense	€ 7	€32
Deferred tax expense relating to the origination and reversal of temporary differences	—	—
Total income tax expense	€ 7	€32

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 22.0% and 23.5% for the year ended 31 December 2016 and the period from 11 December 2014 to 31 December 2015, respectively, due to the following:

Income tax expense calculated at 22.0% (2016) and 23.5% (2015)	€ 7	€32
Adjustments recognised in the current year in relation to prior year deferred taxes	—	—
Income tax expense recognised in net income	€ 7	€32

2. Investment in subsidiary companies

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Cost or Valuation:		
Balance at beginning of period	€153,291	€ —
Additions	—	153,291
Balance at end of period	€153,291	€153,291

Investments in subsidiary companies, with a carrying value at 31 December 2016 and 31 December 2015 of €153,291, have been provided as security for loans to the Company. Investment in subsidiary companies are reported at cost.

3. Shareholders' equity

Share Retained	Capital	Results	Total
Equity at 11 December 2014	€ —	€ —	€ —
Shareholder Capital Contribution	154,377	—	154,377
Transfer to retained result	—	103	103
Equity at 31 December 2015	€154,377	€103	€154,480
Transfer to retained result	—	27	27
Equity at 31 December 2016	€154,377	€130	€154,507

Common shares

The Company is authorised to issue up to 11,474,301 common shares, each with a par value of one Danish krone. Shares are entitled to one vote per share. There are 11,474,301 shares issued and outstanding at 31 December 2016.

Further details on the Parent Company's equity and related party transactions are provided in notes 15 and 19, to the Company's consolidated financial statements, respectively.

4. Audit fees

	1 January 2016 to 31 December 2016	11 December 2014 to 31 December 2015
Fees to auditors appointed at the General Meeting were as follows:		
Audit fee: Deloitte	€ 2	€ 2
Non-attest fees: Deloitte	—	—

NORICAN GLOBAL A/S

Audited consolidated financial statements of Norican Global A/S

As of and for the period between December 11, 2014 and December 31, 2015

Independent auditor's report to the shareholders of Norican Global A/S

Report on the consolidated financial statements and parent company financial statements

We have audited the consolidated financial statements and the parent financial statements of Norican Global A/S for the financial year 11 December 2014 to 31 December 2015, which comprise the balance sheet, statements of operations, statement of comprehensive income, statement of cash flows and notes, including accounting policies for the Company as well as for the Parent Company. The consolidated financial statements and the parent financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and additional disclosure requirements of the Danish Financial Statements Act.

Managements' responsibility for the consolidated financial statements and the Parent Company financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the consolidated financial statements and the parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and the parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and the parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Company's and parent's financial position at 31 December 2015 and the results of the Company's and Parent Company's operations and cash flows for the period from 11 December 2014 to 31 December 2015 in accordance with International Financial Reporting Standards, as adopted by the EU, and other disclosure requirements in the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's Review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent financial statements.

On this basis, it is our opinion that the information in the Management's Review is consistent with the consolidated financial statements and the parent financial statements.

Copenhagen, 9 March 2016
Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No. 33 96 35 56

Henrik Kjelgaard
State-Authorised Public Accountant

Dan Bjerregaard
State-Authorised Public Accountant

Consolidated balance sheet
(Amounts in thousands)

	Note	31 December 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	3	€ 39,971
Trade and other receivables	4	64,851
Inventory	5	70,952
Other current assets		10,303
Total current assets		186,077
PROPERTY, PLANT AND EQUIPMENT	6	29,628
GOODWILL AND OTHER INTANGIBLE ASSETS	7	288,584
DEFERRED TAX ASSETS	17	15,468
OTHER NON-CURRENT ASSETS		2,614
TOTAL ASSETS		€522,371
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade and other payables		€ 23,730
Accrued liabilities and provisions	9	60,348
Deferred revenue		38,435
Current portion of long-term debt	10	26,579
Other current liabilities	17	2,381
Total current liabilities		151,473
LONG-TERM DEBT	10	148,500
PENSION AND OTHER LIABILITIES	8, 13	36,430
DEFERRED TAX LIABILITIES	17	25,112
EQUITY:		
Share capital	15	1,541
Capital reserves	15	150,853
Retained earnings	15	4,600
Minority interest	15	3,862
Total equity		160,856
TOTAL LIABILITIES AND EQUITY		€522,371

Consolidated statements of operations
(Amounts in thousands)

	Note	11 December 2014 to 31 December 2015[(1)]	Pro forma 1 January to 31 December 2015[(2)]
REVENUES		€350,711	€401,112
COST OF SALES		233,831	266,616
GROSS MARGIN		116,880	134,496
OPERATING EXPENSES:			
Selling, general and administrative		75,906	89,682
Amortisation expense	7	5,877	7,005
Total operating expenses		81,783	96,687
OPERATING INCOME		35,097	37,809
NON-OPERATING EXPENSE:			
Net finance costs	10	(8,091)	(11,428)
Restructuring charges	9	(1,502)	(1,502)
Foreign exchange	1	(5,349)	1,566
Transaction costs		(5,466)	(5,466)
Other		(2,713)	(2,982)
Total non-operating expense		(23,121)	(19,812)
INCOME BEFORE INCOME TAX		11,976	17,997
INCOME TAX EXPENSE	17	(7,376)	(10,400)
NET INCOME		€ 4,600	€ 7,597

(1) Amounts are shown for the period from the inception of the Parent Company, 11 December 2014, to 31 December 2015, the first full operating period of the Parent Company and its consolidated subsidiaries following the acquisition of Norican Holdings ApS on 26 February 2015.

(2) Amounts are shown on a pro forma basis for the period from 1 January 2015 through 31 December 2015, which is the normal operating cycle and fiscal year for the acquired operating company, Norican Holdings ApS, and its subsidiaries. See Note 1.

Consolidated statement of comprehensive income
(Amounts in thousands)

	Note	11 December 2014 to 31 December 2015
COMPREHENSIVE INCOME:		
Item that will not be recycled subsequently to the income statement:		
Actuarial losses on pension benefit obligation, net of deferred tax of €573	13	€(2,650)
Items that may be recycled subsequently to the income statement:		
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax of €347	8	(562)
Currency translation differences		4,786
Net income recognised directly in equity		1,574
Net income		4,600
Total comprehensive income		€ 6,174

Consolidated statement of cash flows
(Amounts in thousands)

	Note	11 December 2014 to 31 December 2015
CASH FLOWS FROM OPERATIONS:		
Net income		€ 4,600
Adjustments to reconcile net income to net cash from operations:		
Non-cash items:		
Foreign exchange	1	5,349
Depreciation	6	3,812
Amortisation of intangibles and debt issuance costs	7, 10	6,841
Restructuring charges and impairment	9	1,502
Deferred tax	17	(206)
Changes in working capital:		
Trade and other receivables	4	(10,634)
Trade and other payables		(6,021)
Inventory	5	3,949
Accrued liabilities and provisions	9	(3,522)
Deferred revenue		(12,496)
Other		1,572
Net cash from operations		(5,254)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Acquisition of Norican Holdings ApS, net of cash acquired	2	(65,200)
Capital expenditures	6	(2,569)
Asset disposal proceeds		2,009
Net cash used from investing activities		(65,760)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt facilities, net		(54,950)
Borrowings of revolving credit facility		18,000
Debt issuance costs		(8,118)
Capital contribution		154,377
Dividend to minority interest		(13)
Net cash from financing activities	10, 19	109,296
FOREIGN CURRENCY EFFECT ON CASH FLOWS		1,689
NET INCREASE IN CASH		39,971
CASH, BEGINNING OF PERIOD		—
CASH, END OF PERIOD	3	€ 39,971

Notes to consolidated financial statements

1. Summary of significant accounting policies

The Annual Report of Norican Global A/S ("Norican Global" or "Parent Company," formerly known as Naciron Holding A/S), a Danish company, and its subsidiary companies has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, and additional Danish disclosure requirements for annual reports of Danish companies, including the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Norican Global was formed on 11 December 2014 by Altor Fund IV Holding AB. On 26 February 2015, Norican A/S (formerly known as Naciron A/S), a wholly owned subsidiary of the Parent Company, acquired Norican Holdings ApS and its subsidiary companies through the purchase of the entire share capital of Norican Holdings ApS, also a Danish company, pursuant to an agreement dated 18 December 2014 (the "Acquisition"). The consolidated financial statements of the Parent Company are presented for the period from the date of formation of the Parent Company, 11 December 2014, through 31 December 2015, the first full period of operations of the Parent Company (hereinafter referred to as the "Company"), including its consolidated subsidiaries, effective with the acquisition of Norican Holdings ApS as of 26 February 2015. Pro forma amounts are shown in the statements of operations for the period from 1 January 2015 to 31 December 2015 which is the normal operating cycle and fiscal year for the acquired company, Norican Holdings ApS.

The consolidated financial statements are presented in euros, as this is the major currency in which revenues and capital transactions are denominated.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company, its wholly owned subsidiaries and its majority owned Indian subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation. The interest of minority shareholders is stated at the minority's proportion of the respective entity's identifiable assets, liabilities and contingent liabilities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies usedinto line with those used by other members of the Company.

In order to provide a comparable basis of analysis, pro forma figures covering the full year 2015 of the acquired company, Norican Holdings ApS and its subsidiaries, are presented on the consolidated statement of operations. The pro forma figures have been prepared based on the accounting principles of Norican Global A/S. Included in the pro forma 2015 figures is amortization attributed to intangibles of Norican Holdings ApS for the period 1 January to 26 February 2015 and amortization of intangibles corresponding to the purchase price allocation adjustments resulting from the Acquisition.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. The carrying values of the Company's cash equivalents approximate their fair values at 31 December 2015.

Trade receivables

Trade receivables represent the invoiced amounts, less adjustments for doubtful receivables. Adjustments for doubtful receivables are calculated based on historical experience and by reviewing individual receivable balances, taking into account contractual terms, payment history and other available evidence of whether the receivable is collectible. Receivable balances are written off only when there is no prospect of any further collections.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overhead costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out ("FIFO") method, or a method that approximates the use of the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event that it is probable will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal restructuring plan and the plan has either been announced or has commenced.

The Company warrants its products against certain manufacturing and other defects. These product warranties are generally provided for a period of one year but may vary depending on the nature of the product, the geographic location of its sale and other factors. The accrued product warranty costs are based on historical experience of actual warranty claims as well as current information on repair costs. Where some or all of the expenditure required to settle a claim is expected to be reimbursed by another party, the reimbursement is recognised only when reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Property, plant and equipment

Property, plant and equipment are stated at cost if purchased, or fair value as of the acquisition date if obtained in an acquisition. Depreciation on property and equipment is calculated on the straight-line method over 20 to 50 years for buildings and improvements and three to ten years for equipment and other.

Property, plant and equipment accounted for as finance leases are capitalised at their estimated cost (at the lower of fair value or the present value of minimum lease payments) at the inception of the lease and depreciated in the same manner as other property, plant and equipment over the term of the lease. Additional costs, which extend the useful life of the property, plant and equipment, are capitalised and depreciated over the revised remaining useful life of the asset. Maintenance and repair costs are charged to expense as incurred. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognised. Financing costs associated with the construction of property, plant and equipment are not capitalised.

Financial instruments

Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities. The carrying amounts of such instruments are considered to be representative of their respective fair values due to the short-term maturity of the instruments.

Financial debts

Financial debts are initially recognised at the amount of proceeds received. Finance charges are accounted for on an accrual basis and are included in accrued liabilities to the extent that they are not settled in the period in which they arise, with premiums payable on settlement or redemption included in financial debts. Financial debts are classified as current if the debt agreement terms in force at the balance sheet date require repayment within one year; otherwise they are classified as non-current.

Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are revalued to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in equity until the hedged cash flow materialises. Amounts initially recognised in equity are released to the income statement in the same period in which the hedged transactions (cash flows) affect the income statement. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Debt issuance costs

Debt issuance costs are capitalised and amortised using a method that approximates the effective interest rate method over the term of the underlying credit facility or note.

Goodwill and other intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets acquired in a business combination. Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. On disposal of a subsidiary, the amount attributable of unamortised goodwill that has not been subject to impairment is included in the determination of the gain or loss on disposal.

Intangible assets, other than goodwill, are valued at cost less accumulated amortisation and any impairment losses. Trademarks have been assigned an indefinite useful life. Capitalised research and development is amortised on a straight-line basis over a six-year useful life. Customer relationships, patents and other intangibles are amortised on a straight-line basis over a 10-to 20-year useful life. Costs for acquired assets represent the purchase price including transaction costs.

Impairment of non-current assets

Non-current assets are tested for impairment in accordance with IAS 36 and are reviewed annually to determine whether events or changes in conditions indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the Company estimates the asset's recoverable amount as the higher of the asset's fair value less selling costs and value-in-use, which is the present value of the cash flows expected from the asset's use and eventual disposal. If necessary, an impairment loss is recorded in the income statement to the extent that the carrying amount of the asset exceeds its recoverable amount.

Revenue recognition

Revenue from product sales is generally recognised upon shipment of products, provided there are no significant uncertainties regarding customer acceptance, persuasive evidence of an arrangement exists, the sales price is fixed and determinable, and it is probable that the sale is collectible. Delivery is defined based on the terms of the sale contract. Allowances for returns, discounts and uncollectible accounts are recorded at the time of sale. Amounts billed to customers for shipping and handling are included in net sales and are recorded upon shipment of goods to customers. Costs of providing these services are included in cost of sales.

For large engineered systems (capital equipment), revenue is recognised following shipment, which is generally after the Company has demonstrated that the equipment meets the customer's specifications. Capital equipment sales generally require the customer to make advance cash payments as work progresses. Revenue associated with advance payments is recognised upon delivery and when ownership and risk of loss have passed to the customer.

Service revenues are recognised in the period in which the services are performed.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Foreign currencies

Transactions in foreign currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts. Gains and losses arising on exchange are included in net income for the period. Monetary assets and liabilities denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date.

On consolidation, the assets and liabilities of the Company's operations are translated into presentation currency (euros) at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

Where loans are made between two subsidiaries with different functional currencies, currency translation differences arise in one or both subsidiaries. In accordance with IAS 21, currency translation differences for intercompany loans that are not considered part of the investment in subsidiaries are recognised in net income. Amounts are presented within non-operating expense.

Retirement benefit costs

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with valuations carried out at each balance sheet date in accordance with International Accounting Standard 19, Employee Benefits. Actuarial gains and losses are recognised immediately in the statement of comprehensive income as they are incurred.

The pension liability recognised in the balance sheet represents the present value of defined benefit obligations and is reduced by the fair value of plan assets. If benefit plan membership or benefits are significantly reduced by a restructuring, or an event or transaction that results in the Company's benefit obligations being settled, the effects are recorded in the income statement when the restructuring or settlement occurs.

Research and development

Where expenditures relate to the application of research findings, or other knowledge, for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use, they are generally capitalised. Costs related to a specific customer and research and development expenditures not yet in the application phase are expensed as incurred.

Research and development expenditures of €1,896 were capitalised as intangible assets in the period from 11 December 2014 to 31 December 2015. Additional costs not related to specific customer orders of €4,037 were expensed in the period from 11 December 2014 to 31 December 2015.

Income taxes

Income taxes for the year comprise current and deferred tax, using rates enacted or substantively enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year and any adjustments to tax payable in respect of previous years. Deferred taxes are provided for the difference between asset and liability carrying amounts for financial reporting purposes and their tax basis. A valuation allowance is provided against deferred tax assets if realisation is not assured on a probable basis. The Company's tax provision or benefit includes a provision for taxes currently payable or receivable plus the change in deferred taxes for the period. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net tax basis.

Business combinations

Newly acquired or newly established companies and activities are recognised in the consolidated financial statements from the date of acquisition or establishment. The date of acquisition is the date when control of the company or activity actually passes to the Group. Sold or wound up enterprises are excluded from consolidation at the date of transfer of the control of the enterprise. The date of disposal is the date when control of the company actually passes to a third party.

Acquisitions are accounted for using the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of companies acquired are measured at fair value at the date of acquisition. Non-current assets held for sale are, however, measured at fair value less expected costs to sell.

Restructuring costs are only recognised in the take-over balance sheet if they represent a liability to the acquired company. The tax effect of revaluations is taken into account.

Any excess of the cost of an acquired company or activity over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill, an intangible asset, and tested for impairment at least annually. If the carrying amount of an asset exceeds its recoverable amount, the asset is written down to the lower recoverable amount.

The cost of a company or activity is the fair value of the consideration paid. If the final determination of the consideration is conditional on one or more future events these are recognised at their fair value as of the acquisition date.

Costs that can be attributed directly to the transfer of ownership are recognised in the income statement when they are incurred. Adjustments to estimates of conditional consideration are generally recognised directly to the income statement.

If the fair value of the acquired assets or liabilities subsequently proves different from the values calculated at the acquisition date, cost is adjusted for up to 12 months after the date of acquisition. The effect of the adjustments is recognised in the opening equity

If uncertainties regarding the measurement of acquired identifiable assets, liabilities, contingent liabilities or the consideration for the business combination exist at the acquisition date, initial recognition takes place on the basis of preliminary fair values. If identifiable assets, liabilities, contingent liabilities and the consideration for the business combination are subsequently determined to have had a different fair value at the acquisition date than first assumed, goodwill is adjusted up until 12 months after the acquisition date. The effect of the adjustments is recognised in the opening equity, and the comparative figures are restated accordingly. Goodwill is not adjusted subsequently except in the event of material errors.

Non-controlling interests

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as non-controlling interests' proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

Use of estimates

Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated financial statements in conformity with IFRS. Actual results could differ from those estimates.

Effect of new accounting standards

Norican Group has adopted all new, amended or revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning on 1 January 2015.

Effect of new accounting standards not yet in force

Revised or new standards and interpretations issued, but not yet effective or approved by the EU at the time of publication of this Annual Report, have not been included in this Annual Report.

Issued in May 2014, IFRS 15, Revenue from Contracts with Customers, establishes a single comprehensive model for entities to be used in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18, Revenue, and related interpretations when it becomes effective. Management has not yet evaluated the expected future impact on the amounts reported and disclosed by the Group from the application of IFRS 15. IFRS 15 is expected to take effect on 1 January 2018.

IFRS 9, Financial Instruments, was issued in 2009 and has been revised several times since then. Management anticipates that the future application of IFRS 9 may impact the reporting and disclosure of the Group's financial instruments and hedging instruments. Management has not yet evaluated the expected future impact on the amounts reported and disclosed by the Group from the application of IFRS 9. IFRS 9 is expected to take effect on 1 January 2018.

Issued in January 2016, IFRS 16, Leases, requires lessees to recognise nearly all leases on the balance sheet. Management has not yet evaluated the expected future impact on the amounts reported and disclosed by the Group from the application of IFRS 16. IFRS 16 is expected to take effect on 1 January 2019.

Critical accounting estimates

Post-employment benefits

The assumptions used to measure the expense and liabilities related to the Company's defined benefit pension plans are reviewed annually. The measurement of the expense for a period and of the benefit obligation at the period end requires judgement with respect to the following matters, among others: probable long-term rate of increase in pensionable pay; probable average future service lives of employees; probable life expectancy of employees; mix of investments in funded pension plans in the period; expected future rate of return on the investments in the funded pension plans, and how that rate will compare with the market rates of return observed in past economic cycles. Assumptions used to value the benefit obligation at 31 December are updated based on actual experience when appropriate. Variances are caused principally by external financial market movements in corporate bond yields used to benchmark the discount rate, and in asset prices that affected the actual return on assets. These factors are outside the Company's direct control and it is reasonably possible that future variances could exceed past variances.

Deferred tax assets

Tax losses are recognised as deferred tax assets when it becomes probable that they will be utilised in the future. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilised. In making this assessment, the Company considers the scheduled reversal of deferred tax liabilities and projected future taxable income.

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, as of 31 December 2015, the Company believes that it is more likely than not that the Company will realise the benefits of these deductible differences. The amount of the deferred tax asset considered realisable could be reduced in subsequent years if estimates of future taxable income during the carryforward period are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market and government related uncertainties, as well as the Company's own future decisions.

Uncertain tax positions

The Company's policy is to comply fully with applicable tax regulations in all jurisdictions in which the Company's operations are subject to income taxes.

The Company's estimates of current income tax expense and liabilities are calculated on the assumption that all tax computations filed by the Company's subsidiaries will be subject to review or audit by the relevant tax authorities. Current income tax liabilities include the Company's best estimate of the tax that will ultimately be payable when the review or audits have been completed. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense, net income and effective tax rates in future years' consolidated income statements. Several prior years' tax computations are still open for review or audit by the tax authorities for most of the Company's subsidiaries at the balance sheet date. The Company's estimates of income tax expense and liabilities at each year end include management judgements about the eventual outcome of the reviews and audits of all open years based on the latest information available about the positions taken by each tax authority.

Goodwill impairment test

The assessment of whether goodwill is impaired requires a determination of the value in use of the cash-generating units of which the goodwill amounts have been allocated. The determination of the value in use requires estimates of the expected future cash flows of each cash-generating unit and a reasonable discount rate.

The impairment test of goodwill and the associated particularly sensitive factors and sensitivity analyses are described in note 7 to the consolidated financial statements.

Purchase price allocation in business combinations

In connection with allocation of the purchase price in business combinations, calculations are made of fair value of acquired assets and liabilities. As this determination is based on expected future cash flows related to the assets and liabilities acquired, the realisation of such cash flows as anticipated is subject to an inherent uncertainty.

2. Acquisitions

On 26 February 2015, Norican A/S, a wholly owned subsidiary of the Parent Company, acquired Norican Holdings ApS and its subsidiary companies through the purchase of the entire share capital of Norican Holdings ApS.

Current assets	€ 208,907
Property, plant and equipment	31,556
Intangible assets	170,543
Other	16,731
Total assets acquired	427,737
Current liabilities	(146,680)
Long-term debt	(217,149)
Other	(46,257)
Total liabilities assumed	(410,086)
Net assets acquired	€ 17,651

The acquisition price was allocated to the assets and liabilities based on their respective fair values as of the date of the purchase. Current assets acquired as of 26 February 2015 include accounts receivable of €54,207, inventory of €86,131 and other assets of €6,474. Intangible assets included in the purchase price allocation include €47,724 attributed to customer relationships (20-year useful life), €32,844 attributed to trademarks (indefinite useful life), €22,059 attributed to patents (ten-year useful life), and €20,042 attributed to other.

3. Cash and cash equivalents

Cash includes cash on hand and in banks and investments in money market instruments totaling €39,971 at 31 December 2015. The Company maintains cash deposits related to certain of its performance obligations for the manufacturing, delivery and installation of capital equipment sales. At 31 December 2015, €2,224 was posted as cash bonds, and is included in cash and cash equivalents on the Company's balance sheet.

4. Trade and other receivables

Trade accounts receivable includes other receivables of €499 at 31 December 2015. The movement in allowance for doubtful accounts is as follows for the period from 11 December 2014 to 31 December 2015:

Balance at 11 December 2014	€ —
Acquisition of Norican Holdings ApS	3,514
Changes in provisions during the year	(217)
Currency translation	64
Balance at 31 December 2015	€3,361

The Company has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

5. Inventory

Inventories, net of provisions, consist of the following at 31 December 2015:

Raw material	€ 6,564
Work-in-process	29,665
Finished goods	34,723
Total	€70,952

6. Property, plant and equipment

	Land, Buildings and Improvements	Equipment and Other	Total
Cost or valuation:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	34,751	58,891	93,642
Additions	228	2,341	2,569
Disposals	(1,228)	(2,129)	(3,357)
Currency translation	367	(4)	363
Balance at 31 December 2015	€ 34,118	€ 59,099	€ 93,217
Accumulated Depreciation:			
Balance at 11 December 2014	—	—	—
Acquisition of Norican Holdings ApS	(16,436)	(45,650)	(62,086)
Depreciation expense	(883)	(2,929)	(3,812)
Disposals	408	2,114	2,522
Currency translation	(211)	(2)	(213)
Balance at 31 December 2015	€(17,122)	€(46,467)	€(63,589)
Carrying amount at 31 December 2015	€ 16,996	€ 12,632	€ 29,628

7. Goodwill and other intangible assets

	Goodwill	Other(1)	Total
Cost or valuation:			
Balance at 11 December 2014	€ —	€ —	€ —
Acquisition of Norican Holdings ApS	171,220	122,669	293,889
Additions	—	1,896	1,896
Deductions	—	—	—
Currency translation	(29)	363	334
Balance at 31 December 2015	€171,191	€124,928	€296,119
Accumulated Amortisation:			
Balance at 11 December 2014	—	—	—
Acquisition of Norican Holdings ApS	—	(1,454)	(1,454)
Amortisation expense	—	(5,877)	(5,877)
Currency translation	—	(204)	(204)
Balance at 31 December 2015	€ —	€ (7,535)	€ (7,535)
Carrying amount at 31 December 2015	€171,191	€117,393	€288,584

(1) The carrying value of intangibles other than goodwill consists of customer relationships €45,912, patents €20,459, trademarks €32,962 and other €18,060 at 31 December 2015.

Goodwill is tested for impairment at least annually. The results of the 2015 analysis did not identify a need to impair goodwill as at 31 December 2015. In the impairment test, the discounted value of future net cash flows are compared with the carrying amounts of goodwill and other net assets. Future cash flows are based on a forecast for the next five years plus a terminal value. Projections included in the forecast are based on general parameters, such as expected market growth, selling prices and profitability assumptions. Company units are highly integrated and management considers the overall business as one cash-generating unit. The annual impairment test was thus based on the Company as a whole.

8. Derivative financial instruments

The fair values of derivative financial instruments included in other long-term liabilities consist of interest rate swap cash flow hedges of €1,501 at 31 December 2015. The fair value of the interest rate swaps are classified based on the maturity of the contracts at 31 December. The interest rate swaps are used to manage exposure to interest rate movements on a significant portion of the Company's bank borrowings, with nominal values totaling €111,083 at 31 December 2015. The fixed interest rates vary from 0.5% to 1.8%, and the primary floating rates are Euribor and LIBOR. All of the interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity. The fair value of derivatives is determined based on observable market data using generally accepted methods.

9. Accrued liabilities and provisions

Accrued liabilities and provisions include the following:

Warranty

Balance at 11 December 2014	€ —
Acquisition of Norican Holdings ApS	6,933
Additional provisions	2,271
Reductions through payments	(2,199)
Foreign exchange adjustment	(62)
Balance at 31 December 2015	€ 6,943

Restructuring

Balance at 11 December 2014	€ —
Acquisition of Norican Holdings ApS	167
Additional provisions	1,502
Reductions through payments	(170)
Foreign exchange adjustment	3
Balance at 31 December 2015	€1,502

10. Borrowings

Secured borrowings at amortised cost consist of the following at 31 December 2015:

Senior financing	€181,965
Other	229
	182,194
Debt issuance costs	(7,115)
	€175,079

Of the borrowings outstanding at 31 December 2015, 64% were denominated in euros, 30% in US dollars and 6% in pounds sterling. The Company was in compliance with its financial covenants at 31 December 2015.

Senior credit facility

Effective 24 February 2015, in conjunction with the Acquisition, the Company entered into a new financing agreement, as amended and restated on 25 September 2015 (the "Senior Credit Facility"), which provides a revolving credit facility and a term loan facility. The revolving credit facility provides a €50,000 commitment. The term loan facility provides an aggregate commitment of €165,000 with two tranches, tranche A of €66,000 and tranche B of €99,000. Interest on the facilities ranges from 3.5% to 4.2% at 31 December 2015. Scheduled repayments began 30 September 2015 and continue through the maturity of the facility. Tranche A of the term loan terminates six years after the first utilisation, and tranche B terminates seven years after the first utilisation. The credit facilities are secured by substantially all worldwide assets of the Company. Balances reported include the effect of foreign currency translation differences.

The Company estimates that the amortised cost of the facility represents the fair value of the facility at 31 December 2015. The Company has entered into interest rate swaps to manage its exposure to interest rate movements on a significant portion of its borrowings (see note 8).

Scheduled repayments of the Company's borrowings are as follows at 31 December 2015:

Within one year	€ 26,579
Between two and five years	29,637
After five years	125,978
Total	€182,194

Cash paid for interest was €6,970 for the period from 11 December 2014 to 31 December 2015.

11. Commitments

Lease commitments

The Company leases certain facilities and equipment under various non-cancellable long-term and month-to-month leases accounted for as operating leases.

Future minimum rental payments under non-cancellable operating leases are as follows at 31 December 2015:

Not later than one year	€ 4,220
Later than one year and not later than five years	11,988
Later than five years	11,590
Total	€27,798

Rent expense for the period from 11 December 2014 to 31 December 2015 was €6,240.

12. Litigation

Silicosis

Subsidiaries of the Company in the United States have been named in various cases involving alleged exposure to silica by employees of its customers. In accordance with the terms of the Silicosis Litigation Management and Indemnification Agreement (the "Indemnity"), Water Application & Systems Corp. (formerly known as United States Filter Corp.) is liable for all silicosis claims arising from equipment or product sales prior to 19 August 2003 for subsidiaries of WGH Holding Corp. ("WGH") at that date. With respect to claims against non-United States subsidiaries of WGH at that date, the Indemnity continues until 19 August 2018. With respect to those United States subsidiaries of WGH, the Indemnity is not limited in time. There are no claims at present for exposure related to non-United States subsidiaries for equipment sales subsequent to 19 August 2003.

Other claims

The Company has been named in litigation arising in the ordinary course of business. In the opinion of legal counsel and management, the Company has meritorious defences against such claims and is covered by insurance and has reserves to cover self-insured retentions for any material adverse outcome in most claims. For claims for which insurance coverage may not be available, the Company has established reserves deemed adequate to cover possible adverse outcomes and related fees. As a result, these cases are not expected to have a significant negative impact on future results of operations or the financial condition of the Company.

13. Benefit plans

The Company's pension plan benefit obligations are comprised of twelve plans which provide benefits to employees of operations in Switzerland, United Kingdom, Germany, United States and India.

The following table sets forth the significant components of the Company's pension plan benefit obligations, fair value of plan assets and funded status for the period from 11 December 2014 to 31 December 2015.

Change in Benefit Obligation	
Benefit obligation at 11 December 2014	€ —
Acquisition of Norican Holdings ApS	138,441
Service cost	1,402
Interest cost	3,259
Plan participants' contributions	640
Actuarial loss	2,829
Benefits paid	(6,480)
Impact of foreign currency changes	8,879
Benefit obligation at 31 December 2015	€148,970
Change in Plan Assets	
Fair value of plan assets at 11 December 2014	€ —
Acquisition of Norican Holdings ApS	107,548
Actual return on plan assets	2,019
Company contributions	1,472
Participant contributions	640
Benefits paid and expenses	(5,865)
Other	—
Impact of foreign currency changes	9,284
Fair value of plan assets at 31 December	€115,098
Accrued benefit liability per balance sheet at 31 December	€ 33,872
Of which arising from:	
Funded plans	€ 25,120
Unfunded plans	€ 8,752

The Company's estimate of employer contributions to be paid to defined benefit plans for the year ended 31 December 2016 is €2,083. Actual payments could differ materially from this estimate if any new funding regulations or laws are enacted or due to changes in business and market conditions during 2016.

The fair values of the assets of the Company's defined benefit pension plans are as follows at 31 December 2015:

	Fair value	%
Equities	€ 44,946	39%
Property	26,063	23%
Bonds	35,657	31%
Other assets	8,432	7%
Fair value of assets	€115,098	100%

The plan assets do not include any assets used by the Company or any shares in the Company.

Principal actuarial assumptions, expressed as weighted averages and components of net periodic pension cost, are as follows for the period from 11 December 2014 to and as of 31 December 2015:

Benefit cost:	
Discount rate	2.9%
Expected return on plan assets	2.2%
Rate of compensation increase	2.3%
Benefit obligation:	
Discount rate	2.2%
Rate of compensation increase	1.7%
Future pension increase	1.2%
Components of net periodic pension cost:	
Service cost	€ 1,402
Interest cost	3,259
Expected return on plan assets	(2,486)
Net periodic pension cost	€ 2,175

Accumulated actuarial losses included in the statement of comprehensive income are as follows for the period from 11 December 2014 to 31 December 2015:

Balance at 11 December 2014	€ —
Actuarial (losses)/gains for the year, net of deferred tax	(2,650)
Currency translation	248
Balance at 31 December	€(2,402)

Norican Group, through its Swiss subsidiary, participates in the Pensionskasse Georg Fischer and Durach-Stiftung (together, the "Georg Fischer Plan"), which are separate legal entities. The Georg Fischer Plan Foundation is responsible for the governance of the plan, and the governance board is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies. The Swiss pension accrued benefit liability is €8,818 as of 31 December 2015.

14. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Indian rupee and the Chinese renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. The Company's individual subsidiaries predominately transact their operational activities in their respective functional currencies. However, the global nature of the business leads to transactional risk at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Transactional committed risk for which the Company has a contractual obligation that is recorded on the balance sheet is primarily managed through the use of forward foreign exchange contracts. The Company enters into forward foreign exchange contracts primarily to hedge exchange rate risk.

Translation exposure arises from consolidation of foreign currency-denominated financial statements of the Company's subsidiaries. The risk arising from translation of foreign subsidiary balance sheets (the effect of which is a currency impact in consolidated Company equity) is partially hedged. The Company has certain principal balances of foreign currency denominated debt that is considered a hedge of the foreign currency exposure related to the investment in its foreign operations. The majority of the Company's debt is denominated in euros therefore, a significant portion of the Company's debt is not exposed to foreign currency risk.

Commodity price risk

Commodity price fluctuations also affect aspects of the Company's business. Changes in commodity prices can affect the profitability of the Company's operations and its net cash flows.

The Company does not consider commodity price risk to be a significant financial statement risk as most of the machine orders are completed within six months and the portion of commodity cost in the cost of finished goods inventory is not considered significant. For large orders, the Company mitigates exposure to commodity price risk by committing to raw materials purchases periodically throughout the year as sales occur. Inventory pricing is reviewed periodically to reduce the risk of commodity purchase price changes.

Interest rate risk

The Company is exposed to fluctuations in interest rates on its long-term borrowings. While a significant amount of the long-term debt under the Senior Credit Facility is hedged through interest rate swap agreements to mitigate the risk of rising interest rates on the variable rate agreement, a portion of the facility is exposed to interest rate fluctuations.

A one percentage point increase in interest rates would increase annual finance costs by €582 and positively affect equity by €657 as of 31 December 2015 due to the fact that the Company had entered into fixed interest rate swap agreements (see note 8).

Credit risk

The exposure to credit risk is represented by the balance sheet values of the receivables and positive market values of derivatives that are carried at the balance sheet date.

Credit quality of customers is assessed taking into account the customer's financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. The utilisation of credit limits is regularly monitored. Although the Company monitors the credit ratings of its customers, changes in the financial position of its customers can adversely affect the Company's future collection of the receivables and the Company's cash flows.

Liquidity risk

The Company's principal source of liquidity consists of cash generated from operations and borrowings available under the revolving credit portion of the senior financing agreement (see note 10).

Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

Other risk

At 31 December 2015, there were €17,032 in performance bonds outstanding which are not reflected on the balance sheet but expose the Company to a minimal albeit potential risk.

Classes of financial instruments

Besides cash and cash equivalents, trade and other receivables as well as long term debt, trade payables and other payables, which are financial instruments measured at amortized cost, the Group has entered into interest rate swaps, which are financial instruments designated for cash flow hedge accounting. The Group does not have financial instruments classified as either fair value through profit and loss, available for sale or held-to-maturity.

15. Equity

	Share capital	Other reserves	Retained earnings	Total share-holders equity	Minority interests	Total equity
Balance at 11 December 2014	€ —	€ —	€ —	€ —	€ —	€ —
Capital contribution	1,541	149,279	—	150,820	3,557	154,377
Total comprehensive income	—	1,574	4,600	6,174	318	6,492
Minority interest dividend	—	—	—	—	(13)	(13)
Balance at 31 December 2015	€1,541	€150,853	€4,600	€156,994	€3,862	€160,856

Common shares

The Company is authorised to issue up to 11,475,905 common shares, each with a par value of one Danish Krone. Shares are entitled to one vote per share. There are 11,474,301 shares outstanding at 31 December 2015.

Other reserves

Other reserves consist of the following at 31 December 2015:

Capital reserves	€149,279
Actuarial losses on pension benefit obligation, net of deferred tax	(2,402)
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax	(560)
Currency translation	4,536
	€150,853

Minority interests

The Company's majority owned Indian subsidiary is listed on the Bombay Stock Exchange. As a result, the Company recognises the minority interest's share of the net asset value of the Indian subsidiary as a component of equity.

16. Common stock warrants

The Company has issued 776,748 common stock warrants to management and directors of the Company. The warrants were issued at fair market value and therefore no compensation expense is recognized. The warrants give the holder the right (without pre-emption right for the Company's existing shareholders) to subscribe for up to 776,748 shares in the Company at par value of DKK 1 per share, by cash contribution at exercise. The Company's share capital may be increased in order to make it possible for the holders of the warrants to exercise the warrants.

17. Income tax recognised in profit or loss

The composition of income tax expense is as follows for the period from 11 December 2014 to 31 December 2015:

Current tax expense	€7,582
Deferred tax expense relating to the origination and reversal of temporary differences	(206)
Total income tax expense	€7,376
Deferred tax benefit recognised directly in equity	€ 923

Deferred taxes consist of the following at 31 December 2015:

Net operating and other deferred loss carryovers	€ 1,140
Current assets and liabilities, net	4,533
Property, plant and equipment	(44)
Pension	5,855
Goodwill and identifiable intangible assets	(22,179)
Other	1,051
Net deferred tax liability	€ (9,644)

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 23.5% due to the following for the period from 11 December 2014 to 31 December 2015:

Income tax expense calculated at 23.5% for 2015	€(2,814)
Effect of non-taxable income	559
Effect of non-deductible expenses	(3,263)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(899)
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	(121)
Effect of different tax rates of subsidiaries operating in other jurisdictions and other rate effects	(1,423)
	(7,961)
Adjustments recognised in the current year in relation to the current tax of prior years	585
Income tax expense recognised in net income	€(7,376)

Danish, United Kingdom and Canadian loss carryovers do not expire. Cash taxes paid for the period from 11 December 2014 to 31 December 2015 were €8,782.

18. Employee benefit expense

	11 December 2014 to 31 December 2015
Wages and salaries, including termination	€93,840
Pension costs, defined benefit	2,175
Pension costs, defined contribution	2,588
	€98,603
Average number of employees	2,193

Employee benefit expenses are deducted in arriving at the Company's operating income, excluding net interest cost included in defined benefit pension cost (see note 13).

19. Related parties

Directors and key management

The remuneration of directors and key members of management is as follows during the period from 11 December 2014 to 31 December 2015:

Short-term benefits	€1,195
Post-employment benefits	18
Total	€1,213

The remuneration of directors and key executives is determined by the remuneration committee of the board of directors having regard to the performance of individuals and market trends.

Shareholders

Directors and management own common shares and common share warrants of the Company. As of 31 December 2015, Altor Fund IV Holding AB has controlling shareholding positions in the Parent Company. Management fees of €3,496 were accrued to the benefit of Altor Fund IV Holding AB during the period from 11 December 2014 to 31 December 2015.

During the period from 11 December 2014 to 31 December 2015, Altor Fund IV AB provided a bridge loan to the Company in the amount of €175,000 which was fully repaid within the period, including interest and fees of €1,654.

20. Audit fees

Fees to auditors appointed at the General Meeting are as follows for the period from 11 December 2014 to 31 December 2015:

Audit fee: Deloitte	€404
Non-attest fees: Deloitte	—

21. List of major subsidiary companies

Name of Subsidiary	Country of origin	% Owned	Type of Company
Norican A/S	Denmark	100%	Holding
Norican Holdings ApS	Denmark	100%	Holding
Norican Group ApS	Denmark	100%	Holding
DISA Holding II A/S	Denmark	100%	Holding
DISA Holding A/S	Denmark	100%	Holding
DISA Industries A/S	Denmark	100%	Manufacturing
WGH Holding Corp.	British Virgin Islands	100%	Holding
Wheelabrator Group (Canada) Ltd.	Canada	100%	Manufacturing
DISA Machinery Ltd.	China	100%	Manufacturing
DISA Trading (Shanghai) Co. Ltd.	China	100%	Sales
Wheelabrator Czech s.r.o.	Czech Republic	100%	Manufacturing
Matrasur Composites SAS	France	100%	Manufacturing
Wheelabrator Group SAS	France	100%	Manufacturing
DISA Industrieanlagen GmbH	Germany	100%	Manufacturing
Wheelabrator Group GmbH	Germany	100%	Manufacturing
Wheelabrator Group Holding GmbH	Germany	100%	Holding
Wheelabrator OFT GmbH	Germany	100%	Sales
DISA Limited Hong Kong	Hong Kong	100%	Sales
DISA India Ltd.	India	75%	Manufacturing
DISA Technologies Private Ltd.	India	100%	Manufacturing
DISA K.K.	Japan	100%	Sales
WG Plus de Mexico S de RL de CV	Mexico	100%	Manufacturing
Wheelabrator Schlick Sp. Z.o.o.	Poland	100%	Manufacturing
Wheelabrator Group SLU	Spain	100%	Sales
DISA Industrie AG	Switzerland	100%	Manufacturing
DISA Holding AG	Switzerland	100%	Holding
WGH UK Holdings Limited	United Kingdom	100%	Holding
WGH UK Ltd.	United Kingdom	100%	Holding
Wheelabrator Technologies (UK) Ltd.	United Kingdom	100%	Holding
Wheelabrator Group Ltd.	United Kingdom	100%	Manufacturing
DISA Industries Inc.	United States	100%	Sales
WG Global LLC	United States	100%	Holding
DISA Holding LLC	United States	100%	Holding
Wheelabrator Group Inc.	United States	100%	Manufacturing

Balance sheet
(Amounts in thousands)

	Note	31 December 2015
CURRENT ASSETS:		
Cash		€ 483
Intercompany receivables		738
Total current assets		1,221
INVESTMENT IN SUBSIDIARY COMPANIES	2	153,291
TOTAL ASSETS		€154,512
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Income tax payable	1	€ 32
Total current liabilities		32
SHAREHOLDERS' EQUITY:		
Common shares		1,541
Additional paid-in capital		152,836
Retained result, etc.		103
Total shareholders' equity	3	154,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		€154,512

Statement of income
(Amounts in thousands)

	Note	11 December 2014 to 31 December 2015
OPERATING INCOME		€ —
NON-OPERATING INCOME		—
Net finance costs		135
Total non-operating income		135
INCOME BEFORE INCOME TAX		135
INCOME TAX EXPENSE	1	(32)
NET INCOME		€103
PROPOSED DISTRIBUTION OF RESULT FOR THE YEAR:		
Proposed dividend for the year		€ —
Transfer to retained result		103
		€103

Statement of cash flows
(Amounts in thousands)

	Note	11 December 2014 to 31 December 2015
CASH FLOWS FROM OPERATIONS:		
Net income		€ 103
Adjustments to reconcile net income to net cash from operations, changes in working capital:		
Accrued income tax payable		32
Net cash from operations		135
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Investments in subsidiaries		(153,291)
Net cash from investing activities		(153,291)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital contribution	3	154,377
Loan and accrued interest to Norican A/S		(738)
Net cash from financing activities		153,639
NET CHANGE IN CASH		483
CASH, BEGINNING OF PERIOD		—
CASH, END OF PERIOD		€ 483

1. Income tax recognised in net income

The Danish companies of the group are jointly and severally liable for the Danish group's joint taxable income.

Tax expense is comprised of the following for the period from 11 December 2014 to 31 December 2015:

Current tax expense	€32
Deferred tax expense relating to the origination and reversal of temporary differences	—
Total income tax expense	€32

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 23.5% due to the following for the period from 11 December 2014 to 31 December 2015:

Income tax expense calculated at 23.5%	€32
Adjustments recognised in the current year in relation to prior year deferred taxes	—
Income tax expense recognised in net income	€32

2. Investments in subsidiary companies

Cost or Valuation:	
Balance at 11 December 2014	€ —
Additions	153,291
Balance at 31 December 2015	€153,291

Investments in subsidiary companies, with a carrying value at 31 December 2015 of € 153,291, have been provided as security for loans to the Company. Investment in subsidiary companies are reported at cost.

3. Shareholders' equity

	Share	retained	Capital results total
Equity at 11 December 2014	€ —	€ —	€ —
Shareholder Capital Contribution	154,377	—	154,377
Transfer to retained result	—	103	103
Equity at 31 December 2015	€154,377	€103	€154,480

Common shares

The Company is authorised to issue up to 11,475,905 common shares, each with a par value of one Danish Krone. Shares are entitled to one vote per share. There are 11,474,301 shares issued and outstanding at 31 December 2015.

Further details on the Parent Company's equity and related party transactions are provided in notes 15 and 19, to the Company's consolidated financial statements, respectively.

4. Audit fees

Fees to auditors appointed at the General Meeting were as follows for the period from 11 December 2014 to 31 December 2015:

Audit fee: Deloitte	€ 2
Non-attest fees: Deloitte	—

NORICAN HOLDINGS APS

Audited consolidated financial statements of Norican Holdings ApS

As of and for the year ended December 31, 2014

Independent auditor's report

To the owners of capital in Norican Holdings ApS

Report on the consolidated financial statements and parent company

Financial statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Norican Holdings ApS for the years ended 31 December 2014, 2013 and 2012 which are comprised of the balance sheets, statements of operations, statements of comprehensive income and total shareholders' capital, statements of cash flows and notes, including a summary of significant accounting policies for the Company as well as for the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Board of directors' and board of executives' responsibility for the consolidated financial statements and the parent company financial statements

The Board of Directors and Executive Board are responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act. The Board of Directors and the Executive Board are also responsible for the internal control that the Board of Directors and Executive Board deem necessary for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with international auditing standards and additional disclosure requirements under Danish Audit Legislation. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies decided by the Board of Directors and Executive Board and the reasonableness of accounting estimates made by the Board of Directors and the Executive Board, as well as the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Company's and Parent Company's financial position at 31 December 2014, 2013 and 2012 and the results of the Company's and Parent Company's operations and cash flows for the years ended 31 December 2014, 2013 and 2012 in accordance with International Financial Reporting Standards as adopted by the EU and other disclosure requirements in the Danish Financial Statements Act.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the Management's Review. We have not performed any further procedures in addition to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, we are of the opinion that the information in the Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 20 March 2015
BDO Statsautoriseret revisionsaktieselskab

Ole C.K. Nielsen
State Authorised Public Accountant

Brian Olsen Halling
State Authorised Public Accountant

Consolidated balance sheets
(Amounts in thousands)

		31 December		
	Note	2014	2013	2012
ASSETS				
CURRENT ASSETS:				
Cash	3	€ 56,059	€ 70,168	€ 63,541
Trade and other receivables	4	60,341	49,727	59,013
Inventory	5	65,898	54,966	69,291
Other current assets		14,939	7,710	9,264
Total current assets		197,237	182,571	201,109
PROPERTY, PLANT AND EQUIPMENT	6	30,993	31,424	33,172
GOODWILL AND OTHER INTANGIBLE ASSETS	7	171,154	175,405	181,999
DEFERRED TAX ASSETS	17	16,591	15,712	18,303
OTHER NON-CURRENT ASSETS		1,128	1,045	1,117
TOTAL ASSETS		€417,103	€406,157	€435,700
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Trade and other payables		€ 22,829	€ 23,352	€ 25,986
Accrued liabilities and provisions	9	64,259	59,717	66,756
Deferred revenue		44,031	32,085	36,311
Current portion of long-term debt	10	67,207	12,257	9,940
Other current liabilities	17	6,572	4,228	1,999
Total current liabilities		204,898	131,639	140,992
LONG-TERM EXTERNAL BORROWINGS	10	114,922	186,632	198,837
PENSION AND OTHER LIABILITIES	8, 13	31,877	29,488	42,763
DEFERRED TAX LIABILITIES	17	13,941	15,069	16,151
SHAREHOLDERS' LOANS	10	31,339	30,111	28,944
EQUITY:				
Share capital	15	712	712	712
Capital reserves	15	44,644	44,644	44,631
Retained deficit, etc.	15	(25,230)	(32,138)	(37,330)
Total equity		20,126	13,218	8,013
TOTAL LIABILITIES AND EQUITY		€417,103	€406,157	€435,700

Consolidated statements of operations
(Amounts in thousands)

		Year ended 31 December		
	Note	2014	2013	2012
REVENUES		€361,362	€353,375	€406,670
COST OF SALES		241,599	236,753	273,719
GROSS MARGIN		119,763	116,622	132,951
OPERATING EXPENSES:				
Selling, general and administrative		78,911	78,211	87,196
Amortisation expense	7	6,573	6,298	6,345
Total operating expenses		85,484	84,509	93,541
OPERATING INCOME		34,279	32,113	39,410
NON-OPERATING EXPENSE:				
Finance costs	10	(18,806)	(18,220)	(18,524)
Restructuring charges	6, 9	(221)	(278)	(2,842)
Foreign exchange	1	(2,632)	(5,563)	3,465
Other		(1,863)	(3,598)	(603)
Total non-operating expense		(23,522)	(27,659)	(18,504)
INCOME BEFORE INCOME TAX		10,757	4,454	20,906
INCOME TAX EXPENSE	17	(6,027)	(6,982)	(9,367)
NET INCOME/(LOSS)		€ 4,730	€ (2,528)	€ 11,539

Consolidated statements of comprehensive income and total shareholders' capital
(Amounts in thousands)

		Year ended 31 December		
	Note	2014	2013	2012
COMPREHENSIVE INCOME:				
Items that will not be recycled subsequently to the income statement:				
Actuarial (losses)/gains on pension benefit obligation and Swiss pension contract change, net of deferred tax	13	€ (6,221)	€ 2,755	€ (3,069)
Items that may be recycled subsequently to the income statement:				
Unrealised holding gains on derivatives designated as cash flow hedges, net of deferred tax	8	4,277	4,002	1,053
Currency translation differences		3,325	695	(4,062)
Net income/(expense) recognised directly in equity		1,381	7,452	(6,078)
Net income/(loss)		4,730	(2,528)	11,539
Total comprehensive income		6,111	4,924	5,461
VESTING OF RESTRICTED COMMON SHARES	16	—	13	34
MINORITY INTEREST IN EARNINGS OF SUBSIDIARIES	15	809	281	469
SALE OF INTEREST IN SUBSIDIARY	2	—	—	1,816
DIVIDEND TO MINORITY INTEREST	15	(12)	(13)	(684)
SHAREHOLDERS' CAPITAL:				
Total equity, beginning of period	15	13,218	8,013	917
Total equity, end of period	15	20,126	13,218	8,013
Shareholders' loans	10	31,339	30,111	28,944
Total shareholders' capital		€51,465	€43,329	€36,957

Consolidated statements of cash flows
(Amounts in thousands)

		Year ended 31 December		
	Note	2014	2013	2012
CASH FLOWS FROM OPERATIONS:				
Net income/(loss)		€ 4,730	€ (2,528)	€ 11,539
Adjustments to reconcile net income/(loss) to net cash from operations:				
Non-cash items:				
Foreign exchange	1	2,632	3,168	(3,465)
Depreciation	6	4,277	4,548	5,048
Amortisation of intangibles and debt issuance costs	7, 10	9,093	8,819	8,864
Restructuring charges and impairment	6, 9	221	278	2,842
Deferred tax	17	67	(309)	1,586
Non-cash interest expense	10	1,228	1,167	2,206
Changes in working capital:				
Trade and other receivables	4	(10,614)	9,286	(880)
Trade and other payables		(523)	(2,634)	(323)
Inventory	5	(10,932)	14,325	7,134
Accrued liabilities and provisions	9	3,340	(6,843)	4,070
Deferred revenue		11,946	(4,226)	(16,765)
Other		(6,299)	1,363	(1,219)
Net cash from operations		9,166	26,414	20,637
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Capital expenditures	6	(2,943)	(4,713)	(5,942)
Asset disposal proceeds		81	123	225
Sale of shares of subsidiary	2	—	—	6,201
Dividend to minority interest		(12)	(13)	(684)
Net cash used in investing activities		(2,874)	(4,603)	(200)
CASH FLOWS USED IN FINANCING ACTIVITIES:				
Senior financing term loan repayments		(24,000)	(8,595)	(8,000)
(Repayments)/borrowings of other debt, net		(50)	(1,417)	22
Net cash used in financing activities	10	(24,050)	(10,012)	(7,978)
FOREIGN CURRENCY EFFECT ON CASH FLOWS		3,649	(5,172)	(1,810)
NET (DECREASE)/INCREASE IN CASH		(14,109)	6,627	10,649
CASH, BEGINNING OF PERIOD		70,168	63,541	52,892
CASH, END OF PERIOD	3	€ 56,059	€ 70,168	€ 63,541

1. Summary of significant accounting policies

The Annual Report of Norican Holdings ApS and its subsidiary companies has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, and additional Danish disclosure requirements for annual reports of Danish companies, including the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Norican Holdings ApS ("Norican Holdings"), a Danish company, was formed on 7 March 2008 by EECF Delta S.a.r.l., Luxembourg ("EECF"). On 4 September 2008, Norican Group ApS a wholly owned subsidiary of the Parent Company, acquired DISA Holding II A/S and WGH Holding Corp. ("WGH"). Effective 26 February 2015, the entire share capital of Norican Holdings ApS, was purchased by Naciron A/S, (the "Change of Control") a Danish company, pursuant to an agreement dated 18 December 2014.

The consolidated financial statements are presented in euros, as this is the major currency in which revenues and capital transactions are denominated.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company, its wholly owned subsidiaries and its majority owned Indian subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation. The interest of minority shareholders is stated at the minority's proportion of the respective entity's identifiable assets, liabilities and contingent liabilities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Company. Certain reclassification adjustments have been made to the prior year financial statement amounts to conform those amounts to the current year presentation.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. The carrying values of the Company's cash equivalents approximate their fair values at 31 December 2014, 2013 and 2012.

The Company maintains cash deposits related to certain of its performance obligations for the manufacturing, delivery and installation of capital equipment sales. At 31 December 2014, 2013 and 2012, €1,911, €1,767 and €1,368 were posted as cash bonds, respectively, and are included in cash and cash equivalents on the Company's balance sheet.

Trade receivables

Trade receivables represent the invoiced amounts, less adjustments for doubtful receivables. Adjustments for doubtful receivables are calculated based on historical experience and by reviewing individual receivable balances, taking into account contractual terms, payment history and other available evidence of whether the receivable is collectible. Receivable balances are written off only when there is no prospect of any further collections.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overhead costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out ("FIFO") method, or a method that approximates the use of the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal restructuring plan and the plan has either been announced or has commenced.

The Company warrants its products against certain manufacturing and other defects. These product warranties are generally provided for a period of one year but may vary depending on the nature of the product, the geographic location of its sale and other factors. The accrued product warranty costs are based on historical experience of actual warranty claims as well as current information on repair costs. Where some or all of the expenditure required to settle a claim is expected to be reimbursed by another party, the reimbursement is recognised only when reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Property, plant and equipment

Property, plant and equipment are stated at cost if purchased, or fair value as of the acquisition date if obtained in an acquisition. Depreciation on property and equipment is calculated on the straight-line method over twenty to fifty years for buildings and improvements and three to ten years for equipment and other.

Property, plant and equipment accounted for as finance leases are capitalised at their estimated cost (at the lower of fair value or the present value of minimum lease payments) at the inception of the lease and depreciated in the same manner as other property, plant and equipment over the term of the lease. Additional costs, which extend the useful life of the property, plant and equipment, are capitalised and depreciated over the revised remaining useful life of the asset. Maintenance and repair costs are charged to expense as incurred. Upon the sale or retirement of an asset, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognised. Financing costs associated with the construction of property, plant and equipment are not capitalised.

Financial instruments

Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities. The carrying amounts of such instruments are considered to be representative of their respective fair values due to the short-term maturity of the instruments.

Financial debts

Financial debts are initially recognised at the amount of proceeds received. Finance charges are accounted for on an accrual basis and are included in accrued liabilities to the extent that they are not settled in the period in which they arise, with premiums payable on settlement or redemption included in financial debts. Financial debts are classified as current if the debt agreement terms in force at the balance sheet date require repayment within one year; otherwise they are classified as non-current.

Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are revalued to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in equity until the hedged cash flow materialises. Amounts initially recognised in equity are released to the income statement in the same period in which the hedged transactions (cash flows) affect the income statement. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Debt issuance costs

Debt issuance costs are capitalised and amortised using a method that approximates the effective interest rate method over the term of the underlying credit facility or note (see note 10).

Goodwill and other intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets acquired in a business combination. Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. On disposal of a subsidiary, the amount attributable of unamortised goodwill that has not been subject to impairment is included in the determination of the gain or loss on disposal.

Intangible assets, other than goodwill, are valued at cost less accumulated amortisation and any impairment losses. Trademarks have been assigned an indefinite useful life. Capitalised research and development is amortised on a straight-line basis over a six year useful life. Customer relationships and patents are amortised on a straight-line basis over a tweleve to twenty year useful life. Costs for acquired assets represent the purchase price including transaction costs.

Impairment of non-current assets

Non-current assets are tested for impairment in accordance with IAS 36 and are reviewed annually to determine whether events or changes in conditions indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the Company estimates the asset's recoverable amount as the higher of the asset's fair value less selling costs and value-in-use, which is the present value of the cash flows expected from the asset's use and eventual disposal. If necessary, an impairment loss is recorded in the income statement to the extent that the carrying amount of the asset exceeds its recoverable amount.

Revenue recognition

Revenue from product sales is generally recognised upon shipment of products, provided there are no significant uncertainties regarding customer acceptance, persuasive evidence of an arrangement exists, the sales price is fixed and determinable, and it is probable that the sale is collectible. Delivery is defined based on the terms of the sale contract. Allowances for returns, discounts and uncollectible accounts are recorded at the time of sale. Amounts billed to customers for shipping and handling are included in net sales and are recorded upon shipment of goods to customers. Costs of providing these services are included in cost of sales.

For large engineered systems (capital equipment), revenue is recognised following shipment, which is generally after the Company has demonstrated that the equipment meets the customer's specifications. Capital equipment sales generally require the customer to make advance cash payments as work progresses. Revenue associated with advance payments is recognised upon delivery and when ownership and risk of loss have passed to the customer.

Service revenues are recognised in the period in which the services are performed.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In a sale and leaseback transaction, property, plant and equipment are generally recorded as sold, and profit on disposal recognised, when legal title passes to the purchaser. If the leaseback is a finance lease, profits on sale are recognised over the term of the leaseback agreement as a reduction of lease expense.

Foreign currencies

Transactions in foreign currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts. Gains and losses arising on exchange are included in net income for the period. Monetary assets and liabilities denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date.

On consolidation, the assets and liabilities of the Company's operations are translated into presentation currency (euros) at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

Where loans are made between two subsidiaries with different functional currencies, currency translation differences arise in one or both subsidiaries. In accordance with IAS 21, currency translation differences for intercompany loans that not are considered part of the investment in subsidiaries are recognised in net income. Amounts are presented within non- operating expense.

Retirement benefit costs

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with valuations carried out at each balance sheet date in accordance with International Accounting Standard 19, Employee Benefits. Actuarial gains and losses are recognised immediately in the statement of comprehensive income as they are incurred.

The pension liability recognised in the balance sheet represents the present value of defined benefit obligations and is reduced by the fair value of plan assets. If benefit plan membership or benefits are significantly reduced by a restructuring, or an event or transaction that results in the Company's benefit obligations being settled, the effects are recorded in the income statement when the restructuring or settlement occurs.

Research and development

Where expenditures relate to the application of research findings, or other knowledge, for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use, they are generally capitalised. Costs related to a specific customer and research and development expenditures not yet in the application phase are expensed as incurred.

Research and development expenditures of €1,418, €853 and €1,157 were capitalised as intangible assets in 2014, 2013 and 2012, respectively. Additional costs not related to specific customer orders of €4,590, €5,222 and €4,783 were expensed in the years ended 31 December 2014, 2013 and 2012, respectively.

Income taxes

Income taxes for the year comprise current and deferred tax, using rates enacted or substantively enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year and any adjustments to tax payable in respect of previous years. Deferred taxes are provided for the difference between asset and liability carrying amounts for financial reporting purposes and their tax basis. A valuation allowance is provided against deferred tax assets if realisation is not assured on a probable basis. The Company's tax provision or benefit includes a provision for taxes currently payable or receivable plus the change in deferred taxes for the period. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net tax basis.

Share-based compensation

The fair value of equity-settled restricted shares awarded to employees is recognised as compensation expense, and as a corresponding increase in equity, over the period in which the restricted shares vest. The fair value of grants of restricted common shares is measured as the market value of the shares on the grant date. The number of shares used to measure compensation expense is the total number of shares vested. Compensation expense is adjusted as actual forfeitures occur so that final expense is based on the number of shares which actually vest.

Business combinations

Newly acquired or established enterprises are recognised in the consolidated financial statements from the time the Company gains control. Sold or wound up enterprises are excluded from consolidation at the date of transfer of the control of the enterprise. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

Profit or loss at the disposal or winding up of subsidiaries and related parties is determined as the difference between the selling price and the carrying value of net assets at the date of sale, including goodwill and costs of disposal.

Use of estimates

Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated financial statements in conformity with IFRS. Actual results could differ from those estimates.

Recently issued IFRS

In December 2011, the IASB published "Financial Instruments: Presentation—Offsetting Financial Assets and Financial Liabilities", an amendment to IAS 32 effective for annual periods beginning on or after 1 January 2014 to clarify the application of certain offsetting criteria for financial assets and liabilities in IAS 32. The application of these amendments effective 1 January 2014 did not have any significant effect on this report.

In May 2013, the IASB issued IFRIC Interpretation 21: Levies, an interpretation of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) on the accounting for levies imposed by governments other than income taxes. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy and includes guidance illustrating how it should be applied. The interpretation is effective retrospectively for annual periods beginning on or after 1 January 2014. The application of this interpretation had no effect on this report.

In May 2013, the IASB issued amendments to IAS 36 (Impairment of Assets) entitled Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36), addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The disclosure requirements are effective for annual periods beginning after 1 January 2014. The application of these amendments did not have any effect on this report.

In June 2013, the IASB issued amendments to IAS 39 (Financial Instruments: Recognition and Measurement) entitled Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39), that allow hedge accounting to continue in a situation where a derivative which has been designated as a hedging instrument is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The application of these amendments did not have any effect on this report.

In November 2013, the IASB issued an amendment to IAS 19 (Employee Benefits) entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The amendment applies to contributions from employees or third parties to defined benefit plans, in order to simplify the accounting for contributions that are independent of the number of years of employee service (for example, employee contributions that are calculated according to a fixed percentage of salary). The amendment is effective, retrospectively, from 1 July 2014, with earlier application permitted. At the date of this report, the European Union has not yet completed its endorsement process for this amendment.

In December 2013, the IASB issued the Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The topics addressed in these amendments are, among others, the definition of key management personnel in IAS 24 (Related Party Disclosures) the extension of the exclusion from the scope of IFRS 3 (Business Combinations) to all types of joint arrangements as defined in IFRS 11 (Joint Arrangements) and clarifications about the application of certain exceptions in IFRS 13 (Fair Value Measurement). These amendments are effective for annual periods beginning on or after 1 July 2014, with early application permitted. At the date of this report, the European Union has not yet completed its endorsement process for these amendments.

In May 2014, the IASB issued amendments to IFRS 11—Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations, adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. These amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2016, with earlier application permitted. At the date of this report, the European Union has not yet completed its endorsement process for these amendments.

In May 2014, the IASB issued an amendment to IAS 16 (Property, Plant and Equipment) and to IAS 38 (Intangible Assets). The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments are effective for annual periods beginning on or after 1 January 2016, with early application permitted. At the date of this report, the European Union has not yet completed its endorsement process for these amendments.

In May 2014, the IASB issued the new standard IFRS 15 (Revenue from Contracts with Customers). The standard requires that an entity recognises revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The new standard supersedes IAS 11 (Construction Contracts), IAS 18 (Revenue) and IFRICs 13, 15 and 18, as well as SIC-31, and is effective on a retrospective basis for annual periods beginning on or after 1 January 2017. At the date of this report, the European Union has not yet completed its endorsement process for this standard. Norican Group is in the process of assessing the impact of the adoption of this standard on its consolidated financial statements.

In July 2014, the IASB completed and issued the new IFRS 9 (Financial Instruments). The improvement package introduced by the new standard includes a logical model for classification and measurement of financial instruments, a single expected loss impairment model for financial assets and a substantially reformed approach for hedge accounting. Entities should apply this new standard retrospectively from 1 January 2018. Early application is permitted. At the date of this report, the European Union has not yet completed its endorsement process for this standard.

Critical accounting estimates

Post-employment benefits

The assumptions used to measure the expense and liabilities related to the Company's defined benefit pension plans are reviewed annually. The measurement of the expense for a period and of the benefit obligation at the period end requires judgement with respect to the following matters, among others: probable long-term rate of increase in pensionable pay; probable average future service lives of employees; probable life expectancy of employees; mix of investments in funded pension plans in the period; expected future rate of return on the investments in the funded pension plans, and how that rate will compare with the market rates of return which were observed in past economic cycles. Assumptions used to value the benefit obligation at 31 December are updated based on actual experience when appropriate. Variances are caused principally by external financial market movements in corporate bond yields used to benchmark the discount rate, and in asset prices which affected the actual return on assets. These factors are outside the Company's direct control and it is reasonably possible that future variances could exceed past variances.

Deferred tax assets

Tax losses are recognised as deferred tax assets when it becomes probable that they will be utilised in the future. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilised. In making this assessment, the Company considers the scheduled reversal of deferred tax liabilities and projected future taxable income.

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, as of 31 December 2014, the Company believes that it is more likely than not that the Company will realise the benefits of these deductible differences. The amount of the deferred tax asset considered realisable could be reduced in subsequent years if estimates of future taxable income during the carry forward period are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market and government related uncertainties, as well as the Company's own future decisions.

Uncertain tax positions

The Company's policy is to comply fully with applicable tax regulations in all jurisdictions in which the Company's operations are subject to income taxes.

The Company's estimates of current income tax expense and liabilities are calculated on the assumption that all tax computations filed by the Company's subsidiaries will be subject to review or audit by the relevant tax authorities. Current income tax liabilities include the Company's best estimate of the tax that will ultimately be payable when the review or audits have been completed. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense, net income and effective tax rates in future years' consolidated income statements. Several prior years' tax computations are still open for review or audit by the tax authorities for most of the Company's subsidiaries at the balance sheet date. The Company's estimates of income tax expense and liabilities at each year end include management judgements about the eventual outcome of the reviews and audits of all open years based on the latest information available about the positions taken by each tax authority.

2. Acquisitions and disposals

During 2012, the Company sold an 11.5% interest in its majority-owned Indian subsidiary for €6,201. The sale is recorded as a reduction of goodwill, net of an increase in minority interest and equity. There were no acquisitions or disposals during 2014 and 2013.

3. Cash and cash equivalents

Cash includes cash on hand and in banks and investments in money market instruments totaling €56,059, €70,168 and €63,541 at 31 December 2014, 2013 and 2012, respectively.

4. Trade and other receivables

Trade accounts receivable includes other receivables of €269, €271 and €837 at 31 December 2014, 2013 and 2012, respectively. The movement in allowance for doubtful accounts is as follows as at and for the years ended 31 December:

	2014	2013	2012
Balance at 1 January	€3,761	€4,317	€3,249
Changes in provisions during the year	(746)	(440)	1,081
Currency translation	288	(116)	(13)
Balance at 31 December	€3,303	€3,761	€4,317

The Company has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

5. Inventory

Inventories, net of provisions, consist of the following at 31 December:

	2014	2013	2012
Raw material	€ 5,976	€ 5,976	€ 7,197
Work-in-process	28,643	22,369	32,389
Finished goods	31,279	26,621	29,705
Total	€65,898	€54,966	€69,291

6. Property, plant and equipment

	Land, buildings and improvements	Equipment and other	Total
Cost or valuation:			
Balance at 31 December 2011	€ 36,594	€ 59,653	€ 96,247
Additions	1,842	4,100	5,942
Disposals	(97)	(1,286)	(1,383)
Currency translation	218	(97)	121
Balance at 31 December 2012	38,557	62,370	100,927
Additions	673	4,040	4,713
Disposals	—	(8,176)	(8,176)
Currency translation	(2,559)	(2,053)	(4,612)
Balance at 31 December 2013	36,671	56,181	92,852
Additions	54	2,889	2,943
Disposals	(3,999)	(4,294)	(8,293)
Transfer to assets held for sale	(1,153)	—	(1,153)
Currency translation	1,713	2,097	3,810
Balance at 31 December 2014	€ 33,286	€ 56,873	€ 90,159
Accumulated Depreciation:			
Balance at 31 December 2011	€(16,307)	€(47,273)	€(63,580)
Depreciation expense	(1,604)	(3,444)	(5,048)
Disposals	77	1,173	1,250
Impairment	(406)	—	(406)
Currency translation	(47)	76	29
Balance at 31 December 2012	(18,287)	(49,468)	(67,755)
Depreciation expense	(1,378)	(3,170)	(4,548)
Disposals	—	8,085	8,085
Currency translation	1,277	1,513	2,790
Balance at 31 December 2013	(18,388)	(43,040)	(61,428)
Depreciation expense	(1,098)	(3,179)	(4,277)
Disposals	3,999	4,253	8,252
Transfer to assets held for sale	860	—	860
Currency translation	(942)	(1,631)	(2,573)
Balance at 31 December 2014	€(15,569)	€(43,597)	€(59,166)
Carrying amount at 31 December 2012	€ 20,270	€ 12,902	€ 33,172
Carrying amount at 31 December 2013	€ 18,283	€ 13,141	€ 31,424
Carrying amount at 31 December 2014	€ 17,717	€ 13,276	€ 30,993
Assets held under finance leases, 2012	€ 528	€ 25	€ 553
Assets held under finance leases, 2013	€ 188	€ —	€ 188
Assets held under finance leases, 2014	€ —	€ —	€ —

7. Goodwill and other intangible assets

	Goodwill	Customer relationships, patents and trademarks	Total
Cost or valuation:			
Balance at 31 December 2011	€164,861	€109,084	€ 273,945
Additions	—	1,157	1,157
Deductions	(4,235)	—	(4,235)
Currency translation	(18)	(882)	(900)
Balance at 31 December 2012	160,608	109,359	269,967
Additions	—	853	853
Deductions	—	—	—
Currency translation	(938)	(417)	(1,355)
Balance at 31 December 2013	159,670	109,795	269,465
Additions	—	1,418	1,418
Deductions	—	—	—
Currency translation	299	1,286	1,585
Balance at 31 December 2014	€159,969	€112,499	€ 272,468
Accumulated Amortisation:			
Balance at 31 December 2011	€ (51,999)	€ (30,027)	€ (82,026)
Amortisation expense	—	(6,345)	(6,345)
Currency translation	—	403	403
Balance at 31 December 2012	(51,999)	(35,969)	(87,968)
Amortisation expense	—	(6,298)	(6,298)
Currency translation	—	206	206
Balance at 31 December 2013	(51,999)	(42,061)	(94,060)
Amortisation expense	—	(6,573)	(6,573)
Currency translation	—	(681)	(681)
Balance at 31 December 2014	€ (51,999)	€ (49,315)	€ (101,314)
Carrying amount at 31 December 2012	€108,609	€ 73,390	€ 181,999
Carrying amount at 31 December 2013	€107,671	€ 67,734	€ 175,405
Carrying amount at 31 December 2014	€107,970	€ 63,184	€ 171,154

The carrying value of intangibles other than goodwill consists of customer relationships €16,511, patents €11,556, trademarks €24,908 and other €10,209 at 31 December 2014. For information on sale of minority interest shares of subsidiary, see note 2.

8. Derivative financial instruments

The fair values of derivative financial instruments included in other long-term liabilities consist of the following cash flow hedges at 31 December:

	2014	2013	2012
Interest rate swaps	€1,353	€6,737	€12,011
Foreign exchange swaps	234	(67)	2,409
	€1,587	€6,670	€14,420

The fair values of hedging derivatives are classified based on the maturity of the contracts at 31 December.

Interest rate swaps

The Company has entered into interest rate swaps to manage its exposure to interest rate movements on a significant portion of its bank borrowings, with nominal values totaling €153,042 at 31 December 2014. At 31 December 2014, the fixed interest rates vary from 4.0% to 5.4%, and the primary floating rates are EURIBOR and LIBOR. All of the interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity. The interest rate swap agreements expired and were settled on 4 February 2015.

Forward foreign exchange swaps

The Company utilises forward currency delivery contracts to hedge future transactions and cash flows. The Company is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Company's principal markets and are designated and effective as hedging instruments carried at fair value.

Losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 December 2014 will be recognised in the income statement in the period or periods during which the hedged forecast transactions affect the income statement. During the year ended 31 December 2013, the Company settled a currency swap by paying €2,395 and reclassifying the loss on the contract from accumulated other comprehensive income to non-operating expense. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2014, 2013 and 2012 with maturities in excess of one year were €0, €0 and €772, respectively.

9. Accrued liabilities and provisions

Accrued liabilities and provisions include the following:

Warranty

	2014	2013	2012
Balance at 1 January	€ 6,496	€ 7,109	€ 7,058
Additional provisions	2,014	2,369	1,402
Reductions through payments	(2,070)	(2,695)	(1,335)
Foreign exchange adjustment	298	(287)	(16)
Balance at 31 December	€ 6,738	€ 6,496	€ 7,109

Restructuring

	2014	2013	2012
Balance at 1 January	€ 1,378	€ 2,781	€ 799
Additional provisions	221	278	2,436
Reductions through payments	(1,186)	(1,497)	(484)
Foreign exchange adjustment	(3)	(184)	30
Balance at 31 December	€ 410	€ 1,378	€2,781

10. Borrowings

Secured borrowings at amortised cost consist of the following at 31 December:

	2014	2013	2012
Senior financing	€183,364	€202,594	€213,320
Other	207	257	1,940
	183,571	202,851	215,260
Shareholder loans	31,339	30,111	28,944
	214,910	232,962	244,204
Debt issuance costs	(1,442)	(3,962)	(6,483)
	€213,468	€229,000	€237,721

Of the borrowings outstanding at 31 December 2014, 80% were denominated in euros, 16% in US dollars and 4% in pounds sterling. The Company was in compliance with its financial covenants at 31 December 2014.

Senior facility agreement

The Amendment and Restatement Agreement ("ARA") (amending the Senior Facilities Agreement ("SFA") dated 1 September 2008) provides a revolving credit facility of €45,000 and a term loan facility of €225,000 with four tranches: tranche A of €100,000, interest at an average LIBOR or its equivalent plus 250 to 325 basis points (2.6% at 31 December 2014); tranche B of €50,000: interest at LIBOR or its equivalent plus 300 to 375 basis points (3.1% at 31 December 2014); tranche C of €50,000, interest at LIBOR or its equivalent plus 425 basis points (4.3% at 31 December 2014); and tranche D of €25,000, interest at LIBOR or its equivalent plus 363 basis points (3.8% at 31 December 2014); secured by substantially all worldwide assets of the Company. Balances reported include the effect of foreign currency translation differences.

The Company estimates that the amortised cost of the ARA represents the fair value of the facility at 31 December 2014. The weighted average borrowing rate of the ARA is approximately 3.3% at 31 December 2014. The Company has entered into interest rate swaps to manage its exposure to interest rate movements on a significant portion of its borrowings (see note 8).

Scheduled repayments of the Company's borrowings are as follows at 31 December:

	2014
Within one year	€ 67,207
Between two and five years	147,703
Total	€214,910

Cash paid for interest was €13,557, €14,756 and €13,255 for the years ended 31 December 2014, 2013 and 2012, respectively.

Effective 26 February 2015, in conjunction with the "Change of Control", the Company's existing SFA was repaid and replaced by a new financing agreement which provides two revolving credit facilities aggregating to €70,000 and a term loan facility of €165,000 with two tranches. Interest rates vary from LIBOR or its equivalent plus 200 to 400 basis points. Scheduled repayments begin 30 September 2015 and continue through the maturity of the facility. Tranche A of the term loan terminates six years after the first utilisation and tranche B terminates seven years after the first utilisation.

11. Commitments

Lease commitments

The Company leases certain facilities and equipment under various non-cancellable long-term and month-to-month leases accounted for as operating leases.

Future minimum rental payments under non-cancellable operating leases are as follows at 31 December:

	2014
Not later than one year	€ 3,820
Later than one year and not later than five years	12,349
Later than five years	13,814
Total	€29,983

Rent expense for the years ended 31 December 2014, 2013 and 2012 was €6,108, €6,188 and €6,227 respectively.

12. Litigation

Silicosis

Subsidiaries of the Company in the United States have been named in various cases involving alleged exposure to silica by employees of its customers. In accordance with the terms of the Silicosis Litigation Management and Indemnification Agreement (the "Indemnity"), Water Application & Systems Corp. (formerly known as United States Filter Corp.) is liable for all silicosis claims arising from equipment or product sales prior to 19 August 2003 for subsidiaries of WGH at that date. With respect to claims against non-United States subsidiaries of WGH at that date, the Indemnity continues until 19 August 2018. With respect to those United States subsidiaries of WGH, the Indemnity is not limited in time. There are no claims for exposure related to non-United States subsidiaries for equipment sales subsequent to 19 August 2003.

Other claims

The Company has been named in litigation arising in the ordinary course of business. In the opinion of legal counsel and management, the Company has meritorious defences against such claims and is covered by insurance and has reserves to cover self-insured retentions for any material adverse outcome in most claims. For claims for which insurance coverage may not be available, the Company has established reserves deemed adequate to cover possible adverse outcomes and related fees. As a result, these cases are not expected to have a significant negative impact on future results of operations or the financial condition of the Company.

13. Benefit plans

The following table sets forth the significant components of the Company's pension plan benefit obligations, fair value of plan assets and funded status as at and for the years ended 31 December:

	2014	2013	2012
Change in Benefit Obligation			
Benefit obligation at January	€ 70,096	€72,405	€64,711
Service cost	862	1,000	1,001
Interest cost	2,720	2,547	2,919
Plan participants' contributions	632	603	602
Actuarial loss/(gain)	8,061	(1,172)	7,188
Swiss plan contract change and other amendment	53,554	—	(1,242)
Benefits paid	(3,728)	(3,490)	(4,192)
Other movements	—	(281)	(47)
Impact of foreign currency changes	4,556	(1,516)	1,465
Benefit obligation at 1 December	€136,753	€70,096	€72,405
Change in Plan Assets			
Fair value of plan assets at 1 January	€ 48,922	€47,013	€42,114
Actual return on plan assets	4,551	3,778	5,122
Company contributions	1,411	1,490	1,603
Participant contributions	632	603	602
Swiss plan contract change	51,480	—	—
Benefits paid and expenses	(3,084)	(2,815)	(3,509)
Other	—	(50)	—
Impact of foreign currency changes	3,637	(1,097)	1,081
Fair value of plan assets at 31 December	€107,549	€48,922	€47,013
Funded status	€ 29,204	€21,174	€25,392
Unrecognised past service cost reduction due to plan amendment	—	—	229
Accrued benefit liability per balance sheet at 31 December	€ 29,204	€21,174	€25,621
Of which arising from:			
Funded plans	€ 19,800	€12,407	€17,361
Unfunded plans	€ 9,404	€ 8,767	€ 8,260

The Company's estimate of employer contributions to be paid to defined benefit plans for the year ended 31 December 2015 is €2,062. Actual payments could differ materially from this estimate if any new funding regulations or laws are enacted or due to changes in business and market conditions during 2015. The fair values of the assets of the Company's defined benefit pension plans are as follows at 31 December 2014:

	Fair value	%
Equities	€ 36,769	34%
Property	23,662	22%
Bonds	39,482	37%
Other assets	7,636	7%
Fair value of assets	€107,549	100%

The plan assets do not include any assets used by the Company or any shares in the Company.

Principal actuarial assumptions, expressed as weighted averages and components of net periodic pension cost, are as follows at 31 December:

	2014	2013	2012
Benefit cost:			
Discount rate	2.8%	3.8%	3.8%
Expected return on plan assets	2.2%	3.9%	5.2%
Rate of compensation increase	2.2%	2.2%	1.1%
Benefit obligation:			
Discount rate	2.4%	3.9%	3.8%
Rate of compensation increase	2.2%	1.7%	2.1%
Future pension increase	1.2%	2.1%	1.9%
Components of net periodic pension cost:			
Service cost	€ 862	€ 1,000	€ 1,001
Interest cost	2,720	2,547	2,919
Expected return on plan assets	(1,955)	(1,704)	(2,154)
Net periodic pension cost	€ 1,627	€ 1,843	€ 1,766

Accumulated actuarial losses included in the statement of comprehensive income are as follows:

	2014	2013	2012
Balance at 1 January, net of deferred tax	€ (8,662)	€(12,082)	€ (8,629)
Actuarial (losses)/gains for the year, net of deferred tax	(4,457)	2,755	(3,069)
Swiss plan contract change, net of deferred tax	(1,764)	—	—
Currency translation	(430)	665	(384)
Balance at 31 December	€(15,313)	€ (8,662)	€(12,082)

Norican Group, through its Swiss subsidiary, participates in the Pensionskasse Georg Fischer and Durach-Stiftung (together, the "Georg Fischer Plan"), which are separate legal entities. The Georg Fischer Plan foundation is responsible for the governance of the plan, and the governance board is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies. In March 2014, Norican Group agreed to a revised contract with the Georg Fischer Plan which, effective 1 January 2014, requires the Company to take responsibility for the net pension obligation of retired participants. Due to the new contract with the Georg Fischer Plan, the Company recorded additional pension benefit obligations and assets resulting in an increase, net of deferred tax, of €1,764 in net pension liability during the year ended 31 December 2014.

14. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Indian rupee. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Company's individual subsidiaries predominately transact their operational activities in their respective functional currencies. However, the global nature of the business leads to transactional risk at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Transactional committed risk for which the Company has a contractual obligation which is recorded on the balance sheet is primarily managed through the use of forward foreign exchange contracts. The Company enters into forward foreign exchange contracts primarily to hedge exchange rate risk. When deemed appropriate, foreign exchange financing risk arising from financial liabilities denominated in foreign currency is also hedged.

Translation exposure arises from consolidation of foreign currency denominated financial statements of the Company's subsidiaries. The risk arising from translation of foreign subsidiary balance sheets (the effect of which is a currency impact in consolidated Company equity) is partially hedged. The Company has certain principal balances of foreign currency denominated debt that is considered a hedge of the foreign currency exposure related to the investment in its foreign operations. The majority of the Company's debt is denominated in euros and therefore a significant portion of the Company's debt is not exposed to foreign currency risk.

Commodity price risk

Commodity price fluctuations also affect aspects of the Company's business. Changes in commodity prices can affect the profitability of the Company's operations and its net cash flows.

The Company does not consider commodity price risk to be a significant financial statement risk as most of the machine orders are completed within six months and the portion of commodity cost in the cost of finished goods inventory is not considered significant. For large orders, the Company mitigates exposure to commodity price risk by committing to raw materials purchases periodically throughout the year as sales occur. Inventory pricing is reviewed periodically to reduce the risk of commodity purchase price changes.

Interest rate risk

The Company is exposed to fluctuations in interest rates on its long-term borrowings. While a significant amount of the long-term debt under the ARA is hedged through interest rate swap agreements to mitigate the risk of rising interest rates on the variable rate agreement, a portion of the facility is exposed to interest rate fluctuations.

A one percentage point increase in interest rates would increase annual finance costs by €303 and positively affect equity by €1,530 as of 31 December 2014 due to the fact that the Company had entered into fixed interest rate swap agreements (see note 8). The interest rate swap agreements expired and were settled on 4 February 2015.

Credit risk

The exposure to credit risk is represented by the balance sheet values of the receivables and positive market values of derivatives that are carried at the balance sheet date.

Credit quality of customers is assessed taking into account the customer's financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. The utilisation of credit limits is regularly monitored. Although the Company monitors the credit ratings of its customers, changes in the financial position of its customers can adversely affect the Company's future collection of the receivables and the Company's cash flows.

Liquidity risk

The Company's principal source of liquidity consists of cash generated from operations and borrowings available under the revolving credit portion of the senior financing agreement (see note 10).

Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

Other risk

At 31 December 2014, there were €23,147 in performance bonds outstanding which are not reflected on the balance sheet but expose the Company to a minimal albeit potential risk.

15. Equity

	Share capital	Other reserves	Retained deficit	Total shareholders equity/ (deficit)	Minority interests	Total equity
Balance at 31 December 2011	€44,324	€(25,762)	€(19,159)	€ (597)	€1,514	€ 917
Total comprehensive income	—	(6,078)	11,539	5,461	469	5,930
Vesting of restricted common shares (note 16)	34	—	—	34	—	34
Sale of shares of subsidiary	985	—	—	985	831	1,816
Minority interest dividend	—	—	—	—	(684)	(684)
Balance at 31 December 2012	45,343	(31,840)	(7,620)	5,883	2,130	8,013
Total comprehensive income	—	7,452	(2,528)	4,924	281	5,205
Vesting of restricted common shares (note 16)	13	—	—	13	—	13
Minority interest dividend	—	—	—	—	(13)	(13)
Balance at 31 December 2013	45,356	(24,388)	(10,148)	10,820	2,398	13,218
Total comprehensive income	—	1,381	4,730	6,111	809	6,920
Minority interest dividend	—	—	—	—	(12)	(12)
Balance at 31 December 2014	€45,356	€(23,007)	€ (5,418)	€16,931	€3,195	€20,126

Common shares

The Company is authorised to issue up to 712,203 common shares, comprising 648,508 designated as Class A common shares and 63,695 designated as Class B common shares, each with a par value of €1. Class A shares are entitled to one vote per share, whereas Class B shares are non-voting.

Other reserves

Other reserves consist of the following at 31 December:

	2014	2013	2012
Actuarial losses on pension benefit obligation, net of deferred tax	€(15,313)	€ (8,662)	€(12,082)
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax	(700)	(4,869)	(11,310)
Currency translation	(6,994)	(10,857)	(8,448)
	€(23,007)	€(24,388)	€(31,840)

Minority interests

The Company's majority owned Indian subsidiary is listed on the Bombay Stock Exchange. As a result, the Company recognises the minority interest's share of the net asset value of the Indian subsidiary as a component of equity.

16. Share-based payments

The Company maintains a restricted share plan that at 31 December 2014 authorises the issuance of 63,695 shares of Class B common shares. The restricted shares vested over a four year time period. The total fair value of the shares that have been issued is being recognised as compensation expense over a service period of four years using the graded vesting method. There were no restricted share unit grants during 2014, 2013 or 2012.

The grant date fair value of the shares outstanding at 31 December 2014 is estimated to be €1,315.

17. Income tax recognised in profit or loss

The composition of income tax expense is as follows for the years ended 31 December:

	2014	2013	2012
Current tax expense	€(5,960)	€(7,291)	€(7,781)
Deferred tax (expense)/benefit relating to the origination and reversal of temporary differences	(67)	309	(1,586)
Total income tax expense	€(6,027)	€(6,982)	€(9,367)
Deferred tax benefit/(expense) recognised directly in equity	€ 55	€ 2,124	€ (756)

Deferred taxes consist of the following at 31 December:

	2014	2013	2012
Net operating and other deferred loss carryovers	€ 1,101	€ 1,765	€ 2,387
Current assets and liabilities, net	4,204	3,362	3,721
Property, plant and equipment	(55)	100	162
Pension	4,997	3,457	4,659
Goodwill and identifiable intangible assets	(7,570)	(8,486)	(9,313)
Other	(27)	445	536
Net deferred tax asset	€ 2,650	€ 643	€ 2,152

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 24.5% due to the following at 31 December:

	2014	2013	2012
Income tax expense calculated at 24.5% for 2014 and 25% for 2013 and 2012	€(2,635)	€(1,113)	€(5,227)
Effect of non-taxable income	(106)	—	3
Effect of non-deductible expenses	(1,329)	(1,620)	(1,733)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(907)	(1,197)	(755)
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	121	741	(106)
Effect of different tax rates of subsidiaries operating in other jurisdictions and other rate effects	(1,608)	(1,922)	(1,449)
	(6,464)	(5,111)	(9,267)
Adjustments recognised in the current year in relation to the current tax of prior years	437	(1,871)	(100)
Income tax expense recognised in net income	€(6,027)	€(6,982)	€(9,367)

Danish, United Kingdom and Canadian loss carryovers do not expire. Cash taxes paid for the years ended 31 December 2014, 2013 and 2012 were €8,179, €5,487 and €6,725, respectively.

18. Employee benefit expense

	2014	2013	2012
Wages and salaries, including termination	€102,443	€100,332	€103,159
Pension costs, defined benefit	1,627	1,843	1,766
Pension costs, defined contribution	2,917	2,728	2,395
Stock-based compensation	—	13	34
	€106,987	€104,916	€107,354
Average number of employees	2,175	2,220	2,289

Employee benefit expenses are deducted in arriving at the Company's operating income, excluding net interest cost included in defined benefit pension cost (see note 13).

19. Related parties

Directors and key management

The remuneration of directors and key members of management is as follows during the years ended 31 December:

	2014	2013	2012
Short-term benefits	€1,370	€1,007	€2,054
Post-employment benefits	19	20	20
Share-based payments	—	5	13
Total	€1,389	€1,032	€2,087

The remuneration of directors and key executives is determined by the remuneration committee of the board of directors having regard to the performance of individuals and market trends.

Shareholders

As of 31 December 2014, EECF and Accession II have controlling and minority shareholding positions in the Parent Company, respectively, along with loans of €31,339. Details of the loans are provided in note 10 of these financial statements. Management fees of €1,500 were accrued to the benefit of EECF and Accession II during the years ended 31 December 2014, 2013 and 2012, respectively.

Effective with the Change of Control, the shareholder loans to EECF and Accession II are no longer outstanding.

20. Audit fees

Fees to auditors appointed at the General Meeting are as follows for the years ended 31 December:

	2014	2013	2012
Audit fee: BDO	€744	€721	€764
Non-attest fees: BDO	€918	€406	€240

21. List of major subsidiary companies

Name of subsidiary	Country of origin	% Owned	Type of company
WGH Holding Corp.	British Virgin Islands	100%	Holding
Wheelabrator Group (Canada) Ltd.	Canada	100%	Manufacturing
DISA Machinery Ltd.	China	100%	Manufacturing
DISA Trading (Shanghai) Co. Ltd.	China	100%	Sales
Wheelabrator Czech s.r.o.	Czech Republic	100%	Manufacturing
Norican Group ApS	Denmark	100%	Holding
DISA Holding II A/S	Denmark	100%	Holding
DISA Holding A/S	Denmark	100%	Holding
DISA Industries A/S	Denmark	100%	Manufacturing
Matrasur Composites SAS	France	100%	Manufacturing
Wheelabrator Group SAS	France	100%	Manufacturing
DISA Industrieanlagen GmbH	Germany	100%	Manufacturing
Wheelabrator Group GmbH	Germany	100%	Manufacturing
Wheelabrator Group Holding GmbH	Germany	100%	Holding
Wheelabrator OFT GmbH	Germany	100%	Sales
DISA Limited Hong Kong	Hong Kong	100%	Sales
DISA India Ltd.	India	75%	Manufacturing
DISA Technologies Private Ltd.	India	100%	Manufacturing
DISA K.K.	Japan	100%	Sales
WG Plus de Mexico S de RL de CV	Mexico	100%	Manufacturing
Wheelabrator Schlick Sp. Z.o.o.	Poland	100%	Manufacturing
Wheelabrator Group SLU	Spain	100%	Sales
DISA Industrie AG	Switzerland	100%	Manufacturing
DISA Holding AG	Switzerland	100%	Holding
WGH UK Holdings Ltd.	United Kingdom	100%	Holding
WGH UK Ltd.	United Kingdom	100%	Holding
Wheelabrator Technologies (UK) Ltd.	United Kingdom	100%	Holding
Wheelabrator Group Ltd.	United Kingdom	100%	Manufacturing
DISA Industries Inc.	United States	100%	Sales
WG Global LLC	United States	100%	Holding
DISA Holding LLC	United States	100%	Holding
Wheelabrator Group Inc.	United States	100%	Manufacturing

Balance sheets at 31 December
(Amounts in thousands)

	2014	2013	2012
ASSETS			
INVESTMENT IN SUBSIDIARY COMPANIES	**€138,883**	€138,883	€138,883
TOTAL ASSETS	**€138,883**	€138,883	€138,883
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Amounts payable to subsidiary companies	**€ 20**	€ 20	€ 20
Total current liabilities	**20**	20	20
SHAREHOLDERS' EQUITY:			
Common shares	**712**	712	712
Retained result, etc.	**138,151**	138,151	138,151
Total shareholders' equity	**138,863**	138,863	138,863
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**€138,883**	€138,883	€138,883

Statements of income
(Amounts in thousands)

	2014	2013	2012
OPERATING INCOME	**€—**	€—	€—
NON-OPERATING INCOME	**—**	—	—
INCOME BEFORE INCOME TAX	**—**	—	—
INCOME TAX EXPENSE	**—**	—	—
NET INCOME	**€—**	€—	€—
PROPOSED DISTRIBUTION OF RESULT FOR THE YEAR:			
Proposed dividend for the year	**€—**	€—	€—
Transfer to retained result	**—**	—	—
	€—	€—	€—

Statements of cash flows
(Amounts in thousands)

	2014	2013	2012
CASH FLOWS FROM OPERATIONS:			
Net income	**€—**	€—	€—
Net cash from operations	—	—	—
NET CHANGE IN CASH	—	—	—
CASH, BEGINNING OF PERIOD	—	—	—
CASH, END OF PERIOD	**€—**	€—	€—

1. Income tax recognised in net income

The Danish companies of the group are jointly and severally liable for the Danish group's joint taxable income.

Tax expense is comprised of the following at 31 December:

	2014	2013	2012
Current tax expense	€—	€—	€—
Deferred tax expense relating to the origination and reversal of temporary differences	—	—	—
Total income tax expense	€—	€—	€—

Income tax expense attributable to income before income taxes differed from the amounts computed by applying the Danish income tax rate of 24.5% due to the following at 31 December:

	2014	2013	2012
Income tax expense calculated at 24.5%	€—	€—	€—
Adjustments recognised in the current year in relation to prior year deferred taxes	—	—	—
Income tax expense recognised in net income	€—	€—	€—

No taxes were paid for the years ended 31 December 2014, 2013 or 2012.

2. Investments in subsidiary companies

Cost or valuation:

Balance at 31 December 2013	€138,883
Additions	—
Balance at 31 December 2014	€138,883

Investments in subsidiary companies, with a carrying value at December 2014, 2013 and 2012 of €138,883, have been provided as security for loans to the Company.

3. Shareholders' equity

	Share capital	Retained results	Total
Equity at 31 December 2013	€712	€138,151	€138,863
Transfer to retained result	—	—	—
Equity at 31 December 2014	€712	€138,151	€138,863

Share capital is comprised of 648,508 Class A common shares and 63,695 Class B common shares, both with €1 par value. Effective with the Change of Control, the outstanding Class B common shares are no longer outstanding.

Further details on the Parent Company's equity are provided in note 15 to the Company's consolidated financial statements.

4. Audit fees

Fees to auditors appointed at the General Meeting for the year ended 31 December were as follows:

	2014	2013	2012
Audit fee: BDO Statsautoriseret revisionsaktieselskab	€17	€17	€16
Non-attest fees: BDO Statsautoriseret revisionsaktieselskab	€—	€—	€—

LIGHT METAL CASTING SOLUTIONS GROUP GMBH

Audited consolidated financial statements of Light Metal Casting Solutions Group GmbH

As of and for the year ended December 31, 2016

Auditor's opinion

We have audited the consolidated financial statements of Light Metal Casting Solutions Group GmbH (former: Light Metal Casting Group GmbH), Gummersbach, consisting of the consolidated balance sheet, the consolidated income statement, notes to the financial statements, the consolidated cash flow statement and the consolidated statements of changes in equity and the group management report for the Group's financial year from 01 January 2016 to 31 December 2016. The preparation of the consolidated financial statements and group management report in accordance with German commercial law is the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer Institute of Public Auditors in Germany (IDW). The standards require that we plan and perform the audit as such that material misstatements affecting the presentation of the financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. We consider the knowledge of business activities, the economic and legal environment as well as possible misstatements when determining the audit procedures. The audit includes examining, on test basis, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements as well as the group management report. This includes assessing the annual financial statements of the companies included in the consolidated financial statements, the definition of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by management, as well as the overall presentation of the consolidated financial statements and the group management report. We believe our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion, the consolidated financial statements of Light Metal Casting Solutions Group GmbH (former: Light Metal Casting Group GmbH), Gummersbach, comply with the legal requirements for the Group's financial year from 01 January 2016 to 31 December 2016 and conveys a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. The group management report is consistent with the consolidated financial statements, as a whole, provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 13 April 2017

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Robert Binder
Wirtschaftsprüfer

Frank Schmitt
Wirtschaftsprüfer

Light Metal Casting Solutions Group GmbH
(former: Light Metal Casting Group GmbH)
Gummersbach
Group balance sheet as of 31 December 2016

	31/12/2016		31/12/2015
	€	€	€
Assets			
A. Fixed Assets			
I. Long-term assets			
1. Concessions, industrial and similar rights as well as licenses in such rights and assets	43,268,407.73		47,381,960.74
2. Goodwill	8,940,860.13		9,873,562.11
3. Advance payments and assets under construction	4,000.00		578,405.33
		52,213,267.86	57,833,928.18
II. Property, plant, and equipment			
1. Land, property rights and buildings	263,065.18		363,689.58
2. Equipment & machinery	1,107,981.74		1,383,932.54
3. Other equipment,operating and office equipment	1,328,851.28		1,213,855.79
4. Advance payments and assets under construction	105,749.98		15,489.23
		2,805,648.18	2,976,967.14
III. Investments			
1. Shares in affiliated companies		2,600.00	19,375.99
		55,021,516.04	60,830,271.31
B. Current Assets			
I. Inventory			
1. Raw materials, auxiliary materials, consumables	13,257,171.78		15,905,671.23
2. Unfinished goods	12,969,711.11		13,478,131.25
3. Finished goods and merchandise	3,301,927.81		2,747,749.60
4. Prepaid inventory	432,794.14		947,414.06
	29,961,604.84		33,078,966.14
5. Advance payments	–1,555,613.58		–143,200.00
		28,405,991.26	32,935,766.14
II. Receivalbes and other assets			
1. Trade receivables	61,337,528.76		55,917,533.53
2. Other assets	6,825,100.92		3,884,768.12
		68,162,629.68	59,802,301.65
III. Cash on hand, bank balances		11,350,535.16	8,673,116.95
C. Prepaid Expenses		368,407.35	392,881.42
D. Deferred tax asset		2,349,602.42	2,936,861.10
		165,658,681.91	165,571,198.57

	31/12/2016		31/12/2015
	€	€	€
Liabilities and Shareholders' Equity			
A. Equity			
I. Subscribed capital	69,827.00		69,827.00
II. Capital surplus	27,650,173.00		27,650,173.00
III. Profit/Loss carried forward	4,949,021.21		–695,948.16
IV. Net income	7,318,089.28		5,644,969.37
V. Difference in equity due to currency conversion	–67,853.30		54,021.83
VI. Minority interests	–3,030.38		–1,341.88
		39,916,226.81	32,721,701.16
B. Provisions			
1. Provisions for pensions and similar obligations	3,273,512.68		4,270,535.80
2. Tax provisions	1,748,401.86		1,529,018.52
3. Other provisions	8,548,681.08		7,917,102.07
		13,570,595.62	13,716,656.39
C. Liabilities			
1. Liabilities to banks	38,104,471.09		44,388,349.11
2. Payments received on account for orders	9,953,671.97		7,430,061.83
3. Trade payables	28,456,656.65		33,815,500.66
4. Liabilities to shareholders	15,912,750.15		14,675,224.50
5. Other liabilities	7,045,806.32		4,868,145.36
		99,473,356.18	105,177,281.46
thereof from taxes: €4.252.791,00 (31.12.2015: €1.919.023,01) thereof for social security: €804.013,95 (31.12.2015: €666.194,48)			
D. Defferred Income		263,138.93	567,176.68
E. Deferred tax liability		12,435,364.37	13,388,382.88
		165,658,681.91	165,571,198.57

Light Metal Casting Solutions Group GmbH (former: Light Metal Casting Group GmbH)
Gummersbach
Consolidated statement of equity as of 31 December 2016

	Parent company						Minority shareholder	Consolidated equity
	Subscribe capital	Capital reserves	Profit carryforward/ loss carryforward	Consolidated equity	Equity difference from currency conversion	Total parent company	Minority interests	Total
	€	€	€	€	€	€	€	€
As of 06 March 2015	69,827.00	27,650,173.00	–695,948.16	0.00	0.00	27,024,051.84	–22,964.23	27,001,087.61
Reclassification result previous year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions from capital payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Group net profit	0.00	0.00	0.00	5,644,969.37	0.00	5,644,969.37	–15,883.39	5,629,085.98
Dividend paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00		54,021.83	54,021.83	37,505.74	91,527.57
As of 31 December 2015	69,827.00	27,650,173.00	–695,948.16	5,644,969.37	54,021.83	32,723,043.04	–1,341.88	32,721,701.16

	Parent company						Minority shareholder	Consolidated equity
	Subscribe capital	Capital reserves	Profit carryforward/ loss carryforward	Consolidated equity	Equity difference from currency conversion	Total parent company	Minority interests	Total
	€	€	€	€	€	€	€	€
As of 31 December 2015	69,827.00	27,650,173.00	–695,948.16	5,644,969.37	54,021.83	32,723,043.04	–1,341.88	32,721,701.16
Reclassification result previous year	0.00	0.00	5,644,969.37	–5,644,969.37	0.00	0.00	0.00	0.00
Additions from capital payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Group net profit	0.00	0.00	0.00	7,318,089.26	0.00	7,318,089.26	88,961.26	7,407,050.52
Dividend paid	0.00	0.00	0.00	0.00	0.00	0.00	–90,649.76	–90,649.76
Other	0.00	0.00	0.00	0.00	–121,875.13	–121,875.13	0.00	–121,875.13
As of 31 December 2016	69,827.00	27,650,173.00	4,949,021.21	7,318,089.26	–67,853.30	39,919,257.17	–3,030.38	39,916,226.79

According to § 253 (6) of the German Commercial Code (HGB), an amount of T€ 265 of the consolidated net income is subject to a payout block.

The amound to be distributed at the balance sheet date amounted to T€ 12.002.

Light Metal Casting Solutions Group GmbH (former: Light Metal Casting Group GmbH)
Development of group fixed assets for the financial year 2016

	Historical cost						Accumulated depreciation						Book value	
	31.12.2015 EUR	Changes in rates EUR	Additions EUR	Transfers EUR	Disposlas EUR	31.12.2016 EUR	31.12.2015 EUR	Difference in rates EUR	Additions EUR	Transfers EUR	Disposals EUR	31.12.2016 EUR	31.12.2016 EUR	31.12.2015 EUR
I. Intangible assets														
1. Franchises, industrial and similar rights as well as licenses in such rights and and assets	62,155,676.72	–1,257.87	585,231.10	603,735.64	1,600,754.67	61,742,630.92	14,773,715.98	114.08	5,300,222.09	0.00	1,599,828.96	18,474,223.19	43,268,407.73	47,381,960.74
2. Goodwill	10,874,210.64	0.00	0.00	0.00	0.00	10,874,210.64	1,000,648.54	0.00	932,701.98	0.00	0.00	1,933,350.52	8,940,860.13	9,873,562.11
3. Advance payments	786,381.26	0.00	85,741.08	–588,246.41	71,900.00	211,975.93	207,975.93	0.00	0.00	0.00	0.00	207,975.93	4,000.00	578,405.33
Total intangible assets	73,816,268.62	–1,257.87	670,972.18	15,489.23	1,672,654.67	72,828,817.49	15,982,340.45	114.08	6,232,924.07	0.00	1,599,828.96	20,615,549.64	52,213,267.86	57,833,928.18
II. Property, plant and equipment														
1. Land, property rights and building	643,733.32	–19,910.85	25,033.95	0.00	0.00	648,856.42	280,043.74	–8,005.08	113,752.58	0.00	0.00	385,791.24	263,065.18	363,689.58
2. Equipment and machinery	18,037,317.96	–13,595.90	110,853.50	0.00	53,028.54	18,081,547.02	16,653,385.42	–13,114.88	357,836.72	0.00	24,541.98	16,973,565.28	1,107,981.74	1,383,932.54
3. Other equipment, operating and office equipment	7,945,648.79	–15,216.80	695,078.02	0.00	19,896.70	8,605,613.31	6,731,793.00	–7,522.56	552,491.59	0.00	0.00	7,276,762.03	1,328,851.28	1,213,855.79
4. Advance payments and assets under construction	15,489.23	0.00	105,749.98	–15,489.23	0.00	105,749.98	0.00	0.00	0.00	0.00	0.00	0.00	105,749.98	15,489.23
Total Property, plant and equipment	26,642,189.30	–48,723.55	936,715.46	–15,489.23	72,925.24	27,441,766.73	23,665,222.16	–28,642.52	1,024,080.89	0.00	24,541.98	24,636,118.55	2,805,648.18	2,976,967.14
III. Investments														
1. Shares in affiliated companies	19,375.99	0.00	1,300.00	0.00	18,075.99	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	2,600.00	19,375.99
	19,375.99	0.00	1,300.00	0.00	18,075.99	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	2,600.00	19,375.99
Total assets	100,477,833.91	–49,981.42	1,608,987.64	0.00	1,763,655.90	100,273,184.22	39,647,562.61	–28,528.44	7,257,004.96	0.00	1,624,370.94	45,251,668.19	55,021,516.04	60,830,271.31

Light Metal Casting Solutions Group GmbH
(former: Light Metal Casting Group GmbH)
Gummersbach
Consolidated Income Statement
for the year ended 2016

		01.01.–31.12.2016		06.03.–31.12.2015
				€
1. Revenues		180,886,926.79		149,418,620.14
2. Increase or decrease in finished goods and work in process		−445,118.62		−2,912,201.96
3. Other own work capitalized		299,578.87		231,416.88
4. Other operating income		1,002,579.05		1,459,652.00
Total Revenue		**181,743,966.09**		**148,197,487.06**
5. Material costs				
a) Cost of raw materials, auxiliary materials, consumables	82,365,960.31		68,647,334.93	
b) Cost of purchased services	32,573,330.26		25,057,966.80	
		114,939,290.57		93,705,301.73
6. Personnel expenses				
a) Wages and salaries	22,865,598.90		17,237,962.38	
b) Social security contributions and expenses for pension	5,394,569.81		4,991,407.68	
schemes and support		28,260,168.71		22,229,370.06
thereof for pensions: T€799 (Py: T€679)				
7. Depreciation and amortization of intangible and tangible fixed assets		7,257,004.96		6,103,320.93
8. Other operating expenses		14,561,808.89		14,119,808.98
9. Interest income and similar income		335,772.89		336,501.90
—thereof from affilitated companies: T€0 (Py: T€0)				
—thereof of discounting: T€0 (Py: T€0)				
10. Interest expenses and other expenses		4,679,417.16		3,946,910.88
—thereof to affiliated companies: T€0 (Py: T€0)				
—thereof of discounting: T€110 (Py: T€114)				
11. Income from ordinary activities		**12,382,048.70**		**8,429,276.38**
12. Income tax		4,684,496.23		2,425,657.79
13. Other tax		290,501.94		342,765.83
14. Net income before minority interest		**7,407,050.54**		**5,660,852.76**
15. Net income for the year attributable to minority interest		−88,961.26		−15,883.39
16. Net income		**7,318,089.28**		**5,644,969.37**

Light Metal Casting Solutions Group GmbH
(former: Light Metal Casting Group GmbH)
Gummersbach
Group cash flow statement for the year ended 2016
in accordance to DRS 21 (indirect method)

		2016	2015
		T€	T€
1.	Net income	7,407	5,661
2.	Depreciation (+) /appreciation (–) on fixed assets	7,257	6,103
3.	Increase (+) /Decrease (–) in provisions	–146	1,399
4.	Increase (–) /Decrease (+) in inventories, trade receivables and other assets	–3,198	–14,577
5.	Increase (+) / Decrease (–) in trade payables and ohter liabilities	–889	4,951
6.	Profit (–) /Loss (+) from sale of fixed assets	139	92
7.	Interest expense (+) / Interest income (–)	4,344	3,610
8.	***Cashflow from operating activities***	***14,914***	***7,239***
9.	Expenditures (–) for intangible asset investments	–671	–1,332
10.	Expenditures (–) for fixed asset investments	–937	–833
11.	Expenditures (–) for financial assets investments	–1	0
12.	Interest received (+)	336	337
13.	***Cashflow from investing activities***	***–1,273***	***–1,828***
14.	Payments (–) from the repayment of bonds and (financial) loans	–6,284	–10,709
15.	Interest paid (–)	–4,679	–3,947
16.	***Cashflow from financing activities***	***–10,964***	***–14,656***
17.	***Changes in cash and cash equivilants***	***2,678***	***–9,245***
18.	Exchange rate and valuation-related changes (+) / (–) of the financial fund	0	0
19.	Changes due to changes in the scope of consolidation (+) / (–) of the financial fund	0	0
20.	Cash at the beginning of the period (+)	8,673	17,918
21.	***Cash at the end of the period***	***11,351***	***8,673***

Composition of cash and cash equivalents	**12/31/2016**	**12/31/2015**
	T€	T€
Liquid funds	11,351	8,673
Subject to restrictions of availability (–)	*0*	*0*
Liabilities due at all times to credit institutions (–)	0	0
	11,351	8,673

Light Metal Casting Solutions Group GmbH, (former: Light Metal Casting Group GmbH) Group notes for the fiscal year 01 January 2016 to 31 December 2016

I. General notes

Light Metal Casting Group GmbH prepared financial statements in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch) and prepared as a parent company group accounts. The company is headquartered in Gummersbach and is managed by the District Court of Cologne under the register number HRB 86283. The place of the deposit is the electronic Federal Gazette (Amtsgericht Köln, HRB 86283).

On March 6, 2015 LightMetal Casting Solutions Group GmbH acquired the shares of SWO Holding GmbH and Light Metal Casting Equipment GmbH. Pursuant to section 290 (1) of the German Commercial Code (HGB), the parent company has since that time dominant influence and thus is obliged to prepare consolidated financial statements and a group management report.

The initial consolidation of the subgroups SWO Holding GmbH and Light Metal Casting Equipment GmbH was on 6 March 2015. The initial consolidation of the financial statements also included the in 2016 newly founded companies StrikoWestofen SEA Limited, StrikoWestofen Nippon Ltd. and StrikoWestofen de México, S.A. De C.V.

The structure of the consolidated balance sheet corresponds to the structure provided in § 266 (2) and 3 HGB. The consolidated income statement is structured in accordance with the overall cost method as set out in section 275 (2) HGB.

The fiscal year for the Group and the consolidated companies corresponds to the calendar year. The consolidated financial statements have been prepared as of the reporting date of the company, 31 December 2016.

II. Information on the scope of consolidation (including shareholdings)

The **group of consolidated** companies of Light Metal Casting Solutions Group GmbH, Gummersbach, consists of the following subgroups:

SWO Holding GmbH	Gummersbach	90,91	Majority of the voting rights
Light Metal Casting Equipment GmbH .	Gummbersbach	97,94	Majority of the voting rights

The **scope of consolidation** of the subgroup of SWO Holding GmbH, Gummersbach, consists of the following companies:

Name of the company	Location	Shareholding %	Consolidation reason
Striko-Westofen Dynarad Furnace Corporation	Zeeland, Michigan/USA	100,00	Majority of the voting rights
Striko UK Ltd.	Hixon, Staffordshire/GB	90,00	Majority of the voting rights
SWO Polska SP. Z o.o.	Strzelce O polski/Poland	100,00	Majority of the voting rights
StrikoWesthofen Thermal equipment (Taicang) Co. Ltd	Jiangsu Province/P.R. China	100,00	Majority of the voting rights
StrikoWesthofen GmbH	Gummersbach/Germany	100,00	Majority of the voting rights
StrikoWestofen SEA Limited	Bangkok/Thailand	99,00	Majority of the voting rights
StrikoWestofen Nippon Ltd.	Tokyo/Japan	100,00	Majority of the voting rights
StrikoWestofen de Mexico, S.A. de C.V.	Queretaro/Mexico	100,00	Majority of the voting rights

The **scope of consolidation** of the subgroup of Light Metal Casting Equipment GmbH, Gummersbach, consists of the following subgroup:

Teilkonzern ITALPRESSE INDUSTRIE Srl	Capriano del Colle/Italy	100,00	Majority of the voting rights

The **consolidated group** of consolidated companies ITALPRESSE INDUSTRIE Srl consists of the following companies:

Name of the company	Location	Shareholding %	Consolidation reason
GAUSS AUTOMAZIONE S.p.A.	Capriano del Colle/Italy	100,00	Majority of the voting rights
ITALPRESSE FRANCE	Saint-Quentin-Fallavier/France	100,00	Majority of the voting rights
ITALPRESSE USA, Inc.	Punta Gorda/Florida, USA	100,00	Majority of the voting rights
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd.	Shanghai/ P.R. China	100,00	Majority of the voting rights
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V.	Queretaro/Mexico	100,00	Majority of the voting rights

III. Information on the consolidation principles

1. Date of initial consolidation

The initial consolidation of the subgroups and subsidiaries was based on the following dates:

	Date of inital consolidation
Teilkonzern SWO Holding GmbH	06 March 2015
Striko-Westofen Dynarad Furnace Corporation	25 February 2013
Striko UK Ltd.	25 February 2013
SWO Polska Sp. z o.o.	25 February 2013
StrikoWestofen Thermal Equipment (Taicang) Co., Ltd.	25 February 2013
StrikoWestofen GmbH	25 February 2013
StrikoWestofen SEA Limited	24 February 2016
StrikoWestofen Nippon Ltd.	13 June 2016
StrikoWestofen des México, S.A. de C.V.	26 July2016

	Date of inital consolidation
Teilkonzern Light Metal Casting Equipment GmbH	06 March 2015
Teilkonzern ITALPRESSE INDUSTRIE Srl	06 March 2015
ITALPRESSE INDUSTRIE Srl	06 March 2015
GAUSS AUTOMAZIONE S.p.A.	06 March 2015
ITALPRESSE FRANCE	06 March 2015
ITALPRESSE USA, Inc.	06 March 2015
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd.	06 March 2015
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V.	06 March 2015

2. Information on consolidation methods

The revaluation method (section 301 (1) sentence 2 HGB) was applied to the *consolidation* of the company (full consolidation with minority card). For that matter, settlement of the equity was conducted using valuation of the time of first inclusion of the subsidiaries in the consolidated financial statements.

The differences in the assets resulting from the consolidation of the assets were reported as goodwill as long as they were not allocated to individual assets as part of the disclosure of hidden reserves.

Debt consolidation is carried out in accordance with section 303 (1) HGB by eliminating the receivables with the corresponding liabilities between the companies included in the consolidated financial statements. Differences from the debt consolidation were recognized in the income statement.

The *expense and income consolidation* is carried out in accordance with section 305 (1) HGB by offsetting the expenses and income of the consolidated companies included in the consolidated financial statements.

Interim results have been eliminated pursuant to Section 304 HGB.

Deferred taxes were recognized as part of the interim result elimination as well as within the scope of the disclosure of hidden reserves using the revaluation method.

IV. Information on accounting and valuation methods

The consolidated financial statements have been prepared in EUR in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch—HGB) and the Act on limited liability companies (GmbHG). The income statement has been prepared according to the total cost method.

The annual financial statements of the subsidiaries included in the consolidated financial statements are prepared uniformly according to legal requirements of the Light Metal Casting Solutions Group GmbH accounting and valuation methods. When reconciling the individual financial statements to the balance sheet, the following adjustments were made in the context of uniform accounting and valuation:

- Adjustment of goodwill amortization to a uniform useful life of 15 years as well as scheduled depreciation
- Adjustment of the valuation of raw materials and supplies
- Adjustment of the measurement of provisions for pensions and similar obligations
- Deferred taxes

The following accounting and valuation methods were applied:

Fixed assets

Intangible assets are capitalized at cost. Depreciation is calculated on a straight-line basis over the normal useful life. Goodwill is amortized over 15 years. The assumption of a useful life of the acquired goodwill of more than five years is due to the stability and durability of the industry and the long-lasting technology of the products of the acquired company.

The capitalized intangible assets result primarily from the hidden reserves from the initial consolidation as of 6 March 2015. The depreciation is carried out according to plan over the estimated useful life. (Please refer to the further remarks on the fixed assets on page 8.)

Tangible fixed assets are stated at cost less scheduled depreciation. Depreciation is based on the straight-line method over the useful life.

Current assets

The raw materials, auxiliary materials and consumables as well as merchandise are valued at the moving average prices or at lower final purchase prices using the strict lowest-value principle. Work in progress and finished goods are recognized at cost. Apart from the direct costs, the valuation also included the necessary material and production costs. Risks were taken into account by appropriate deductions. The advance payments received for inventories are deducted from the total amount of inventories and are shown on the liabilities side.

Receivables and other assets are stated at their nominal value. Identifiable risks are taken into account using appropriate value adjustments. The allowance for bad debts is adjusted appropriately based on the general risk for delivery claims on trade receivables.

Cash and cash equivalents are stated at the nominal value or at lower market rates or daily values.

Deferred tax assets

Differences between the balance sheet and the tax balance sheet regarding pension provisions existing at StrikoWestofen GmbH lead to deferred tax assets (T€ 119). Deferred taxes are based on a tax rate of 31.6%. StrikoDynarad Corporation has differences between the balance sheet and the tax balance sheet. Netting of deferred tax assets and deferred tax liabilities results in deferred tax assets of T€ 132. Based on a tax rate of 34%, deferred tax assets amount to € 396 thousand of which T€ 43 are attributable to the provisions, €T 26 to inventories, T€ 5 to receivables and other assets, and approximately T€ 322 to future-usable loss carryforwards. Deferred tax liabilities amount to T€ 264, which are attributable to intangible assets and property, plant and equipment.

StrikoWestofen Thermal Equipment (Taicang) Co., Ltd. deferred tax assets in the amount of T€ 515 are the result of temporary valuation differences between the balance sheet and the tax balance sheet based on a tax rate of 31.6%. Striko Polska Sp. z o.o. deferred tax assets T€ 41 also result from temporary valuation differences between the balance sheet and the tax balance sheet based on a tax rate of 31.6%.

Due to consolidation effects, deferred tax assets amounted to T€ 7.

On consolidation, deferred tax liabilities of T€ 12,435 (previous year: T€ 13,388) were formed, which are based on a depreciated intangible asset based on a tax rate of 31.6%.

In the subgroup ITALPRESSE INDUSTRIE Srl, there are also differences between the balance sheet and the tax balance sheet. Assuming a tax rate of 31.4%, deferred tax assets of T€ 1,541 are largely attributable to inventories of T€ 694, receivables and other assets of T€ 190, warranty provisions of T€ 722. Pension provisions of T€ −65 will be omitted.

Equity

Equity is stated at nominal values.

Provisions and liabilities

For the valuation of the pension and anniversary obligations, please refer the notes to the consolidated balance sheet.

All other provisions consider all identifiable risks and uncertain liabilities and are recognized at an amount using reasonable commercial judgement. Expected future price and cost changes are also considered. In the case of provisions with residual terms of more than one year, the average market interest rate is determined by the German Federal Bank.

The liabilities are shown in the amount to be paid.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are valued at fair value as of the date of the transaction. Losses from price changes are always taken into account up to the balance sheet date, however gains from price changes are only taken into account for remaining periods of one year or less.

Foreign currency conversion of foreign subsidiaries

In the consolidated financial statements, the balance sheet items of foreign subsidiaries are converted into foreign currencies according to the so-called modified reporting date method. This means that equity was converted at the historical rate at the time of the first-time inclusion, the other assets and liabilities at the exchange rate date, and the income statement at the average rate for the financial year. The balance sheet differences from the conversion were offset against equity with no effect on income. The following conversion rates were used:

	Period-end exchange rate 31 December 2016	Average rate of exchange 01 January – 31 December 2016
	(1 € corresponds to:)	(1 € corresponds to:)
Striko-Westofen Dynarad Furnace Corporation (US$)	1,0520	1,1069
ITALPRESSE USA, Inc. (US$)	1,0541	1,1068
Striko UK Ltd. (GBP)	0,8526	0,8189
SWO Polska Sp. z o.o. (PLN)	4,4041	4,3627
StrikoWestofen Thermal Equipment (Taicang) Co., Ltd. (CNY)	7,3062	7,3506
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd. (CNY)	7,3202	7,3522
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V. (MXN)	21,7719	20,6673
StrikoWestofen de México S.A. de C.V. (MXN)	21,8100	20,6598
StrikoWestofen SEA Limited (THB)	37,6804	39,0538
StrikoWestofen Nippon Ltd. (JPY)	123,0840	120,3240

V. Information on the consolidated balance sheet

Fixed assets

The development of the fixed assets is shown in the attached appendix to the notes.

Differences are reported as goodwill. Goodwill is amortized over a useful life of 15 years.

The capitalized intangible assets are essentially the result of hidden reserves from the initial consolidation as of March 6, 2015, in the ITALPRESSE INDUSTRIE Srl subgroup, as well as from the hidden reserves from the initial consolidation as of February 25, 2013, in the subgroup of SWO Holding GmbH. The hidden reserves were distributed to the company brand, customer base, WESTOMAT technology, STRIKOMELTER technology, technical equipment and machines and have a scheduled useful life between 8 and 25 years.

Current assets

All receivables and other assets have a residual term of less than one year.

Provisions

Pensions and anniversary obligations are calculated using recognized pro rata unit credit methods (PUC method) according to recognized principles of actuarial mathematics. The valuation of the pension obligations was carried out on the basis of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz). The "Richttafeln 2005 G" by Klaus Heubeck was used as a biometric basis.

The following additional assumptions are based on the valuation as of 31 December 2016:

Record date	31.12.2016	31.12.2015
Interest rate	4,01%	4,31%
Salary trend	2,00%	2,00%
Pension trend	1,75%	1,75%

Provisions for pensions and similar obligations were discounted using an interest rate calculated on the basis of the average market interest rate for the past ten years (10-year average interest rate) pursuant to section 253 (2) sentence 1 HGB (German Commercial Code). In accordance with section 253 (2) sentence 1 of the German Commercial Code (HGB), an interest rate was compulsorily calculated for the purpose of discounting such provisions, which is based on the average market interest rate for the past seven years (7-year average interest rate). As a result of the transition from the 7-year average interest rate to the 10-year average interest rate, a difference in the income statement in the amount of EUR 265 thousand (earnings-increasing) results in the measurement of the pension obligations. Pursuant to Section 253 (6) of the German Commercial Code (HGB), this difference is subject to a distribution lock as part of the net profit for the year.

Tax provisions include current tax liabilities.

Other provisions consist of primarily contingent liabilities for personnel (T€ 2.797 / i.V.: T€ 1.879), liabilities from outstanding invoices (T€ 1.738 / i.V.: T€ 1.675) and warranty obligations (T€ 3.404 / i.V.: T€ 3.052).

Liabilities

The remaining terms as well as collateral for liabilities are composed as follows:

	31.12.2016 (01.01.2016)	**Remaining time up to 1 year**	**Remaining time 1 - 5 years**	**Remaining time > 5 years**
	T€	**T€**	**T€**	**T€**
Liabilities to banks	38.104	14.596	23.508	0
(previous year)	(44.388)	(9.702)	(21.254)	(13.432)
Advance payments on orders . . .	9.954	9.954	0	0
(previous year)	(7.430)	(7.430)	(0)	(0)
Trade Payables	28.456	28.456	0	0
(previous year)	(33.816)	(33.816)	(0)	(0)
Liabilities to shareholders	15.913	0	0	15.913
(previous year)	(14.675)	(0)	(0)	(14.675)
Other liabilities	7.046	6.964	23	59
(previous year)	(4.868)	(4.868)	(0)	(0)
	99.473	59.970	23.531	15.972
(previous year)	(105.177)	(55.816)	(21.254)	(28.107)

For liabilities due to banks, there is collateral amounting to T€ 29.177 from pledge / assignment of trademarks, patents and licenses as well as pledging of shares in StrikoWestofen GmbH, Italpresse Industre S.r.l. And Gauss Automazione S.r.l.

Deferred tax liabilities

At the consolidation level of the subgroup of SWO Holding GmbH, deferred tax liabilities of T€ 8,849 were formed, which are attributable to the intangible fixed assets, based on a tax rate of 31.6%.

On consolidations levels, deferred tax liabilities of T€3.586 were recognized based on a tax rate of 31,4%. With the disclosure of hidden reserves on intangible assets for ITALPRESSE INDUSTRIE Srl subgroup, the tax rate does not apply.

In the course of the financial year, deferred tax liabilities were reduced by T€ 143.

VI. Infomation on the income statement

Revenues are broken down as follows:

	2016	2015
	T€	T€
Breakdown by region		
Germany	23.792	19.218
Other EU countries	86.517	58.322
Rest of Europe	4.794	7.874
North America	40.793	23.249
Middle and South America	147	2.145
Asia	12.595	32.800
Other	12.249	5.811
	180.887	149.419
Breakdown by activity		
Plant construction	148.275	125.590
Services and sale of spare parts	32.612	23.829
	180.887	149.419

Due to the revision of § 277 (1) HGB by the BilRUG , sales revenues were not compared with the previous year. For the application of § 277 (1) HGB, as amended by the BilRUG, revenues for the previous year would have remained unchanged at T€ 149,419. There are also no changes in revenue for the year under review.

Other operating income includes currency gains in the amount of T€ 375. Other operating expenses include currency losses in the amount of T€ 532.

VII. Other information

Contingent liabilities

The contingent liabilities pursuant to § 251 HGB are composed as follows:

	31.12.2016	31.12.2015
	T€	T€
Guarantees	16.170	8.941
Thereof for advance payments	(10.890)	(5.787)
Thereof for warranty	(5.250)	(3.124)
Therof for other	(30)	(30)

We estimate the probability of utilization of the aforementioned guarantees to be low due to past experience. We do not have any indications that would require a different assessment.

A group company is liable within the scope of a global assignment for the bank liabilities of another group company. As of December 31, 2016, these bank liabilities amounted to T€ 10,754.

Futures trading USD / Euro as of the balance sheet date

As of the balance sheet date, a number of Group companies had concluded exchange rate transactions on a dollar basis, which serve to hedge underlying transactions. The forward exchange transactions form a valuation unit with the underlying transactions. The market changes in forward exchange transactions are offset by corresponding countervailing market changes in the underlying transactions. The effectiveness of the evaluation units formed was measured using the Critical Term Match method. Claims and obligations arising from the pending transactions were netted. Provisions for losses are only recognized if the underlying transaction also results in a loss from the hedged item taking into account the hedged rates. As of the balance sheet date, the following forward exchange transactions results in a negative market value of T€ 268.

Contract	Amount in USD	Amount in Euro	Forward Rate	Limit date
Forward exchange transaction 11 Feb 2015	2.000.000,00	1.719.986,24	1,1628	03.04.2017
Forward exchange transaction 18 Aug 2016	170.000,00	148.718,40	1,1431	17.01.2017
Forward exchange transaction 18 Aug 2016	97.000,00	84.805,04	1,1438	30.01.2017
Forward exchange transaction 18 Aug 2016	145.000,00	126.516,01	1,1461	17.03.2017
Forward exchange transaction 18 Aug 2016	165.000,00	143.966,50	1,1461	17.03.2017
Forward exchange transaction 18 Aug 2016	140.000,00	121.887,52	1,1486	28.04.2017
Forward exchange transaction 25 Nov 2016	265.000,00	247.571,00	1,0704	21.04.2017
Forward exchange transaction 27 Oct 2016	205.000,00	185.856,75	1,1030	28.04.2017
Forward exchange transaction 27 Oct 2016	186.000,00	168.356,26	1,1048	02.06.2017
Forward exchange transaction 18 Nov 2016	223.000,00	207.441,86	1,0750	09.06.2017
Forward exchange transaction 18 Nov 2016	204.000,00	188.801,48	1,0805	15.09.2017
Forward exchange transaction 25 Nov 2016	106.000,00	98.193,61	1,0795	29.09.2017
Forward exchange transaction 25 Nov 2016	106.000,00	99.539,86	1,0649	09.01.2017

Other financial obligations

Other financial obligations pursuant to section 285 no. 3a HGB are as follows:

	31 Dec 2016	31 Dec 2015
	T€	T€
Obligations from rental, leasing and lease agreements		
Due in the following year	2.035	1.928
Due in 2-5 years	5.083	5.222
Due after 5 years	1.102	2.921
	8.220	10.071

Other financial obligations of around € 3.1 million may result from existing company purchase agreements.

Employees

The average number of employees in the 2016 financial year is as follows:

	2016	2015
Hourly employee	191	130
Salary employee	290	307
	481	437

Off-balance sheet transactions

The fleet of the subgroup of SWO Holding GmbH is leased. The companies do not own real estate assets. The office, production and warehouse buildings are rented. The aim is to strengthen liquidity. In addition, the corresponding administrative activities are transferred to the lessor. Lower flexibility poses a risk due to a binding contract term. Due to the comparatively low volume, the companies in Poland and the UK have outsourced their accounts to external service providers. As a result in-house capacity does not have to be held available.

The support of the IT systems is also partly outsourced which also keeps costs down compared to having an in house IT department. The risks resulting from less flexibility because of the binding to the term of the contract are limited due to the appropriate period of notice. The annual liquidity impact is approximately T€ 325,000.

Transactions with related companies

For the assessment of the financial situations, there were no material transactions with related companies and persons.

Auditor cost

Expenses in the financial year for the audit of annual financial statements are as follows:

	T€
Auditing services	53
Tax consulting services	27
Total	80

Profit use

The fiscal year 2016 closes with a consolidated net profit of T€ 7,318. The Management Board proposes that the reported net profit be carried forward to the full amount.

Supplementary report

There are no events of particular significance after the end of the 2016 financial year.

Company executives

The managing director of the company was appointed in the fiscal year:

- Dipl.-Kfm. Uwe Altena, Commercial Director, Burgwedel (until 01 Dec 2016)
- Dipl.-Ing. Rudolf Riedel, Technical Director, Seehausen am Staffelsee
- Carlo Scalmana, Brescia / Italien (since 02 June 2016)
- Dipl.-Bw (FH) Peter Wolf, Commercial Director, Hattingen (since 01 Dec 2016)

With reference to section 286 (4) of the German Commercial Code, § 314 (1) No. 6a of the German Commercial Code (HGB).

Exemption from disclosure requirements

Light Metal Casting Equipment GmbH, a subsidiary of Light Metal Casting Solutions Group GmbH, and StrikoWestofen GmbH, a subsidiary of SWO Holding GmbH, make partial use of the exemption pursuant to Section 264 (3).

Gummersbach, 13 April 2017

Light Metal Casting Solutions Group GmbH

Rudolf Riedel	Peter Wolf	Carlo Scalmana

LIGHT METAL CASTING GROUP GMBH

Audited consolidated financial statements of Light Metal Casting Group GmbH

As of and for the period between March 6, 2015 and December 31, 2015

Auditor’s opinion:

We have audited the consolidated financial statements of Light Metal Casting Group GmbH (former: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH), Gummersbach (former: Munich), consisting of the consolidated balance sheet, the consolidated income statement, notes to the financial statements, the consolidated cash flow statement and the consolidated statement of changes in equity and the group management report for the Group’s short financial year from 6 March 2015 to 31 December 2015. The preparation of the consolidated financial statements and group management report in accordance with German commercial law is the responsibility of the company’s management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer Institute of Public Auditors in Germany (IDW). The standards require that we plan and perform the audit as such that material misstatement affecting the presentation of the financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. We consider the knowledge of business activities, the economic and legal environment as well as possible misstatements when determining the audit procedures. The audit includes examining, on test basis, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements as well as the group management report. This includes assessing the annual financial statements of the companies included in the consolidated financial statements, the definition of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by management, as well as the overall presentation of the consolidated financial statements and the group management report. We believe our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion, the consolidated financial statements of Light Metal Casting Group GmbH (former: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH), Gummersbach (former: Munich), comply with the legal requirements for the Group’s short financial year from 06 March 2015 to 31 December 2015 and conveys a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. The group management report is consistent with the consolidated financial statements, as a whole, provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, May 13, 2016

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Robert Binder
Wirtschaftsprüfer

Frank Schmitt
Wirtschaftsprüfer

Light Metal Casting Group GmbH
(former: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH)
Gummersbach (former: Munich)
Group Balance Sheet for short fiscal year as of December 2015

	31/12/2015		06/03/2015
	€	€	€
Assets			
A. Long-term assets			
I. Intangible Assets			
1. Concessions, industrial and similar rights as well as licenses in such rights and assets	47,381,960.74		51,040,232.61
2. Goodwill	9,873,562.11		10,650,813.76
3. Advance payments and assets under construction	578,405.33		190,311.78
		57,833,928.18	61,881,358.15
II. Property, plant, and equipment			
1. Land, property rights and buildings	363,689.58		481,889.97
2. Equipment & machinery	1,383,932.54		1,534,085.21
3. Other equipment,operating and office equipment	1,213,855.79		933,328.38
4. Advance payments and assets under construction	15,489.23		25,288.59
		2,976,967.14	2,974,592.15
III. Investments			
1. Shares in affiliated companies		19,375.99	19,375.99
		60,830,271.31	64,875,326.29
B. Current Assets			
I. Inventory			
1. Raw materials, auxiliary materials, consumables	15,905,671.23		13,349,784.34
2. Unfinished goods	13,478,131.25		18,061,017.30
3. Finished goods and merchandise	2,747,749.60		2,034,838.94
4. Prepaid inventory	947,414.06		1,712,004.51
	33,078,966.14		35,157,645.09
5. Advance payments	− 143,200.00		− 1,019,408.49
		32,935,766.14	34,138,236.60
II. Receivables and other assets			
1. Trade receivables	55,917,533.53		40,132,513.49
2. Other assets	3,884,768.12		5,802,853.45
		59,802,301.65	45,935,366.94
III. Cash on hand, bank balances		8,673,116.95	17,918,175.73
C. Prepaid Expenses		392,881.42	632,371.96
D. Deferred tax asset		2,936,861.10	772,179.38
		165,571,198.57	164,271,656.90

	31/12/2015		06/03/2015
	€	€	€
Liabilities and Shareholders' Equity			
A. Equity			
I. Subscribed capital	69,827.00		69,827.00
II. Capital surplus	27,650,173.00		27,650,173.00
III. Loss carried forward	−695,948.16		−695,948.16
IV. Net income	5,644,969.37		0.00
V. Difference in equity due to currency conversion	54,021.83		0.00
VI. Minority interests	−1,341.88		−22,964.23
		32,721,701.16	27,001,087.61
B. Provisions			
1. Provisions for pensions and similar obligations	4,270,535.80		4,441,668.20
2. Tax provisions	1,529,018.52		473,964.82
3. Other provisions	7,917,102.07		6,476,154.20
		13,716,656.39	11,391,787.22
C. Liabilities			
1. Liabilities to banks	44,388,349.11		55,097,751.49
2. Payments received on account for orders	7,430,061.83		14,824,772.99
3. Trade payables	33,815,500.66		22,064,387.51
4. Liabilities to shareholders	14,675,224.50		13,493,907.68
5. Other liabilities			
—thereof from taxes: €1.919.023,01			
—thereof for social security: €666.194,48	4,868,145.36		4,518,519.67
		105,177,281.46	109,999,339.34
D.Deferred Income		567,176.68	1,565,497.61
E. Deferred tax liability		13,388,382.88	14,313,945.12
		165,571,198.57	164,271,656.90

Light Metal Casting Group GmbH
(vormals: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH)
Gummersbach (vormals: München)

Consolidated statement of equity
for the short fiscal year from 06 March 2015 to 31 December 2015

	Parent company							Minority shareholders				
	Subscribe capital	Capital reserves	Earnings reserve	Loss carried forward	Net income	Differnce in equity due to currency conversion	Total parent company	Subscribe capital	Loss carried forward	Net income	Differnce in equity due to currency conversion	Total minority shareholders
	€	€	€	€	€	€	€	€	€	€	€	€
As of 06 March 2015	69,827.00	27,650,173.00	0.00	−695,948.16	0.00	0.00	27,024,051.84	0.00	0.00	−22,964.23	0.00	−22,964.23
Reclassification result previous year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions from capital payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit	0.00	0.00	0.00	0.00	5,644,969.37	0.00	5,644,969.37	0.00	0.00	21,622.35	0.00	21,622.35
Other	0.00	0.00	0.00	0.00	0.00	54,021.83	54,021.83	0.00	0.00	0.00	0.00	0.00
As of 31 December 2015	69,827.00	27,650,173.00	0.00	−695,948.16	5,644,969.37	54,021.83	32,723,043.04	0.00	0.00	−1,341.88	0.00	−1,341.88

According to § 253 (6) of the German Commercial Code (HGB), an amount of T€113 of the consolidated net income is subject to a payout block.

The amound to be distributed at the balance sheet date amounted to T€5.532.

Light Metal Casting Group GmbH
Development of group fixed assets for the short financial year 2015

	Historical cost						Accumulated depreciation						Book value	
	06.03.2015	**Changes in rates**	**Additions**	**Transfers**	**Disposals**	**31.12.2015**	**06.03.2015**	**Difference in rates**	**Additions**	**Transfers**	**Disposals**	**31.12.2015**	**31.12.2015**	**06.03.2015**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
I. Intangible assets														
1. Franchises, industrial and similar rights as well as licenses in such rights and and assets	62,582,318.87	387.13	909,320.75	0.00	1,336,350.03	62,155,676.72	11,542,086.26	440.64	4,567,754.25	0.00	1,336,565.17	14,773,715.98	47,381,960.74	51,040,232.61
2. Goodwill	12,455,915.14	0.00	0.00	0.00	1,581,704.50	10,874,210.64	1,805,101.38	0.00	777,251.65	0.00	1,581,704.50	1,000,648.53	9,873,562.11	10,650,813.76
3. Advance payments	398,287.71	0.00	421,593.55	0.00	33,500.00	786,381.26	207,975.93	0.00	0.00	0.00	0.00	207,975.93	578,405.33	190,311.78
Total intangible assets	75,436,521.72	387.13	1,330,914.30	0.00	2,951,554.53	73,816,268.62	13,555,163.57	440.64	5,345,005.90	0.00	2,918,269.67	15,982,340.44	57,833,928.18	61,881,358.15
II. Property, plant and equipment														
1. Land, property rights and building	669,178.75	−16,665.03	0.01	0.00	8,780.41	643,733.32	187,288.78	−7,478.20	107,598.79	0.00	7,365.63	280,043.74	363,689.58	481,889.97
2. Equipment and machinery	21,096,805.68	−3,825.25	287,468.77	−2,506,495.70	836,635.53	18,037,317.97	19,562,720.47	−2,212.15	261,543.64	−2,334,347.10	834,319.43	16,653,385.43	1,383,932.54	1,534,085.21
3. Other equipment, operating and office equipment	6,379,394.69	−6,126.49	545,165.46	2,506,495.70	1,479,280.57	7,945,648.79	5,446,066.31	−3,364.41	389,172.60	2,334,347.10	1,434,428.60	6,731,793.00	1,213,855.79	933,328.38
4. Advance payments and assets under construction	25,288.59	0.00	0.00	0.00	9,799.36	15,489.23	0.00	0.00	0.00	0.00	0.00	0.00	15,489.23	25,288.59
Total Property, plant and equipment	28,170,667.71	−26,616.77	832,634.24	0.00	2,334,495.87	26,642,189.31	25,196,075.56	−13,054.76	758,315.03	0.00	2,276,113.66	23,665,222.17	2,976,967.14	2,974,592.15
III. Investments														
1. Shares in affiliated companies	19,375.99	0.00	0.00	0.00	0.00	19,375.99	0.00	0.00	0.00	0.00	0.00	0.00	19,375.99	19,375.99
	19,375.99	0.00	0.00	0.00	0.00	19,375.99	0.00	0.00	0.00	0.00	0.00	0.00	19,375.99	19,375.99
Total assets	103,626,565.42	−26,229.64	2,163,548.54	0.00	5,286,050.40	100,477,833.92	38,751,239.13	−12,614.12	6,103,320.93	0.00	5,194,383.33	39,647,562.61	60,830,271.31	64,875,326.29

Light Metal Casting Group GmbH (vormals: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH) Gummersbach (former: München)

Consolidated income statement for the short fiscal year from 06 March 2015 to 31 December 2015

				06.03. - 31.12.2015
				€
1.	Revenues			149,418,620.14
2.	Increase or decrease in finished goods and work in process			−2,912,201.96
3.	Other own work capitalized			231,416.88
4.	Other operating income			1,459,652.00
5.	Material costs			
	a)	Cost of raw materials, auxiliary materials, consumables	68,647,334.93	
	b)	Cost of purchased services	25,057,966.80	
				93,705,301.73
6.	Personnel expenses			
	a)	Wages and salaries	17,237,962.38	
	b)	Social security contributions and expenses for pension schemes and support	4,991,407.68	
		thereof for pensions: T€679		
				22,229,370.06
7.	Depreciation and amortization of intangible and tangible fixed assets			6,103,320.93
8.	Other operating expenses			14,119,808.98
9.	Interest income and similar income			336,501.90
	—thereof from affiliated companies: T€0			
	—thereof of discounting: T€0			
10.	Interest expenses and other expenses			3,946,910.88
	—thereof to affiliated companies: T€0			
	—thereof of discounting: T€114			
11.	**Income from ordinary activities**			**8,429,276.38**
12.	Income tax			2,425,657.79
13.	Other tax			342,765.83
14.	**Net income before minority interest**			**5,660,852.76**
15.	Net income for the year attributable to minority interest			−15,883.39
16.	**Net income**			**5,644,969.37**

Light Metal Casting Group GmbH
(vormals: AUCTUS neunundvierzigste Beteiligungsgesellschaft mbH)
Gummersbach (vormals: München)

Group cash flow statement in accordance to DRS 21 (indirect method) for the short fiscal year from 06 March 2015 to 31 December 2015

		31/12/2015
		T€
1.	Net income	5,645
2.	Depreciation and amortization of fixed assets	6,103
3.	Decrease of long-term provisions	− 171
4.	**Cash Earnings in accordance DVFA/SG**	**11,577**
5.	Increase in short-and medium-term provisions	2,496
6.	Loss on the disposal of fixed assets	92
7.	Increase in current assets and other assets	− 14,575
8.	Increase in accounts payables and other liablities	4,039
9.	**Cashflow from operating activities**	**3,629**
10.	Acquisitions of intangible assets and PP&E	− 2,164
11.	**Cashflow from investment activities**	**− 2,164**
12.	Decrease from the repayment of loans	− 10,710
13.	**Cashflow from financing activities**	**− 10,710**
14.	Change in cash and cash equivilants	− 9,245
15.	Cash and cash equivalents at the beginning of the period	17,918
16.	**Cash and cash equivalents at the end of the period**	**8,673**
	Composition of cash and cash equivalents	
	Cash in hand and cash at bank	8,673

Light Metal Casting Group GmbH,
(former: Auctus neunundvierzigste Beteiligungsgesellschaft mbH)
Gummersbach (former: Munich)

Group notes for the short fiscal year
06 March 2015 to 31 December 2015

I. General notes

Light Metal Casting Group GmbH prepared financial statements in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch) and as a parent company.

The initial consolidation of the subgroups SWO Holding GmbH and Light Metal Casting Equipment GmbH was on 6 March 2015. In the period from March 6, 2015 to December 31, 2015, no adjustments were made to the scope of the consolidation. On March 6, 2015, Light Metal Casting Group GmbH acquired the majority interest in SWO Holding GmbH and Light Metal Casting Equipment GmbH. Pursuant to section 290 (1) of the German Commercial Code (HGB), the parent company has since that time dominant influence and thus is obliged to prepare consolidated financial statements and a group management report.

The structure of the consolidated balance sheet corresponds to the structure of the plans provided in § 266 (2) and 3 HGB. The consolidated income statement is structured in accordance with the overall cost method as set out in section 275 (2) HGB.

The consolidated financial statements were prepared as of the reporting date of the parent company, December 31, 2015, and were prepared on the basis of the first-time statement for the period from March 6, 2015 to December 31. This period therefore corresponds to the first financial year.

The consolidated subgroups and their subsidiaries included interim financial statements for the period from 6 March 2015 to 31 December 2015.

II. Information on the scope of consolidation (including shareholdings)

The **group of consolidated** companies of Light Metal Casting Group GmbH, Gummersbach, consists of the following subgroups:

SWO Holding GmbH	Gummersbach	90,91	Majority of the voting rights
Light Metal Casting Equipment GmbH	Gummersbach	97,94	Majority of the voting rights

The **scope of consolidation** of the subgroup of SWO Holding GmbH, Gummersbach, consists of the following companies:

Name of the company	Location	Shareholding %	Consolidation reason
Striko-Westofen Dynarad Furnace Corporation	Zeeland, Michigan/USA	100,00	Majority of the voting rights
Striko UK Ltd.	Hixon, Staffordshire/GB	90,00	Majority of the voting rights
SWO Polska SP. Z o.o.	Strzelce O polski/Poland	100,00	Majority of the voting rights
StrikoWesthofen Thermal equipment (Taicang) Co. Ltd	Jiangsu Province/P.R. China	100,00	Majority of the voting rights
StrikoWesthofen GmbH	Gummersbach/Germany	100,00	Majority of the voting rights

The **scope of consolidation** of the subgroup of Light Metal Casting Equipment GmbH, Gummersbach, consists of the following subgroup:

Subgroup ITALPRESSE INDUSTRIE Srl	Capriano del Colle/Italy	100,00	Majority of the voting rights

The **consolidated group** of consolidated companies ITALPRESSE INDUSTRIE Srl consists of the following companies:

Name of the company	Location	Shareholding %	Consolidation reason
GAUSS AUTOMAZIONE S.p.A.	Capriano del Colle/Italy	100,00	Majority of the voting rights
ITALPRESSE FRANCE	Saint-Quentin-Fallavier/France	100,00	Majority of the voting rights
ITALPRESSE USA, Inc.	Punta Gorda/Florida, USA	100,00	Majority of the voting rights
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd.	Shanghai/ P.R. China	100,00	Majority of the voting rights
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V.	Queretaro/Mexico	100,00	Majority of the voting rights

III. Information on the consolidation principles

1. Date of initial consolidation

The initial consolidation of the subgroups and subsidiaries was based on the following dates:

	Date of initial consolidation
Subgroup SWO Holding GmbH	06 Mar 2015
Striko-Westofen Dynarad Furnace Corporation	25 Feb 2013
Striko UK Ltd.	25 Feb 2013
SWO Polska Sp. z o.o.	25 Feb 2013
StrikoWestofen Thermal Equipment (Taicang) Co., Ltd.	25 Feb 2013
StrikoWestofen GmbH	25 Feb 2013

	Date of initial consolidation
Subgroup Light Metal Casting Equipment GmbH	06 Mar 2015
Subgroup ITALPRESSE INDUSTRIE Srl	06 Mar 2015
ITALPRESSE INDUSTRIE Srl	06 Mar 2015
GAUSS AUTOMAZIONE S.p.A.	06 Mar 2015
ITALPRESSE FRANCE	06 Mar 2015
ITALPRESSE USA, Inc.	06 Mar 2015
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd.	06 Mar 2015
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V.	06 Mar 2015

2. Information on consolidation methods

The revaluation method (section 301 (1) sentence 2 HGB) was applied to the *consolidation* of the company (full consolidation with minority card). For that matter, settlement of the equity was conducted using valuation of the time of first inclusion of the subsidiaries in the consolidated financial statements.

The differences in the assets, resulting from the consolidation of the assets, were reported as goodwill as long as they were not allocated to individual assets as part of the disclosure of hidden reserves.

Debt consolidation is carried out in accordance with section 303 (1) HGB by eliminating the receivables with the corresponding liabilities between the companies included in the consolidated financial statements. Differences from the debt consolidation were recognized in the income statement.

The expense and income consolidation is carried out in accordance with section 305 (1) HGB by offsetting the expenses and income of the consolidated companies included in the consolidated financial statements.

Interim results have been eliminated pursuant to Section 304 HGB.

Deferred taxes were recognized as part of the interim result elimination as well as within the scope of the disclosure of hidden reserves using the revaluation method.

IV. Information on accounting and valuation methods

The consolidated financial statements have been prepared in EUR in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch—HGB) and the Act on limited liability companies (GmbHG). The income statement has been prepared according to the total cost method.

The annual financial statements of the subsidiaries included in the consolidated financial statements are prepared uniformly according to the legal requirements of Light Metal Casting Group GmbH. When reconciling the individual financial statements to the balance sheet, the following adjustments were made in the context of uniform accounting and valuation:

- Adjustment of goodwill amortization to a uniform useful life of 15 years as well as scheduled depreciation
- Adjustment of the valuation of raw materials and supplies
- Adjustment of the measurement of provisions for pensions and similar obligations
- Deferred taxes

The following accounting and valuation methods were applied:

Fixed assets

Intangible assets are capitalized at cost. Depreciation is calculated on a straight-line basis over the normal useful life. Goodwill is amortized over 15 years. The assumption of a useful life of the acquired goodwill of more than five years is due to the stability and durability of the industry and the long-lasting technology of the products of the acquired company.

The capitalized intangible assets result primarily from the hidden reserves from the initial consolidation as of 6 March 2015. The depreciation is carried out according to plan over the estimated useful life. (Please refer to the further remarks on the fixed assets on page 8.)

Tangible fixed assets are stated at cost less scheduled depreciation. Depreciation is based on the straight-line method over the useful life.

Current assets

The raw materials, auxiliary materials and consumables as well as merchandise are valued at the moving average prices or at lower final purchase prices using the strict lowest-value principle. Work in progress and finished goods are recognized at cost. Apart from the direct costs, the valuation also included the necessary material and production costs. Risks were taken into account by appropriate deductions. The advance payments received for inventories are deducted from the total amount of inventories and are shown on the liabilities side.

Receivables and other assets are stated at their nominal value. Identifiable risks are taken into account using appropriate value adjustments. The allowance for bad debts is adjusted appropriately based on the general risk for delivery claims on trade receivables.

Cash and cash equivalents are stated at the nominal value or at lower market rates or daily values.

Equity is stated at nominal values.

Deferred tax assets

Differences between the balance sheet and the tax balance sheet regarding pension provisions existing at StrikoWestofen GmbH lead to deferred tax assets (T€ 119). Deferred taxes are based on a tax rate of 31.6%. StrikoDynarad Corporation has differences between the balance and the tax balance sheet. Netting of deferred tax assets and deferred tax liabilities results in deferred tax assets of T€ 382. Based on a tax rate of 34%, deferred tax assets amount to T€ 670 of which T€ 30 are attributable to the provisions, T€ 30 to inventories, T€ 10 to receivables and other assets, and approximately T€ 600 to future-usable loss carryforwards. Deferred tax liabilities amount to T€ 288 which are attributable to intangible assets and property, plant and equipment.

StrikoWestofen Thermal Equipment (Taicang) Co., Ltd. deferred tax assets in the amount of T€ 459 result from temporary valuation differences between the balance sheet and the tax balance sheet. Striko Polska Sp. z o.o. deferred tax asset of T€ 40 also result from temporary valuation differences between trading and tax balances. Due to consolidation effects, deferred tax assets amounted to T€ 2.

Upon consolidation, deferred tax liabilities of T€ 9,664 were recognized, based on a tax rate of 31.6% on the disclosed intangible assets.

In the subgroup ITALPRESSE INDUSTRIE Srl, there are also differences between the balance sheet and the tax balance sheet. Based on a tax rate of 31.4%, deferred tax assets of T€ 1,934 result primarily from inventories of T€ 860, receivables and other assets of T€ 367, provisions for warranties of T€ 781. Pension provisions of T€ −73 are not applicable.

Provisions and liabilities

For the valuation of the pension and anniversary obligations, please refer to the notes to the consolidated balance sheet.

All other provisions consider all identifiable risks and uncertain liabilities and are recognized at an amount using reasonable commercial judgement. Expected future price and cost changes are also considered. In the case of provisions with residual terms of more than one year, the average market interest rate is determined by the German Federal Bank.

Liabilities are shown in the amount to be paid.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are valued at fair value as of the date of the trans-action. Losses from price changes are always taken into account up to the balance sheet date, however gains from price changes are only taken into account for remaining periods of one year or less.

Foreign currency conversion of foreign subsidiaries

In the consolidated financial statements, the balance sheet items of foreign subsidiaries are converted into foreign currencies according to the so-called modified reporting date method. This means that equity was converted at the historical rate at the time of the first-time inclusion, the other assets and liabilities at the exchange rate date, and the income statement at the average rate for the financial year. The balance sheet differences from the conversion were offset against equity with no effect on income. The following conversion rates were used:

	Period-end exchange rate	Average rate of exchange
	31 December 2015	01 January - 31 December 2015
	(1 € corresponds to:)	(1 € corresponds to:)
Striko-Westofen Dynarad Furnace Corporation (US$)	1,0907	1,1103
ITALPRESSE USA, Inc. (US$)	1,1095	1,0887
Striko UK Ltd. (GBP)	0,7368	0,7264
SWO Polska Sp. z o.o. (PLN)	4,2628	4,1835
StrikoWestofen Thermal Equipment (Taicang) Co., Ltd. (CNY)	7,0805	6,9149
ITALPRESSE INDUSTRIE (Shanghai) Co. Ltd. (CNY)	6,9733	7,0608
ITALPRESSE INDUSTRIE DE MEXICO, S.A. de C.V. (MXN)	17,6157	18,9145

V. Information on the consolidated balance sheet

Fixed assets

The development of the fixed assets is shown in the attached Appendix to the notes.

Differences are reported as goodwill. Goodwill is amortized over a useful life of 15 years.

The capitalized intangible assets are essentially the result of hidden reserves from the initial consolidation as of March 6, 2015, in the ITALPRESSE INDUSTRIE Srl subgroup, as well as from the hidden reserves from the initial consolidation as of February 25, 2013, in the subgroup of SWO Holding GmbH. The hidden reserves were distributed to the company brand, customer base, WESTOMAT technology, STRIKOMELTER technology, technical equipment and machines and have a scheduled useful life between 8 and 25 years.

Current assets

All receivables and other assets have a residual term of less than one year.

Provisions

Pensions and anniversary obligations are calculated using recognized pro rata unit credit methods (PUC method) according to recognized principles of actuarial mathematics. The valuation of the pension obligations was carried out on the basis of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz). The "Richttafeln 2005 G" by Klaus Heubeck was used as a biometric basis.

The following additional assumptions are based on the valuation as of 31 December 2015:

Record date	31.12.2015	06.03.2015	31.12.2014
Interest rate	4,31%	4,48%	4,53%
Salary trend	2,00%	2,00%	2,00%
Pension trend	1,75%	1,75%	1,75%

In the case of the interest rate, the right to vote was exercised pursuant to Article 75 (7) of the Introductory Law to the Commercial Code. Provisions for pensions and similar obligations were discounted accordingly using an interest rate calculated on the basis of the average market interest rate for the past ten years (10- Year average rate). In accordance with section 253 (2) sentence 1 of the German Commercial Code (HGB), an interest rate was compulsorily calculated for the purpose of discounting such provisions, which is based on the average market interest rate for the past seven years (7-year average interest rate). As a result of the transition from the 7-year average interest rate to the 10-year average interest rate, an impact-effective difference amounting to EUR 113 k (earnings-increasing) results in the measurement of pension obligations. Pursuant to Section 253 (6) HGB (German Commercial Code), this difference is subject to a distribution lock as part of the net profit for the year.

Tax provisions include current tax liabilities.

Other provisions consist of primarily contingent liabilities for personnel, liabilities from outstanding invoices and warranty obligations.

Liabilities

The remaining terms as well as collateral for liabilities are composed as follows:

	31 December 2015	Remaining time up to 1 year	Remaining time 1 - 5 years	Remaining time > 5 years
	T€	T€	T€	T€
Liabilities to banks	44.388	9.702	21.254	13.432
Advance payments on orders	7.430	7.430	0	0
Trade payables	33.816	33.816	0	0
Liabilities to shareholders	14.675	0	0	14.675
Other liabilities	4.868	4.868	0	0
	105.177	55.816	21.254	28.107

Deferred tax liabilities

At the consolidation level of the subgroup of SWO Holding GmbH, deferred tax liabilities of T€ 9,664 were recognized, which are based on a calculated tax rate of 31.6% on the disclosed intangible assets.

In the ITALPRESSE INDUSTRIE Srl subgroup, deferred tax liabilities of T€ 3,725 were recognized on consolidation levels, which are based on a tax rate of 31.4% on the disclosure of hidden reserves for intangible assets.

VI. Information on the income statement

Revenues are broken down as follows:

	06 March - 31 December 2015
	T€
Breakdown by region	
Germany	19.218
Other EU countries	58.322
Rest of Europe	7.874
North America	23.249
Middle and South America	2.145
Asia	32.800
Other	5.811
	149.419
Breakdown by activity	
Plant construction	125.590
Sevices and sale of spare parts	23.829
	149.419

VII. Other information

The contingent liabilities pursuant to § 251 HGB are composed as follows:

	31.12.2015
	T€
Guarantees	8.941
Thereof for advance payments	(5.787)
Thereof for warranty	(3.124)
Thereof for other	(30)

We estimate the utilization probability of the above guarantees to be low due to the current creditworthiness. We do not have any indications that would require a different assessment.

Futures trading USD / Euro as of the balance sheet date

The company has concluded dollar-based forward exchange transactions used to hedge underlying transactions as of the balance sheet date. The forward exchange transactions form a valuation unit with the underlying transactions. The market changes in forward exchange transactions are offset by corresponding countervailing market changes in the underlying transactions. The effectiveness of the evaluation units formed was measured using the Critical Term Match method. Claims and obligations arising from the pending transactions were netted. Provisions for losses are only recognized if the underlying transaction also results in a loss from the hedged item taking into account the hedged rates.

Contract	Amount in USD	Amount in Euro	Forward rate	Limit date
Flexible forward 12 Dec 2015	1.000.000	872.219,80	1,1465	31 Mar 2016
Forward exchange transaction 11 Nov 2015	5.000.000	4.357.298,47	1,1475	05 July 2016
Forward exchange transaction 13 Mar 2015	4.000.000	3.681.207,44	1,0866	02 Dec 2016
Forward exchange transaction 11 Feb 2015	6.000.000	5.189.413,60	1,1562	19 Dec 2016
Forward exchange transaction 11 Feb 2015	2.000.000	1.719.986,24	1,1628	03 Apr 2017
Forward exchange transaction 02 Dec 2015	50.000	46.904,32	1,0660	10 Feb 2016
Forward exchange transaction 02 Dec 2015	130.000	121.779,86	1,0675	30 Mar 2016
Forward exchange transaction 02 Dec 2015	160.000	149.812,73	1,0680	08 Apr 2016
Forward exchange transaction 02 Dec 2015	150.000	140.318,05	1,0690	13 May 2016

Other financial obligations

The other financial obligations pursuant to section 285 no. 3a HGB are as follows:

	31 Dec 2015
	T€
Obligations from rental, leasing and lease agreements	
Due in the following year	1.928
Due in 2 - 5 years	5.222
Due after 5 years	2.921
	10.071

Employees

The average number of employees in the short fiscal year 2015 is as follows:

	2015
Hourly employee	130
Salary employee	307
	437

Off-balance sheet transactions

The fleet of the subgroup of SWO Holding GmbH is leased. The companies do not own real estate assets. The office, production and warehouse buildings are rented. The aim is to strengthen liquidity. In addition, the corresponding administrative activities are transferred to the lessor. Lower flexibility poses a risk due to a binding contract term. Considering the comparatively low volume, the companies in Poland and the UK have outsourced their bookkeeping to external service providers. As a result in-house capacity does not have to be held available.

The support of the IT systems is also partly outsourced which also keeps costs down compared to having an in house IT department. The risks resulting from less flexibility because of the binding to the term of the contract are limited due to the appropriate period of notice. The annual liquidity impact is approximately T€ 500,000.

Transactions with related companies

For the assessment of the financial situations, there were no material transactions with related companies and persons.

Auditor cost

Expenses in the financial year for the audit of annual financial statements are as follows:

	T€
Auditing services	65
Tax consulting services	27
Total	92

Company executives

The managing director of the company was appointed in the fiscal year:

- Thomas Lott-Stroe, Commercial Director, Munich (until 02.06.2015)
- Dipl.-Kfm. Uwe Altena, Commercial Director, Burgwedel (since 02.06.2015)
- Dipl.-Ing. Rudolf Riedel, Technical Director, Seehausen am Staffelsee (since 02.06.2015)

With reference to section 286 (4) of the German Commercial Code § 314 (1) No. 6a of the German Commercial Code (HGB).

Exemption from disclosure requirements

Light Metal Casting Equipment GmbH, a subsidiary of Light Metal Casting Group GmbH, and StrikoWestofen GmbH, a subsidiary of SWO Holding GmbH, are partially entitled to the exemption pursuant to Section 264 (3). For former members of the management of the subgroup of SWO Holding GmbH, pension provisions amounting to T€ 822 are recognized.

Gummersbach, 29 April 2016

Light Metal Casting Group GmbH

Uwe Altena	Rudolf Riedel

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