

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

The preliminary offering memorandum has been prepared in connection with the offer and sale of the Notes described therein. The preliminary offering memorandum and its contents are confidential and may not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

THE ATTACHED PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE PRELIMINARY OFFERING MEMORANDUM MAY ONLY BE DISTRIBUTED TO NON-U.S. PERSONS IN CONNECTION WITH AN “OFFSHORE TRANSACTION” AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Confirmation of your Representation: In order to be eligible to view the attached preliminary offering memorandum or make an investment decision with respect to the Notes, investors must be (i) non-U.S. persons outside the United States (within the meaning of Regulation S under the Securities Act) or (ii) a QIB. By accepting this e-mail and accessing the preliminary offering memorandum, you shall be deemed to have represented to us that you are a non-U.S. person that is outside the United States or that you are a QIB; and that you consent to the delivery of such preliminary offering memorandum by electronic transmission. You are reminded that the preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession the preliminary offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the preliminary offering memorandum to any other person or make copies of the preliminary offering memorandum.

Under no circumstances shall the preliminary offering memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering and sale of the Notes be made by a licensed broker or dealer and the Initial Purchasers (as defined in the attached preliminary offering memorandum) or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering and sale of the Notes shall be deemed to be made by them or such affiliate on behalf of the Issuer (as defined in the attached preliminary offering memorandum) in such jurisdiction.

The preliminary offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) through (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to

which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II Product Governance / Professional Investors and ECPs Only Target Market

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

The 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 neither the Initial Purchasers nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person 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.

The information in the preliminary offering memorandum is not complete and may be changed. This document does not constitute or form part of any offer or invitation to sell these securities or any solicitation of any offer to purchase these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 15, 2019

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL CIRCULATION
IN THE UNITED STATES



Trivium Packaging Finance B.V.

\$2,750,000,000 (equivalent)

\$1,250,000,000 (equivalent) of % Senior Secured Notes due 2026 and Senior Secured Euro Floating Rate Notes due 2026
\$900,000,000 % Senior Secured Notes due 2026

guaranteed on a senior basis by Trivium Packaging B.V. and certain of its wholly owned subsidiaries

\$600,000,000 % Senior Notes due 2027

guaranteed on a senior basis by Trivium Packaging B.V.
and on a senior basis by certain of its wholly owned subsidiaries

The € aggregate principal amount of % Senior Secured Notes due 2026 offered hereby (the “Senior Secured Euro Fixed Rate Notes”) and the \$900,000,000 aggregate principal amount of % Senior Secured Notes due 2026 offered hereby (the “Senior Secured Dollar Notes”) which, together with the Senior Secured Euro Fixed Rate Notes, the “Senior Secured Fixed Rate Notes”) and the € aggregate principal amount of Senior Secured Euro Floating Rate Notes due 2026 offered hereby (the “Senior Secured Euro Floating Rate Notes,” together with the Senior Secured Fixed Rate Notes, the “Secured Notes”) will be issued by Trivium Packaging Finance B.V. (the “Issuer”). The \$600,000,000 aggregate principal amount of % Senior Notes due 2027 offered hereby (the “Senior Notes” and, together with the Secured Notes, the “Notes”) will be issued by the Issuer. The net proceeds from the issue of the Notes will be used to provide cash consideration to Ardagh Group S.A., refinance certain indebtedness of Exal, for general corporate purposes and to pay fees and expenses related to the Combination (as defined herein).

The Senior Secured Euro Fixed Rate Notes will bear interest at the rate of % per annum, and the Senior Secured Dollar Notes will bear interest at the rate of % per annum. Interest will be paid on the Senior Secured Fixed Rate Notes on December 15, 2019 thereafter semiannually in arrears on February 15 and August 15. The Senior Secured Euro Floating Rate Notes will bear interest on the outstanding principal amount at a per annum rate equal to three-month EURIBOR plus % per year, reset quarterly. Interest will be paid on the Senior Secured Euro Floating Rate Notes quarterly in arrears on August 15, November 15, February 15 and May 15, beginning on November 15, 2019. The Senior Secured Euro Floating Rate Notes will mature on August 15, 2026. Each series of the Senior Secured Fixed Rate Notes will mature on August 15, 2026. The Senior Notes will bear interest at the rate of % per annum. Interest will be paid on the Senior Notes on December 15, 2019 thereafter semiannually in arrears on February 15 and August 15. The Senior Notes will mature on August 15, 2027.

The Issuer may redeem the Senior Secured Fixed Rate Notes in whole or in part on or after , 2022, at the redemption prices specified herein. Prior to , 2022, we may also redeem the Senior Secured Fixed Rate Notes by paying a “make whole” premium. In addition, prior to , 2022, we may redeem up to 40% of the aggregate principal amount of each series of the Senior Secured Fixed Rate Notes with the net proceeds from certain public equity offerings. The redemption prices are discussed under “Description of the Senior Secured Notes—Optional Redemption.” Prior to , 2022, the Issuer may, at its option, during each calendar year redeem up to 10% of the original principal amount of the Senior Secured Fixed Rate Notes (including the original principal amount of any Additional Senior Secured Notes), upon giving notice as described under “Description of the Senior Secured Notes—Selection and Notice,” at a redemption price equal to 103.000% of the principal amount of the Senior Secured Fixed Rate Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date. In the event of a Change of Control (as defined herein), we must make an offer to purchase the Secured Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase. The Issuer may redeem the Senior Secured Euro Floating Rate Notes in whole or in part on or after , 2020 at the redemption prices specified herein. Prior to , 2020, we may also redeem the Senior Secured Euro Floating Rate Notes by paying a “make whole” premium.

The Issuer may redeem the Senior Notes in whole or in part on or after , 2022, at the redemption prices specified herein. Prior to , 2022, we may also redeem the Senior Notes by paying a “make whole” premium. In addition, prior to , 2022, we may redeem up to 40% of the aggregate principal amount of the Senior Notes with the net proceeds from certain public equity offerings. The redemption prices are discussed under “Description of the Senior Notes—Optional Redemption.” In addition, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount thereof (including accrued and unpaid interest and Additional Amounts, if any) upon the occurrence of certain changes in applicable tax law. In connection with any tender offer for the Notes (including any Change of Control Offer or Asset Disposition Offer (each as defined in the relevant “Description of the Notes”)), if holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such 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 in such tender offer. In the event of a Change of Control, we must make an offer to purchase the Senior Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Pending the consummation of the Combination, the Initial Purchasers (as defined herein) will deposit the gross proceeds from the offering of the Notes into one or more escrow accounts (the “Escrow Accounts” and each, an “Escrow Account”) in the name of the Issuer but controlled by the Escrow Agent, and pledged on a first-ranking basis in favor of, the Trustee (as defined herein) on behalf of the holders of the Notes. The release of the funds from the Escrow Accounts to the Issuer the date of such release, will be subject to the satisfaction of certain conditions, including the closing of the Combination. The consummation of the Combination is subject to certain regulatory approvals and the satisfaction of certain other customary closing conditions. If the conditions precedent to the release of the funds from escrow have not been satisfied on or prior to the Escrow Longstop Date (as defined herein), the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption,” “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Risk Factors—Risks Relating to the Combination—The Combination may not be completed and you may not obtain the return that you expect on the Notes.”

Subject to the Agreed Security Principles, within 90 days of the Completion Date, the Secured Notes will be secured, subject to the Intercreditor Agreement (as defined herein) and certain perfection requirements, by security interests and pledges granted on (i) an equal and ratable first-ranking basis over the Fixed Asset Collateral (as defined herein) and (ii) a junior basis over the ABL Collateral (as defined herein).

On the Issue Date, the Secured Notes will be guaranteed on a senior basis (the “Secured Notes Parent Guarantee”) by Trivium Packaging B.V. (the “Parent Guarantor”). Subject to the Agreed Security Principles (as defined herein), on the dates specified in the Secured Indenture (as defined herein), the Parent Guarantor shall be required to ensure that the Secured Notes are guaranteed on a senior basis (the “Secured Notes Subsidiary Guarantees” and, together with the Secured Notes Parent Guarantee, the “Secured Notes Guarantees”) by certain subsidiaries of the Parent Guarantor (other than the Issuer) (collectively, together, the “Secured Notes Post-Completion Date Guarantors” and, together with the Parent Guarantor, the “Secured Notes Guarantors”).

On the Issue Date, the Senior Notes will be guaranteed on a senior basis (the “Senior Notes Parent Guarantee”) by the Parent Guarantor. Subject to the Agreed Security Principles, on the dates specified in the Senior Indenture (as defined herein), the Parent Guarantor shall be required to ensure that the Senior Notes are guaranteed on a senior basis (the “Senior Notes Subsidiary Guarantees” and, together with the Senior Notes Parent Guarantee, the “Senior Notes Guarantees” and, together with the Secured Notes Guarantees, the “Guarantees”) by the same subsidiaries of the Parent Guarantor who guarantee the Secured Notes (collectively, together, the “Senior Notes Post-Completion Date Guarantors” and, together with the Parent Guarantor, the “Senior Notes Guarantors” and, together with the Secured Notes Guarantors, the “Guarantors”).

The Secured Notes Subsidiary Guarantees, the Senior Notes Subsidiary Guarantees and the grant of liens in favor of the Secured Notes are not conditions to the release of funds from the respective Escrow Accounts.

Currently, there is no public market for the Notes. Application has been made for listing particulars to be approved by the Irish Stock Exchange, trading as Euronext Dublin (“Euronext Dublin”) and for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market. There is no assurance that the Notes will be listed and admitted to trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 29.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, the Notes are being offered and sold only to qualified institutional buyers (“QIBs”) in accordance with Rule 144A under the U.S. Securities Act (“Rule 144A”) and outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act (“Regulation S”). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A.

The Notes will be issued in the form of global notes in registered form. See “Book-entry; Delivery and Form.”

Price of the Senior Secured Euro Fixed Rate Notes: %.
Price of the Senior Secured Dollar Notes: %.
Price of the Senior Secured Euro Floating Rate Notes: %.
Price of the Senior Notes: %.

The Initial Purchasers expect to deliver the Notes to purchasers on or about , 2019 (the “Issue Date”).

Joint Book-Running Managers

Citigroup

BMO Capital Markets

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IMPORTANT INFORMATION

You should rely only on the information contained in this offering memorandum (the “Offering Memorandum”). None of the Issuer, the Guarantors or Citigroup Global Markets Limited and BMO Capital Markets Corp. (together, the “Initial Purchasers”) have authorized anyone to provide you with any information or represent anything about the Issuer or the Guarantors, their financial results or this offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Guarantors or the Initial Purchasers. None of the Issuer, the Guarantors or the Initial Purchasers are making an offer of the Notes in any jurisdiction where this offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front cover of this Offering Memorandum.

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

None of the Initial Purchasers, the Trustee, the Principal Paying Agent, the Registrar, the Escrow Agent or the Transfer Agent (each as defined herein) makes any representation 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 the Parent Guarantor accept responsibility for the information contained in this Offering Memorandum. To the best of the Issuer’s and the Parent Guarantor’s knowledge and belief, the information contained in this Offering Memorandum with regard to the Issuer, the Parent Guarantor and their subsidiaries and the Notes is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set forth under the headings “Summary,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of Exal” and “The Trivium Business” includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While we accept responsibility for the accurate extraction and summarization of such information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof.

Unless the context indicates otherwise, when we refer to “Trivium,” the “Group,” “we,” “us,” and “our,” for the purposes of this Offering Memorandum, we are referring to Trivium Packaging B.V. and its subsidiaries on a consolidated basis (including any of their predecessors) following the completion of the Combination. For more information on Trivium, see “Summary,” “The Trivium Business,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Results of Operations of Ardagh Carve-out Business” and “Operating and Financial Review and Prospects of Exal—Results of Operations of Exal.”

The information set forth in relation to sections of this Offering Memorandum describing clearing arrangements, including the section entitled “Book-entry; Delivery and Form,” is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream Banking

currently in effect. While the Issuer and the Parent Guarantor accept responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream Banking, they accept no further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference.

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also 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. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes and the Guarantees shall, under any circumstances, create an implication that there has been no change in the information set out in this Offering Memorandum since the date of this Offering Memorandum.

The Issuer and the Initial Purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the Initial Purchasers also reserve the right to sell less than all of the Notes offered by this Offering Memorandum or to sell to any purchaser less than the amount of the Notes it has offered to purchase.

We are offering the Notes, and the Guarantors are issuing the Guarantees, in reliance on (i) an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering and (ii) a transaction pursuant to Regulation S under the U.S. Securities Act that is not subject to the registration requirements of the U.S. Securities Act. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under “Notice to Investors.” 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. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. Neither we nor the Initial Purchasers are making any representation to you that the Notes are a legal investment for you.

None of the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary could be a criminal offense in certain countries.

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 the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled “Plan of Distribution” and “Notice to Investors.”

The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. See “Notice to Investors.”

In making an investment decision, prospective investors must rely on their own examination of the Issuer, the Guarantors and the terms of this offering, including the merits and risks involved. In addition, none of the Issuer, the Guarantors or the Initial Purchasers or any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisers as to legal, tax, business, financial and related aspects of an investment in

the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Issuer, the Guarantors or the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements. This Offering Memorandum does not constitute an offer of, or an invitation to purchase, any of the Notes, in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering to occur in any jurisdiction.

The Notes will be issued in the form of global notes. See “Book-entry; Delivery and Form.”

Trademarks, service marks or trade names appearing in this Offering Memorandum are property of their respective owners.

We intend to list the Notes on Euronext Dublin and have the Notes admitted for trading on the Global Exchange Market thereof, and will submit this Offering Memorandum to the competent authority in connection with such 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. We may also be required to update the information in this Offering Memorandum to reflect changes in our business, prospects, financial condition or results of operations. We cannot guarantee that the application we will make to Euronext Dublin for the Notes to be listed and admitted for trading on the Global Exchange Market thereof will be approved as of the Issue Date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining such admission to trading.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

Prohibition of Sales to EEA Retail Investors—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Directive.

MiFID II Product Governance / Professional Investors and ECPs Only Target Market—Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN IRELAND

This Offering Memorandum has been prepared on the basis that any offer of Notes will be made pursuant to the exemptions in Regulation 9(1)(a), (b) or (d) of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the “Irish Prospectus Regulations”) from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in Ireland of the Notes which are subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or the Initial Purchasers to

publish a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations or supplement a prospectus pursuant to Regulation 51 of the Irish Prospectus Regulations, in each case, in relation to such offer. None of the Issuer, the Guarantors or the Initial Purchasers have authorized, or do authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Guarantors or the Initial Purchasers to publish or supplement a prospectus for such offer.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) through (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended)) in connection with the offering or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO INVESTORS IN CANADA

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

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

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“NI 33-105”), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE REGARDING SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

MOST OF THE DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER AND THE GUARANTORS ARE NON-RESIDENTS OF THE UNITED STATES. ALL OR A SUBSTANTIAL PORTION OF THE ASSETS OF SUCH NON-RESIDENT PERSONS AND OF THE ISSUER AND THE GUARANTORS ARE LOCATED OUTSIDE THE UNITED STATES. AS A RESULT, IT MAY NOT BE POSSIBLE FOR INVESTORS TO EFFECT SERVICE OF PROCESS WITHIN THE UNITED STATES UPON SUCH PERSONS OR TRIVIUM PACKAGING FINANCE B.V. AND CERTAIN OF THE GUARANTORS, OR TO ENFORCE AGAINST THEM IN U.S. COURTS JUDGMENTS OBTAINED IN SUCH COURTS PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE FEDERAL SECURITIES LAWS OF THE UNITED STATES. TRIVIUM PACKAGING FINANCE B.V. AND THE GUARANTORS HAVE BEEN ADVISED BY COUNSEL

THAT THERE IS DOUBT AS TO THE ENFORCEABILITY IN THE NETHERLANDS IN ORIGINAL ACTIONS, OR IN ACTIONS FOR ENFORCEMENT OF JUDGMENTS OF U.S. COURTS, OF LIABILITIES PREDICATED SOLELY UPON THE SECURITIES LAWS OF THE UNITED STATES.

STABILIZATION

In connection with the offering of the Notes, Citigroup Global Markets Limited (or any person acting on behalf of Citigroup Global Markets Limited) may overallocate Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue and 60 days after the date of the allotment of the Notes. Any stabilization action or overallocation must be conducted by the stabilizing manager (or persons acting on its behalf) in accordance with all applicable laws and rules.

NOTES ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this Offering Memorandum have the meanings assigned to them below:

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| “ABL Collateral” | Refers to the portion of the Collateral that secures the ABL Obligations on a first-priority/first-ranking basis and the Secured Notes on a junior basis, as further described under “Description of the Senior Secured Notes—Security” and “Description of Other Indebtedness.” |
| “ABL Facility” | Means the up to \$240 million senior secured asset-based multicurrency revolving credit facility (and the additional \$10 million senior secured asset-based revolving credit facility available to the French Borrowers), which is anticipated to be provided by a syndicate of financial institutions, with Citibank, N.A. (or an affiliate thereof) as administrative agent for the purpose of, among other things, paying costs, fees and expenses related to the Combination, financing ongoing working capital and general corporate purposes of the borrowers and the other subsidiaries of Trivium Packaging B.V. |
| “Agreed Security Principles” | Has the meaning ascribed to it in the Secured Indenture. See “Description of the Senior Secured Notes.” |
| “Ardagh Carve-out Business” | The metal food and specialty business of the Ardagh Group that will be transferred and sold to Trivium Packaging B.V. in the Combination constituting the equity, assets and liabilities of the Ardagh Group’s existing subsidiaries that are engaged in metal food and specialty businesses. |
| “Ardagh Group S.A.” or “Ardagh Group” | The public parent company of the Ardagh Carve-out Business, a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of Luxembourg, having its registered office at 56, rue Charles Martel, L-2134 Luxembourg, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 160804. |
| “Change of Control” | Has the meaning ascribed to it in the Indentures. See “Description of the Senior Secured Notes—Change of Control” and “Description of the Senior Notes—Change of Control.” |
| “Clearstream Banking” | Clearstream Banking, S.A. |
| “Collateral” | Refers to the assets that will secure the Secured Notes and the Secured Notes Guarantees as further described under “Description of the Senior Secured Notes—Security—The Collateral.” See “Risk Factors—Risks Related to the Secured Notes—You will not have a security interest in all of the Collateral on the Issue Date and you will not have the benefit of the guarantees from any of the Post-Completion Date Guarantors on the Issue Date.” |

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| “Combination” | The contribution, transfer or sale of the Ardagh Carve-out Business and Exal to Trivium in exchange for cash and equity interests in the Parent Guarantor. See “The Combination.” |
| “Completion Date” | The date on which the Combination is completed. |
| “DTC” | The Depository Trust Company. |
| “Element” | Element Holdings II L.P. a limited partnership controlled by the Ontario Teachers’ Pension Plan. |
| “Escrow Agreements” | The escrow agreements dated as of the Issue Date, among the Issuer, the Trustee, the Security Agent and the Escrow Agent with respect to the Escrow Accounts. |
| “Escrowed Property” | The initial funds deposited in the Escrow Accounts, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Accounts (less any property and/or funds paid in accordance with the Escrow Agreements). |
| “E.U.” | European Union. |
| “E.U. ETS” | European Union Emissions Trading Scheme. |
| “EURIBOR” | Euro Interbank Offered Rate. |
| “euro” or “€” | The euro, the lawful currency of the E.U. member states participating in the European Monetary Union. |
| “Euroclear” | Euroclear Bank SA/NV. |
| “Exal Business” or “Exal” | The Exal Group that will be transferred and sold to Trivium Packaging B.V. in the Combination. |
| “Fixed Asset Collateral” | Refers to the portion of the Collateral that secures the Secured Notes on a first-priority/first-ranking basis and the ABL Facility on a junior basis, as further described under “Description of the Senior Secured Notes—Security” and “Description of Other Indebtedness.” |
| “FSMA” | Financial Services Markets Act 2000. |
| “Guarantees” | The Secured Notes Guarantees and the Senior Notes Guarantees. |
| “Guarantors” | The Secured Notes Guarantors and the Senior Notes Guarantors. |
| “IFRS” | International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and related interpretations as issued by the IASB. |
| “Indentures” | The Secured Indenture and the Senior Indenture. |
| “Initial Purchasers” | Citigroup Global Markets Limited and BMO Capital Markets Corp. |

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| “Intercreditor Agreement” | The certain intercreditor agreement to be entered into by and among, amongst others, the Issuer, the Guarantors, the agent under the ABL Facility, the Trustees, to govern certain relationships and relative priorities amongst various creditors of Trivium. See “Description of Other Indebtedness—Intercreditor Agreement.” |
| “Issuer” | Trivium Packaging Finance B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of The Netherlands, the Issuer of the Notes offered hereby. |
| “Notes” | The Secured Notes and the Senior Notes. |
| “Post-Completion Date Guarantors” | Subject to the Agreed Security Principles, no later than 90 days following the Completion Date, certain subsidiaries of the Parent Guarantor (other than the Issuer) and, on the dates specified in the Indentures (but not before completion of the Combination), certain subsidiaries that will be part of Trivium. See “Description of the Senior Secured Notes—The Senior Secured Notes Guarantees” and “Description of the Senior Notes—The Senior Notes Guarantees.” |
| “pounds,” “sterling,” or “£” | Pounds sterling, the lawful currency of the United Kingdom. |
| “Principal Paying Agent” | Citibank, N.A., London Branch. |
| “QIB” | Qualified institutional buyer, as defined in Rule 144A. |
| “REACH” | Regulations passed by the E.U. concerning the Registration, Evaluation, Authorization and Restriction of Chemicals. |
| “Regulation S” | Regulation S under the U.S. Securities Act. |
| “Restricted Subsidiary” | See “Description of the Senior Secured Notes—Certain Definitions—Restricted Subsidiary” and “Description of the Senior Notes—Certain Definitions—Restricted Subsidiary.” |
| “Rule 144A” | Rule 144A under the U.S. Securities Act. |
| “SEC” | United States Securities and Exchange Commission. |
| “Secured Indenture” | The Indenture governing the Secured Notes offered hereby. |
| “Secured Notes” | The Senior Secured Fixed Rate Notes and the Senior Secured Euro Floating Rate Notes. |
| “Secured Notes Guarantees” | The Secured Notes Parent Guarantee and the Secured Notes Subsidiary Guarantees. |
| “Secured Notes Guarantors” | The Parent Guarantor and the Post-Completion Date Guarantors. |
| “Secured Notes Parent Guarantee” | The guarantee of the Secured Notes on a senior basis by the Parent Guarantor on the Issue Date. |

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| “Secured Notes Subsidiary Guarantees” | The guarantees of the Secured Notes on a senior basis by the Post-Completion Date Guarantors on the dates specified in the Secured Indenture. |
| “Security Documents” | The security documents under which the Security Interests are or will be, as applicable, created. |
| “Security Interests” | Refers to the security and other documents and agreements that provide for security interests in the Collateral for the benefit of the holders of the Secured Notes, as further described under “Description of the Senior Secured Notes—Security—The Collateral.” |
| “Senior Indenture” | The indenture governing the Senior Notes offered hereby. |
| “Senior Notes” | The \$600,000,000 aggregate principal amount of % Senior Notes due 2027 offered hereby. |
| “Senior Notes Guarantees” | The Senior Notes Parent Guarantee and the Senior Notes Subsidiary Guarantees. |
| “Senior Notes Guarantors” | The Parent Guarantor and the Post-Completion Date Guarantors. |
| “Senior Notes Parent Guarantee” . . . | The guarantee of the Senior Notes on a senior basis by the Parent Guarantor on the Issue Date. |
| “Senior Notes Subsidiary Guarantees” | The guarantees of the Senior Notes on a senior basis by the Post-Completion Date Guarantors on the dates specified in the Senior Indenture. |
| “Senior Secured Dollar Notes” | The \$900,000,000 aggregate principal amount of % Senior Secured Notes due 2026 offered hereby. |
| “Senior Secured Euro Fixed Rate Notes” | The € aggregate principal amount of % Senior Secured Notes due 2026 offered hereby. |
| “Senior Secured Euro Floating Rate Notes” | The € aggregate principal amount of Senior Secured Euro Floating Rate Notes due 2026 offered hereby. |
| “Senior Secured Fixed Rate Notes” . . | The Senior Secured Dollar Notes and the Senior Secured Euro Fixed Rate Notes. |
| “Shareholders Agreement” | The shareholders agreement to be entered into by and among Element, the Ardagh Group and the Parent Guarantor in respect of Element and the Ardagh Group’s shareholdings in the Parent Guarantor at the Completion Date, substantially in the form attached to the Transaction Agreement, together with all of its exhibits, schedules, annexes and other related documents. See “The Combination.” |
| “Transaction Agreement” | The transaction agreement dated July 14, 2019, by and among Element, the Ardagh Group and the Parent Guarantor, together with all of its exhibits, schedules, annexes and other related documents. See “The Combination.” |

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| “Transactions” | The Combination, the issuance of the Notes offered hereby and the use of proceeds therefrom. See “Use of Proceeds.” |
| “Trivium,” “we,” “us” or “Group” . . . | The joint venture following the Combination, which will consist of Exal and the Ardagh Carve-out Business to be transferred and sold to Trivium under the Transaction Agreement, Trivium Packaging B.V. and its consolidated subsidiaries. |
| “Trivium Packaging B.V.” or “the Parent Guarantor” | Trivium Packaging B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of The Netherlands. |
| “Trustee” | Citibank, N.A., London Branch, in its capacity as trustee for the Notes. |
| “U.S. dollars,” or “\$” | The lawful currency of the United States. |
| “U.S. GAAP” | Accounting principles generally accepted in the United States. |
| “U.S. GAAS” | Auditing standards generally accepted in the United States. |
| “U.S. Securities Act” | U.S. Securities Act of 1933, as amended. |
| “United Kingdom” or “U.K.” | The United Kingdom of Great Britain and Northern Ireland. |
| “United States” or “U.S.” | The United States of America. |

PRESENTATION OF FINANCIAL AND OTHER DATA

Issuer

Trivium Packaging Finance B.V., the issuer of the Notes, is a direct, wholly owned subsidiary of Trivium Packaging B.V., the Parent Guarantor. Trivium Packaging Finance B.V. was incorporated and registered in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019. Trivium Packaging Finance B.V. is a finance company. It is the issuer of the Notes offered hereby.

Trivium Packaging B.V.

Trivium Packaging B.V. was incorporated and registered in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019. Trivium Packaging B.V. will be the Parent Guarantor of the Notes. Neither the Issuer nor Trivium Packaging B.V. has any material assets or liabilities and has not engaged in any activities other than those related to their incorporation and registration and the Combination. Consequently, no historical financial information relating to either entity is presented in this Offering Memorandum.

Financial Information

This Offering Memorandum includes:

- the audited combined carve-out financial statements of the Ardagh Carve-out Business for the financial years ended December 31, 2018, 2017 and 2016 and as of December 31, 2018, 2017, 2016 and January 1, 2016 prepared in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS”) (the “Ardagh Carve-out Business Audited Annual Combined Carve-Out Financial Statements”);
- the unaudited combined carve-out interim financial statements of Ardagh Carve-out Business as of March 31, 2019, and for the three months ended March 31, 2019 and 2018, prepared in accordance with IFRS (the “Ardagh Carve-out Business Unaudited Interim Combined Carve-out Financial Statements” and, together with the Ardagh Carve-out Business Audited Annual Combined Carve-Out Financial Statements, the “Ardagh Carve-out Business Combined Carve-out Financial Statements”);
- the unaudited combined carve-out financial information for the twelve months ended March 31, 2019, for Ardagh Carve-out Business, which has been derived by performing the mathematical exercise of aggregating the relevant results for the year ended December 31, 2018, and the three months ended March 31, 2019, and subtracting the results for the three months ended March 31, 2018. These results are for illustrative purposes only and have not been subject to audit or review;
- the audited consolidated financial statements of Exal as of December 31, 2018 and 2017 and for the years then ended prepared in accordance with U.S. GAAP (the “2018 Exal Audited Annual Consolidated Financial Statements”) and the audited consolidated financial statements of Exal as of December 31, 2017 and 2016 and for the years then ended prepared in accordance with U.S. GAAP (the “2017 Exal Audited Annual Consolidated Financial Statements” and, together with the 2018 Exal Audited Annual Consolidated Financial Statements, the “Exal Audited Annual Consolidated Financial Statements”);
- the unaudited condensed consolidated interim financial statements of Exal and its subsidiaries as of March 31, 2019, and for the three months ended March 31, 2019, and 2018, prepared in accordance with U.S. GAAP (the “Exal Unaudited Interim Consolidated Financial Statements” and, together with the Exal Audited Annual Consolidated Financial Statements, the “Exal Consolidated Financial Statements”);

- the unaudited condensed consolidated financial information for the twelve months ended March 31, 2019, for Exal, which has been derived by performing the mathematical exercise of aggregating the relevant results for the year ended December 31, 2018, and the three months ended March 31, 2019, and subtracting the results for the three months ended March 31, 2018. These results are for illustrative purposes only and have not been subject to audit or review; and
- the unaudited pro forma combined financial information as of and for the twelve months ended March 31, 2019, for Trivium Packaging B.V. that gives effect to the Combination, the issuance of the Notes offered hereby and the use of proceeds therefrom (see “Use of Proceeds”) (the “Transactions”) as if they had occurred on April 1, 2018, and, for pro forma balance sheet information, on March 31, 2019 (the “Pro Forma Financial Information”).

The Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements and the Ardagh Carve-out Business Unaudited Interim Combined Carve-out Financial Statements included in this Offering Memorandum have been prepared in accordance with IFRS in effect as of December 31, 2018, and March 31, 2019, respectively, and the Exal Consolidated Financial Statements have been prepared in accordance with U.S. GAAP in effect as of December 31, 2018, in the case of the 2018 Exal Audited Annual Consolidated Financial Statements, December 31, 2017, in the case of the 2017 Exal Audited Annual Consolidated Financial Statements and March 31, 2019, in the case of the Exal Unaudited Interim Consolidated Financial Statements. In making an investment decision, you must rely upon your own examination of the Ardagh Carve-out Business, Exal, Trivium, the terms of the offering of the Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisers for an understanding of the differences between IFRS and U.S. GAAP and how those differences could affect the financial information contained in this Offering Memorandum.

The preparation of financial statements in conformity with IFRS and U.S. GAAP 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 financial statements.

The Ardagh Carve-out Business Combined Carve-out Financial Statements have been prepared based on a calendar year and are presented in U.S. dollars rounded to the nearest million. The Exal Consolidated Financial Statements have been prepared based on a calendar year and are presented in U.S. dollars rounded to the nearest thousand, while the financial information of Exal presented in this Offering Memorandum has been rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

Unless stated otherwise, debt balances are presented before deducting deferred financing costs.

Ardagh Carve-out Business Combined Carve-out Financial Statements

The Ardagh Carve-out Business Combined Carve-out Financial Statements included in this Offering Memorandum have been audited by PricewaterhouseCoopers, Ireland. The Ardagh Carve-out Business Combined Carve-out Financial Statements reflect the metal food and specialty business of Ardagh Group S.A. that have not in the past formed a separate accounting group. These businesses do not constitute a separate legal entity or group. The Ardagh Carve-out Business Combined Carve-out Financial Statements have been prepared by aggregating the financial information for the metal food and specialty business, comprising the entities constituting the Ardagh Carve-out Business together with the assets, liabilities, revenue and expenses that management has determined are specifically attributable to the Ardagh Carve-out Business.

For a complete description of the accounting principles followed in preparing the Ardagh Carve-out Business Combined Carve-out Financial Statements, please see Note 2 “Summary of Significant

Accounting Policies” to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements included elsewhere in this Offering Memorandum. This basis of preparation sets out the method used in identifying the financial position, performance and cash flows of the metal food and specialty business that has been included in Ardagh Carve-out Business Combined Carve-out Financial Statements. The notes explain that the businesses included in the Ardagh Carve-out Business Combined Carve-out Financial Statements have not operated as a separate stand-alone entity or group.

The Ardagh Carve-out Business adopted IFRS 16 effective January 1, 2019, and applied the modified retrospective approach which does not require restatement of prior periods. As detailed in Note 2 of the Ardagh Carve-out Business Unaudited Interim Combined Financial Statements “Summary of significant accounting policies,” the adoption of IFRS 16 impacts on the combined income statement and certain key financial metrics as a result of changes in the classification of charges recognized in the combined income statement. The application of the new standard decreases both cost of sales and operating costs (excluding depreciation) in the combined income statement, giving rise to an increase in underlying Adjusted EBITDA, but this will be largely offset by corresponding increases in depreciation and finance expenses.

Exal Consolidated Financial Statements

The Exal Audited Annual Consolidated Financial Statements included in this Offering Memorandum have been audited by Ernst & Young LLP. The Exal Consolidated Financial Statements reflect the financial position, results of operations and cash flows of Exal in conformity with U.S. GAAP. For a complete description of the accounting principles followed in preparing the Exal Consolidated Financial Statements, please see Note 1 “Description of Business and Basis of Presentation” and Note 2 “Critical and Significant Accounting Policies” to the Exal Audited Annual Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Pro Forma Financial Information

While it has not yet been determined, the information contained in the unaudited pro forma combined financial information included elsewhere in this Offering Memorandum has been presented on the basis that Trivium will record the businesses contributed to it on formation at fair value, including goodwill. This involves measuring the cost of the businesses contributed and allocating, at the Completion Date, the cost of the businesses contributed to the identifiable assets acquired and liabilities assumed at their respective fair values. Identifiable assets contributed and liabilities assumed will be measured initially at their fair values at the Completion Date. Trivium intends to measure the consideration transferred to each of the contributing parties, including Trivium equity transferred, at fair value.

The Combination has not been completed, and, as a result, we are not currently in a position to measure fair values and make the related adjustments to the recorded values of identifiable assets and liabilities of the Ardagh Carve-out Business and the Exal business, respectively. Following completion of the accounting for the Combination (including measurement of fair values), we will make any necessary adjustments to recorded values of the contributed assets and liabilities. We currently expect that the majority of the adjustments will result in adjustments to property, plant and equipment, the creation of intangible assets and goodwill and an increase in the fair value of inventory. The adjustments to intangible assets are likely to result in additional charges for amortization, which will have a negative effect on operating profit. Similarly, the adjustment to inventory will result in a corresponding increase in cost of sales which will be recognized and reduce operating profit during the period in which the acquired inventory is sold. The unaudited pro forma financial information included elsewhere in this Offering Memorandum does not reflect any fair value accounting adjustments for the Combination. The adjustments that will occur on completion of the final accounting for the Combination could have a material impact on the pro forma combined financial information.

The unaudited pro forma income statement information for the twelve months ended March 31, 2019, included elsewhere in this Offering Memorandum gives effect to the Transactions as if they had occurred on April 1, 2018. The summary unaudited pro forma balance sheet data as of March 31, 2019, gives effect to the Transactions as if they had occurred on that date. This unaudited pro forma financial information is based on available information and various assumptions that management believes to be reasonable, including the receipt of all consents and approvals required for completion of the Combination. Completion of the Combination as contemplated in this Offering Memorandum is subject to legally required staff consultation in certain jurisdictions. The actual results may differ significantly from those reflected in the unaudited pro forma financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. The unaudited pro forma financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations would have been had the Transactions occurred on the dates assumed, nor is it necessarily indicative of future consolidated results of operations or financial position.

The unaudited pro forma financial information reflects a number of adjustments made to the financial information of the Exal business. It is expected that Trivium will follow the presentation and accounting policies applied by Ardagh and so no adjustments are required to adjust the accounting policies and presentation of financial information followed by the Ardagh Carve-out Business for purposes of the unaudited pro forma financial information. The compilation of the unaudited pro forma financial information and the adjustments reflected therein are explained as follows:

- Adjustments have been made to convert the underlying U.S. GAAP financial information set forth in the Exal Consolidated Financial Statements to IFRS and in alignment with the expected IFRS accounting policies of Trivium. These adjustments are based on management's analysis of the major GAAP and accounting policy differences between Trivium and the Exal Consolidated Financial Statements. There can be no assurance that a full IFRS conversion of the financial information set forth in the Exal Consolidated Financial Statements to be performed on completion of the Combination would not result in different numbers, and such differences may be material.
- The underlying financial information of Exal has been adjusted to align the presentation of certain income statement items with the expected presentation of such financial information by Trivium.

The basis for the adjustments reflected in the unaudited pro forma financial information and the key assumptions made are explained in the notes to the information accompanying the tables.

The pro forma financial information presented within "Unaudited Pro Forma Combined Financial Information" has not been prepared in accordance with the requirements of Regulation S-X under the Exchange Act or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information has been audited or reviewed in accordance with International Standards on Auditing (Ireland) or U.S. GAAS. The unaudited pro forma combined financial and other data set forth elsewhere in this Offering Memorandum should be read in conjunction with the Ardagh Carve-out Business Combined Carve-out Financial Statements and the Exal Consolidated Financial Statements, including the notes thereto, included elsewhere in this Offering Memorandum.

Non-IFRS and Non-GAAP Financial Measures

We present in this Offering Memorandum EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Supplemental Adjusted EBITDA, Adjusted EBITDA margin, Pro Forma Adjusted EBITDA margin and Pro Forma Supplemental Adjusted EBITDA margin and related ratios, which are supplemental measures of our, the Ardagh Carve-out Business' or Exal's (as the context requires), performance and liquidity that are not required by, or presented in accordance with, IFRS and, in relation to the Exal Business, U.S. GAAP.

In relation to Trivium, we define “Pro Forma Adjusted EBITDA” as pro forma profit for the period before income tax expense/(credit), net finance expense, depreciation and amortization and exceptional operating items. We define “Pro Forma Supplemental Adjusted EBITDA” as Pro Forma Adjusted EBITDA further adjusted for: the impact of new accounting standards with respect to leases, and the impact of cost saving initiatives arising as a result of planned optimization, reorganization and operational improvement initiatives. We defined “Pro Forma Adjusted EBITDA Margin” and “Pro Forma Supplemental Adjusted EBITDA Margin” as Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA, respectively, divided by revenue.

In relation to the Ardagh Carve-out Business, we define “Adjusted EBITDA” as profit before tax, net finance expense, depreciation and amortization and exceptional operating items, and “Adjusted EBITDA margin” as Adjusted EBITDA divided by revenue.

In relation to the Exal Business, we define “Adjusted EBITDA” as net income, plus the following items: income taxes, net interest expense, depreciation and amortization expense, certain one-item or unusual items such as costs associated with the recovery from the Exal Packaging facility fire, impairment of property, plant and equipment, South American financial taxes, management change costs, restructuring expenses including severance and expenses associated with other special projects.

EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Supplemental Adjusted EBITDA, Pro Forma Adjusted EBITDA margin, Pro Forma Supplemental Adjusted EBITDA margin and Adjusted EBITDA margin and related ratios should not be considered in isolation and are not measures of our financial performance or liquidity under IFRS and U.S. GAAP and should not be considered as an alternative to profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS. These non-IFRS and non-GAAP financial measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations. In addition, such measures, as we define them, may not be comparable to other similarly titled measures used by other companies.

Industry and Market Data

Given the specialized nature of the metal packaging markets in which we operate, there does not exist a relevant and reliable third-party source of much of the relevant market information presented in this Offering Memorandum. Therefore, estimates provided regarding these markets as set forth in this Offering Memorandum, as well as estimated market shares of us or our competitors, are largely based on our knowledge of these markets, developed primarily from analysis of public information, third-party reports to the extent available, competitors’ public announcements and regulatory filings and information gathered in the course of acquisitions. The data relating to market sizes, market share and market position are based on the most recent data available. This information has not been confirmed by an independent organization, nor can there be assurance that third parties would arrive at the same results were they to employ different methods for gathering, analyzing and calculating such data. Breakdowns of market shares were established on the basis of our consolidated revenues and these data. Market positions and percentage shares are those that we believe it holds in terms of revenues. They are based on industry market sectors on which our group business is arranged.

Certain additional information regarding the global packaging industry, generally, and the metal can packaging sector, specifically, has been sourced from Smithers Pira, the Can Manufacturers Institute (“CMI”), Research and Markets and Zion Market Research (“Zion”).

Any third-party information described above and included in this Offering Memorandum has been accurately reproduced and, as far as we are aware, and are able to ascertain from the information published by such third parties, the reproduced information is accurate and no facts have been omitted which would render such information inaccurate or misleading. Market share data is subject to change, however, and such third-party information has been prepared for statistical and other informational purposes, which is limited by the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market share.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum (including the F-pages and Annexes hereto) includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of the securities laws of certain jurisdictions, including statements under the headings “Summary,” “Risk Factors,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of Exal” and “The Trivium Business,” are statements of future expectations and other forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” “suggests,” “targets,” “will” or “would” or similar expressions or the negatives thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, 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.

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. Forward-looking statements are not guarantees of future performance and our actual financial condition, results of operations and cash flows. The development of the industry 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.

These statements are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. Factors that could cause such differences in actual results include:

- economic conditions, consumer confidence and spending patterns;
- competitive pressures of the markets in which we operate;
- our ability to realize the growth opportunities, cost savings and synergies that are anticipated from the continuous improvement efforts that we undertake;
- varied seasonal demands for food packaging products;
- decline in the market price of metal packaging products;
- our ability to maintain relationships with our largest customers;
- risks related to continuing consolidation of our customer base;
- our ability to predict or fulfill consumer preferences or demand;
- sourcing of raw materials and other input costs across several jurisdictions;
- risks related to fluctuations in commodity prices, currency exchange and interest rates;

- risks related to pass-through of input costs;
- risks related to operating hazards at manufacturing facilities;
- our ability to fund ongoing capital expenditures;
- limited availability or increased cost of energy;
- compliance with law and regulations in multiple jurisdictions, including advertising, consumer protection, product requirements, planning, employment, environmental and other laws and regulations;
- changes in product requirements and their enforcement;
- legal complaints and litigation, including relating to personal injury, environmental litigation, litigation with contractual counterparties, intellectual property litigation, tax or securities litigation, and product liability;
- risks related to operating industrial sites close to urban areas;
- risks related to acquisitions;
- risks related to post-retirement and post-employment obligations to employees;
- organized strikes or work stoppages by unionized employees;
- failure of our product quality control systems;
- insufficient insurance coverage now or in the future;
- changes in agricultural subsidy rules;
- our key personnel and ability to retain our executive and senior management;
- risks related to the United Kingdom's notice of its intention to withdraw from the E.U.;
- risks related to conducting operations in many different countries;
- theft or misappropriation or inappropriate utilization of our employees' or business partners' data;
- failure or disruption of technologies and automated systems relied on by our businesses;
- failure to complete the Combination;
- inability to achieve all of the benefits we expect to achieve from the Combination;
- pro forma financial information included in this Offering Memorandum may not be indicative of what our results of operations, financial position and cash flows will be in the future;
- Trivium may have liabilities that we are unaware of;
- we may be unable to acquire consent from certain counterparties to agreements between such counterparties and the Ardagh Carve-out Business and Exal, respectively;
- impairment of our assets such as goodwill; and
- our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We undertake no obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Offering Memorandum or to reflect the occurrence of unanticipated events, other than as required by law.

The foregoing factors and others described under “Risk Factors” should not be construed as exhaustive. There are other factors that may cause our actual results to differ materially from the forward-looking statements contained in this Offering Memorandum. Moreover, new risks emerge from time to time and it is not possible for us to predict all such risks. We cannot assess the impact of all risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. We urge you to read the sections of this Offering Memorandum entitled “Risk Factors,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of Exal” and “The Trivium Business” for a more complete discussion of the factors that could affect our future performance and the industry in which we operate.

The forward-looking statements are based on plans, estimates and projections as they are currently available to our management, and we undertake no obligation, and do not expect, to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum.

SUMMARY

The following summary highlights selected information from this Offering Memorandum and does not contain all the information that you should consider before investing in the Notes. This Offering Memorandum contains specific terms of the Notes, as well as information about our business and detailed financial data. You should read this Offering Memorandum in its entirety, including the “Risk Factors” section, the Ardagh Carve-out Business Combined Carve-Out Financial Statements and the Exal Consolidated Financial Statements, including the notes to those statements. In addition, certain statements include forward-looking information that involves risks and uncertainties. See “Forward-Looking Statements.”

The preparation of statements included under the section “Our Company” is based upon, inter alia, certain assumptions concerning future events including consummation of the Combination and management actions and such events and action may not actually be realized, as they depend substantially on variables which management cannot control, and may involve situations that management cannot predict. As a result the projections, and objectives in the statements included under the section “Our Company” are by definition uncertain and may differ materially from and be more negative than those projected or implied in the projections and objectives. You should not place undue reliance on the projections and objectives, which speak only as of the date that they were made.

In respect of pro forma financial information in this Offering Memorandum, all references to “we,” “us” or “our” are to Trivium Packaging B.V. and its subsidiaries on a consolidated basis following the Completion Date. For more information on Trivium, see “—Our Company,” “The Trivium Business,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Results of Operations of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of Exal—Results of Operations of Exal” and the financial data of the Ardagh Carve-out Business and the Exal Business included elsewhere in this Offering Memorandum.

Trivium

Element, the Ardagh Group and the Parent Guarantor have entered into the Transaction Agreement pursuant to which Element and the Ardagh Group have agreed to form Trivium, a joint venture to own Exal and the Ardagh Carve-out Business. Completion of the transactions contemplated by the Transaction Agreement is subject to the satisfaction of customary closing conditions. On the Completion Date, the Parent Guarantor will issue to Element 57% of the equity ownership interests of the Parent Guarantor, issue to the Ardagh Group 43% of the equity ownership interests of the Parent Guarantor and pay to the Ardagh Group a cash payment of \$2.5 billion.

The proceeds of the offering described in this Offering Memorandum will, upon satisfaction of the conditions to release from escrow, be used, in part, to fund the cash portion of the consideration for the Combination. As of the date of this Offering Memorandum, neither the Parent Guarantor nor the Issuer have any material assets or liabilities nor have the Parent Guarantor or the Issuer engaged in any activities other than those related to their incorporation and registration and the Combination. Unless otherwise required by the context, this Offering Memorandum presents our business and operations and other information as if the Combination has occurred.

Our Company

We are a leading supplier of innovative, value-added, infinitely-recyclable metal packaging solutions. Our products principally comprise metal packaging in the form of cans and aerosol containers, serving a broad range of end use categories, including food, seafood, pet food and nutrition, as well as beauty and personal care and beverage offerings, such as wine, energy, ready-to-drink coffee and premium beer. We also supply the paints and coatings and general household care end use categories. Our customers include a wide variety of leading consumer packaged goods (“CPG”) companies which value our packaging solutions for their convenience and quality, as well as the end user appeal they offer through design,

innovation, functionality, premium association and brand enhancement. With our significant invested capital base, extensive technological capabilities and manufacturing know-how, we believe we are well-positioned to continue to meet the dynamic needs of our global customers. Substantially all our revenue is derived from end use categories where we believe we hold #1 or #2 positions within the respective geographies we serve, and we aim to build on these leadership positions in these large, stable and attractive markets in the future.

We serve over 1,300 customers across more than 70 countries, comprised of multi-national companies, large national and regional companies and small local businesses. In our target regions of Europe, North America and South America our customers include a wide variety of CPG companies, which own some of the best-known brands in the world. We have a stable customer base with long-standing relationships, including an average tenure of over 15 years with our ten largest customers. Approximately 60% of our sales are generated under multi-year contracts, with the remainder largely subject to annual arrangements. A significant portion of our revenues are generated under contracts which include input cost pass-through provisions, which help us reduce margin volatility due to changes in raw material costs.

In 2018, Trivium had 57 facilities, located in 21 countries and had approximately 7,800 employees. Our plants are well-located to serve our customers, with some located on-site or near-site to our customers' filling locations. Certain facilities may also be dedicated to end use categories, generating benefits of scale and production efficiencies. Significant capital has been invested in our well-invested and extensive network of long-lived production facilities, which, together with our skilled workforce and related manufacturing process know-how, supports our competitive positions.

Organic growth initiatives have also involved expansionary strategic investments in new capacity of over \$350 million in new facilities since 2013. Notable investments in this period have included: (i) two new can-making facilities in Roanoke, Virginia and Reno, Nevada, as well as a significant expansion of our Conklin, New York, ends plant; positioning us to meet substantially all the metal packaging requirements of a major U.S. CPG company pursuant to a long-term contract; (ii) the material enhancement of our South American aerosol production capabilities and capacity to serve growing demand in that region, including the completion of a new state-of-the-art aluminum slug production facility; and (iii) consistent investment in our European business in pursuit of growth opportunities in selected end use categories, including the infant formula/nutrition market, where demand growth is driven by emerging market consumption, and in single-serve pet food formats, where convenience and a trend to premium products is evident. These initiatives, as well as other acquisitions and investments over many years, in both existing and adjacent end use categories, have increased our scale and diversification and provided opportunities to grow our business with existing and new customers.

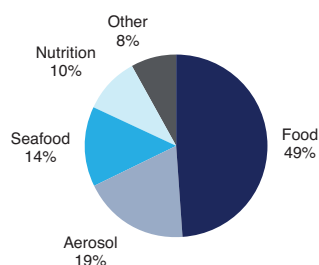
We are committed to maintaining the industry leading innovation history of both the Ardagh Carve-out Business and Exal. To this end, we focus on four main areas of research and development ("R&D"): (i) innovations that provide improved product design, differentiation and usability; (ii) innovations that reduce metal content to generate cost savings (down-gauging); (iii) developments to meet evolving food safety standards and regulations; and (iv) innovations that address consumers' preference for sustainable packaging by allowing our customers to migrate to metal as a packaging material. Our worldwide manufacturing footprint is supported by a dedicated R&D center in France, which has developed numerous award-winning innovations and solutions for our customers over many years.

On a pro forma basis, after giving effect to the Combination, revenue and Pro Forma Supplemental Adjusted EBITDA for Trivium for the twelve months ended March 31, 2019 would have been \$2,687 million and \$469 million, respectively. We also expect the combination to create Pro Forma Adjusted EBITDA net benefits of approximately \$40 million over the next few years through the pursuit of commercial and operational excellence initiatives across Trivium's business.

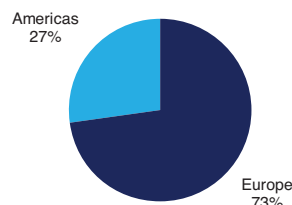
The following chart illustrates the breakdown of our revenue by end use category and by destination for the year ended December 31, 2018, after giving effect to the Combination:

Revenue by End Use Category

Based on Company estimates



Revenue by Destination



Our Segments

We manage our business in two reporting segments, Europe and Americas. The Europe segment, which includes the “rest of the world,” accounted for 73% of pro forma revenue in 2018. The following table illustrates the breakdown of our pro forma revenue and pro forma Adjusted EBITDA for the twelve months ended March 31, 2019. Adjusted EBITDA is the performance measure used to manage and assess performance of our reportable segments.

| Financial Information by Segment | | |
|--|---|---|
| Pro Forma Twelve Months Ended March 31, 2019 | | |
| | Europe | Americas |
| | <i>(in \$ millions)</i> | |
| Revenue | \$1,964 | \$723 |
| <i>% of Total</i> | <i>73%</i> | <i>27%</i> |
| IFRS 16 Adj. EBITDA | \$303 | \$146 |
| <i>% Margin</i> | <i>15.4%</i> | <i>20.2%</i> |
| Our Principal End Use Categories and Products | | |
| | Europe | Americas |
| Principal End Use Categories | <ul style="list-style-type: none"> - Food - Pet Food - Seafood - Nutrition - Beauty and Personal Care - Paints and Coatings | <ul style="list-style-type: none"> - Food (incl. Seafood) - Pet Food - Beauty and Personal Care - Beverage (Premium or Specialty) |
| Product Examples | | |

Our Competitive Strengths

- ***Leading market player in substantially all of our diversified businesses.*** We believe we are one of the leading solutions providers in each of our target end use categories, across the various geographies in which we operate. Specifically, these end use categories are food, seafood, nutrition, beauty and personal care and paints and coatings.

Our Position by Geography and End Use Category

| <u>Geography</u> | <u>Our Position</u> | <u>End Use Category / Product</u> |
|-------------------------|---------------------|--|
| Europe | #1 | <i>Nutrition, paints and coatings Aerosol containers, serving multiple end use categories, including beauty and personal care, food, household care and other uses</i> |
| | #2 | <i>Food, seafood</i> |
| North America | #2 | <i>Food (including seafood), beauty and personal care</i> |
| South America | #1 | <i>Beauty and personal care</i> |

- ***Focus on end use categories with resilient demand, positive long-term trends and select growth opportunities.*** Each of the broad end use categories served by us, comprising food, beverage and beauty and personal care, are relatively mature and characterized by stable-to-growing consumer-driven demand patterns. Within these categories, selective attractive growth opportunities arise from various factors, including consumption trends, a desire for greater convenience and premiumization, material shifts and a growing focus on sustainability by consumers and brand owners. In particular, we believe those select growth opportunities include growth in lighter-weight two-piece food cans in North America, increasing demand for single-serve products in end use categories such as pet food and seafood, the shift from tinplate steel to aluminum aerosol containers in North America, growth in aerosol markets in South America and growth in the nutrition end use category. Specifically, volume growth for two-piece food cans in North America has been 2% compound annual growth rate (“CAGR”) in the period from 2014 to 2018 according to CMI. Demand for pet food in North America is expected to grow by 3.4% from 2017 to 2022 according to Zion. Aluminum aerosol containers benefit from the rising conversion from tinplate steel to aluminum in the Americas with expected CAGR of 5% in North America and 6% in South America based on management’s review and application of industry sources from 2018 to 2021. Growth in nutrition of 5.7%, according to Research and Markets from 2019 to 2024, is supported by demand growth in emerging markets, especially China, reflecting rising income standards and changing demographic patterns.
- ***Long-term and contracted relationships with a diverse blue-chip customer base.*** We supply some of the world’s best-known brands with innovative packaging solutions. We have long-standing relationships, with an average tenure of over 15 years with our ten largest customers, including with leading multinational CPG companies, large national and regional food companies, as well as numerous local companies. Our top ten customers are all under multi-year contracts, and represent approximately 39% of our pro forma revenue, with our largest customer accounting for 11% of our pro forma revenue. Our overall customer base is highly diversified, with our top twenty customers representing 54% of our pro forma revenue. Some of our major customers include Akzo Nobel, Alicorp, Bayer, Beiersdorf, ConAgra Brands, COTY, Danone, Friesland Campina, Groupe d’Aucy, Grupo Queruclor, JM Smucker, Johnson & Johnson, L’Oréal, Mars, Reckitt Benckiser, Mondelez International, Nestlé, O Boticário, Thai Union, The Kraft Heinz Company and Unilever.

Approximately 60% of our revenues are derived from multi-year contracts, most of which include input cost pass-through provisions.

- ***Strategically-located and cost-efficient global manufacturing base.*** We have 57 facilities and approximately 7,800 employees located across 21 countries, primarily in Europe, North America and South America. We have 46 facilities in our Europe segment (including one plant in each of Morocco, South Korea and the Seychelles), 7 in North America and 4 in South America. Our presence in Europe provides us with a scalable and flexible manufacturing footprint and accounts for approximately 73% of our pro forma revenue. In the past years, the Ardagh Carve-out Business has migrated a majority of its component production in Europe to lower-cost labor regions in Europe, while maintaining can assembly close to its customers. In the Americas, which accounts for approximately 27% of our pro forma revenue (21% from North America and 6% from South America), our North American footprint serves customers nationally, while our presence in South America includes an integrated slug facility, which provides us with a cost-efficient supply of high quality slugs. We have a well-invested asset base, with over \$350 million invested in the past five years in new production facilities, supported by in-house research and development expertise. We expect to continue to pursue cost reduction and efficiency opportunities in the form of footprint optimization, component migration, manufacturing and operational excellence initiatives, including lean six-sigma implementation and complexity reduction programs.
- ***Strong track record of packaging innovation leadership.*** We have been consistently recognized as a leading industry innovator in the development and application of processes and products that enhance the end-user experience and enable our customers to promote and differentiate their brands. Our commitment, scale and dedicated R&D and engineering resources, have meant that, in conjunction with our customers, we consistently deliver solutions that offer greater consumer convenience and functionality, respond to developing market trends, including sustainability, and help our customers address regulatory changes ahead of time. Examples of our innovations include our leading role in metal down-gauging initiatives, our investments in draw and wall ironing (“DWI”) can production in Europe and North America, lightweight easy-open end solutions and coating solutions to meet new requirements related to bisphenol A (“BPA”) in Europe. Product innovation has included advanced shaping solutions in nutrition cans to offer greater brand differentiation, enhanced hygiene features and tamper-proof protection, as well as new offerings in single-serve packaging for a wide variety of applications. Our product offerings also address and promote the secular shift from steel to aluminum aerosols in the Americas and the potential growth of new premium beverage applications for aluminum bottles, including beer, wines and ready-to-drink coffees.
- ***Consistently strong financial profile.*** We have an attractive financial profile highlighted by consistently strong Adjusted EBITDA in each of our two businesses and robust free cash flow generation. Our attractive combined financial performance is underpinned by our recurring sales into stable end use categories that have select attractive growth opportunities, our demonstrated ability to pass through changes in raw material prices to our customers and our consistent track record of delivering cost savings and moderate maintenance capital expenditure requirements anticipated to be approximately \$40 million annually. These factors culminate in an attractive and consistent free cash flow profile, which we expect will enable us to reduce leverage through debt repayment and Adjusted EBITDA growth over time. Further, each of the Ardagh Carve-out Business and Exal have a demonstrable track record of Adjusted EBITDA growth with a CAGR of 3.3% and 10.1%, respectively from 2016 to 2018.
- ***Proven leadership team focused on value creation supported by long-term focused shareholders.*** We have an experienced and talented leadership team, led by our Chief Executive Officer, Michael Mapes. Michael Mapes and members of our management team have extensive experience and a strong track record of value creation in the consumer packaging industry, including the successful

repositioning and expansion of Exal through the implementation of our proven business system approach. Members of our management team have also delivered consistently strong performance in the Ardagh Carve-out Business' consumer packaging business. We further benefit from the continuity provided by our shareholders, who have demonstrated a long-term investment horizon and record of value delivery. The shareholders of the Parent Guarantor, Ontario Teachers' Pension Plan, the largest single-profession pension plan in Canada, with approximately C\$191 billion in net assets as of December 31, 2018, and the Ardagh Group, a leading global packaging solutions provider with annual revenues of over \$9 billion in 2018, will own approximately 57% and 43% of our equity, respectively. Ardagh Chairman and CEO, Paul Coulson, will be the chairman of the supervisory board of directors of the Parent Guarantor.

Our Business Strategy

We plan to implement our proven business system approach to drive value creation, achieve our principal objective of growth in Adjusted EBITDA and cash generation and continue to drive a culture of commercial excellence. We pursue these objectives through the following strategies:

- ***Grow Adjusted EBITDA and cash flow.*** We seek to leverage our extensive footprint, proximity to our customers, commercial excellence, efficient manufacturing and high level of customer service to grow our revenue through the provision of innovative and sustainable packaging solutions to new and existing customers. We will continue to take decisive actions with respect to our assets and invest in our business in order to increase Adjusted EBITDA, in line with our stringent investment criteria. To grow cash generation, we continue to actively manage our working capital and capital expenditures. We will aim to execute on identified growth and costs savings projects, deliver commercial excellence targets and continually improve through ongoing operational benchmarking and sharing of best practices.
- ***Provide sustainable packaging solutions.*** We will continue to work with our customers to provide innovative and sustainable packaging solutions to meet their own ambitious environmental and sustainability objectives and commitments. Metal is the most recycled packaging material globally and can be infinitely recycled without any degradation in quality. We expect to leverage these attributes of metal packaging to develop new applications, including those arising from conversion from other packaging formats. Our dedicated R&D capabilities mean that we are well-positioned to capitalize on such pack-mix shifts, given our sole focus on sustainable packaging solutions.
- ***Enhance product mix and profitability.*** Backed by our scale and record of innovation, we intend to grow our business with existing and new customers. Working in partnership with our customers, we intend to build on our existing leadership positions in our businesses. We also intend to pursue selective growth opportunities across our product portfolio by offering packaging solutions that address needs or desires for sustainability, brand differentiation, customer convenience/usability and regulatory change. Coupled with our continued focus on streamlining our cost base and optimizing our efficiency, we are targeting an enhanced product mix and increased profitability over time.
- ***Apply operational excellence and technical expertise.*** In managing our businesses, we seek to improve our safety and efficiency, as well as controlling our costs to preserve and expand our margins. We have consistently optimized our cost base through streamlining our manufacturing footprint and investing in advanced technology to enhance our production capacity. We intend to continue increasing our productivity through the deployment of leading technology across our manufacturing footprint, including our innovation and design capabilities and development and sharing of best practices and know-how across our operations.

Reasons for the Combination

We believe that the combination of the complementary Ardagh Carve-out Business and Exal to form a leading metal packaging provider offers attractive opportunities for future growth, as we continue to serve our customers' desire for high-quality, innovative and sustainable solutions in support of their brands. Our ability to service customers across a broader range of geographies represents a significant potential benefit. We are well positioned to pursue attractive secular growth opportunities with our well-invested asset base, where we have spent in excess of \$350 million on new production facilities since 2013.

We believe in the highly complementary fit of our businesses, with no geographic overlap in end use categories served. Our Company has an attractive and diversified material mix, encompassing approximately 70% tinplate steel and 30% aluminum product offerings, to deliver differentiated and premiumized solutions to meet customer needs. Moreover, the Combination will provide for diversification in terms of product, end market, customers and geography. Further, we continuously support product and process innovations, as well as sustainability initiatives, with our dedicated research and development center.

Although we operate in relatively mature industries, we have identified attractive growth opportunities in the regions and end use categories which we serve. Overall, we believe metal packaging is positioned to benefit from the accelerating focus on sustainability. Attractive growth opportunities include the potential for further penetration of lighter-weight two-piece food cans in North America, increasing demand for single-serve products in end use categories such as pet food and seafood, the shift from tinplate steel to aluminum aerosol containers in North America, growth in aerosol markets in South America and growth in the nutrition end use category.

We believe we have an attractive financial profile characterized by stability and underpinned by resilient product demand, longstanding relationships with customers with whom we generally have long-term contracts with pass-through provisions. Our well-invested asset base enjoys a low-cost profile and, in conjunction with our relatively low level of maintenance capital expenditures, lead to a high level of cash conversion in our business.

We also see significant scope to enhance performance through the sharing of best practices across all aspects of our combined business. We believe that the business system approach applied by Exal in recent years, which yielded an improvement of over 1,000 basis points in Adjusted EBITDA for the period 2015 (17.8% Adjusted EBITDA margin) to 2018 (27.9% Adjusted EBITDA margin), can deliver significant benefits to our enlarged business over the medium term. This will involve the implementation of commercial and operational optimization initiatives across our business, including continuous benchmarking of process and performance, business mix enhancement, accelerating growth and innovation opportunities, complexity reduction, a focus on value over volume and targeted investments, including in automation to drive efficiency, quality and cost performance. We have identified commercial and operational excellence opportunities which are expected over the next few years to generate approximately \$40 million of Pro Forma Adjusted EBITDA net benefits. We expect to realize these benefits after targeted investments in our selling, general and administrative cost base.

Industry Overview

The global packaging industry is a large, consumer-driven industry with stable growth characteristics. We operate in the metal container sectors and our target regions are Europe, North America and South America. Metal containers are attractive to brand owners, as their strength and rigidity allows them to be filled at high speeds and easily transported, while their shelf-stable nature means that refrigeration is not required, thereby resulting in further energy savings in the supply chain. The ability to customize and differentiate products supplied in metal containers, through innovative design, shaping and printing, also appeals to our customers. The metal container market has been marked by progressive down-gauging, which has generated material savings in input costs and logistics, while enhancing the consumer

experience. This reduction in raw material and energy usage in the manufacturing process has also increased the appeal to end-users, who are increasingly focused on sustainability.

Metal can packaging is approximately a \$55 billion global revenue industry that is comprised of beverage cans (45% of the market), food (including seafood) cans (30%) and other cans (25%), according to Smithers Pira, a leading independent market research firm.

Despite competition from other formats and materials, metal cans remain a key food packaging format, owing to their attractive value proposition. The use of metal cans as a food packaging format is expected to have modest but stable growth of 0.6% per annum, for the next few years, principally driven by macroeconomic growth, as forecasted by Smithers Pira. Global sales of aerosol cans continue to increase, driven by rising demand for beauty and personal care and household products. Growing levels of disposable income and a focus on convenience, together with a shift in material mix from tinplate steel to aluminum are among the factors which will drive future aerosols demand, according to Smithers Pira. Other cans is a diverse market segment encompassing a wide variety of metal packaging containers serving end user applications, such as nutrition, beer kegs for at-home use and paints and coatings. This market segment benefits from multiple drivers of demand, including convenience and sustainability. Collectively, North America, Latin America and Europe constitute 79% of the global food end use category by revenue and 52% of the “other” end use category by revenue, according to Smithers Pira.

We believe the purchasing decisions of retail consumers are significantly influenced by packaging. Consumer product manufacturers and marketers increasingly use packaging to position their products in the market and differentiate them on retailers’ shelves. The development and production of premium, specialized packaging products with a combination of value-added features requires a high level of design capability, manufacturing and process know-how and quality control to consistently produce lightweight products, with strong barrier and anti-rust properties. Additional industry trends such as SKU proliferation and demand for convenience products, such as reclosable bottles, which are a cost-competitive alternative to tinplate based products for smaller pack sizes, also provide opportunities for selective growth in new and emerging end use categories.

Metal packaging offers performance and convenience for CPG companies compared to alternatives. It acts as a superior barrier to oxygen and light and is resilient, as it can be unbreakable, tamper-proof and fire and temperature resistant. Moreover, it is convenient, and can be lighter or more robust, with portable characteristics and easy open and recloseable solutions. When used in the food market, metal has the advantage of retaining nutritional value, without the requirement for preservatives. From a supply chain perspective, metal packaging allows for efficient transportation and storage and is suited to processing on installed high-speed filling lines and retort processes.

From a sustainability perspective, metal is the most recycled material globally and can be infinitely recycled without any degradation in quality. Metal packaging is officially endorsed as a preferred material by the E.U. and, with a growing awareness among end consumers of sustainability issues, has added appeal to brand owners in helping to meet their own ambitious sustainability goals and commitments.

The metal packaging industry benefits from the stability of its end use categories, with selective opportunities for attractive growth. Metal packaging represents a proven value proposition for CPG companies and it is a stable technology with minimal substitution risk.

The Combination

On July 14, 2019, Element, the Ardagh Group and the Parent Guarantor entered into the Transaction Agreement pursuant to which Element and the Ardagh Group would form a joint venture (“Trivium”), to own Exal and the Ardagh Carve-out Business through their joint ownership of Trivium. As a result of the transactions contemplated in the Transaction Agreement and the related agreements described herein, subject to a customary purchase price adjustment mechanism to reflect changes in net debt, net working

capital and cash in Exal and the Ardagh Carve-out Business, the Parent Guarantor will issue to Element 57% of the newly-issued equity ownership interests in the Parent Guarantor, while the Parent Guarantor will issue and pay to the Ardagh Group 43% of the equity ownership interests in the Parent Guarantor and a cash payment of \$2.5 billion, based on an Adjusted EBITDA multiple valuation method for their respective transferred entities. See “The Combination.”

The supervisory board of the Parent Guarantor will consist of up to five directors appointed or nominated by Element and up to four designated or nominated by the Ardagh Group. The Parent Guarantor will be headquartered in The Netherlands. The Ardagh Group or one or more of its subsidiaries, on the one hand, and the Parent Guarantor and certain affiliates of the Parent Guarantor, on the other hand, will each provide transition services to the other pursuant to the Mutual Services Agreement (the “MSA”) to be entered into by and between the Ardagh Group and Trivium at the closing of the Combination. See “The Combination—Shareholders Agreement” and “Major Shareholders And Related Party Transactions—Related Party Transactions—Mutual Services Agreement.”

The Ardagh Group’s Use of Proceeds

The Ardagh Group informs us that its currently intended use of the \$2,500 million of cash received by it on the Completion Date as a result of the Transactions is:

- (1) Repay outstanding drawings under the Ardagh Group’s current asset-backed loan facility (and permanently reduce commitments) by \$150 million;
- (2) Consider, based on the circumstances around the time of the Completion Date, closing derivative positions of approximately \$5 to \$10 million in out-of-the money swaps;
- (3) Exercise the optional redemption provisions, at the applicable redemption premium, of the Ardagh Group’s existing 4.625% Senior Secured Notes due 2023 and 4.125% Senior Secured Notes due 2023, for total consideration of approximately \$1.55 billion;
- (4) Undertake an Excess Proceeds Offer (as defined in the relevant indentures), of the 4.250% Senior Secured Notes due 2022 and 2.750% Senior Secured Notes due 2024, at par on a pro rata basis; and
- (5) To the extent of remaining Net Cash Proceeds (as defined in the relevant indentures) exercise the optional redemption provisions, at the applicable redemption premium, of the Ardagh Group’s existing 6.750% Senior Notes due 2024.

The Issuer and the Parent Guarantor

Trivium Packaging Finance B.V., the issuer of the Notes, is a direct, wholly owned subsidiary of Trivium Packaging B.V., the Parent Guarantor. Trivium Packaging Finance B.V. was incorporated and registered in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019. Trivium Packaging Finance B.V. is a finance company. It is the issuer of the Notes offered hereby.

Trivium Packaging B.V. was incorporated and registered in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019. Trivium Packaging B.V. will be the Parent Guarantor of the Notes offered hereby.

Current Trading

The preliminary financial data presented in this section has been prepared by, and is the responsibility of, Ardagh Carve-out Business' and Exal's management. Neither PricewaterhouseCoopers nor Ernst & Young LLP has audited, reviewed, compiled or performed any procedures with respect to the preliminary financial data in this section. Accordingly, neither PricewaterhouseCoopers nor Ernst & Young LLP expresses an opinion or any other form of assurance with respect thereto.

The following comments are based on unaudited internal management estimates and are subject to confirmation or change. There are a number of factors that could cause actual results to differ materially from those expressed or implied. Any statements regarding past trends or activities should not be taken as a representation that such activities or trends will continue in the future.

Second Quarter 2019

Ardagh Carve-out Business

We expect the Ardagh Carve-out Business' performance in the second quarter of 2019 to be as follows:

- Revenue of \$557 million to show a decrease of \$37 million on the second quarter of 2018 (which was \$594 million). Excluding currency translation effects of \$34 million, revenue decreased by \$3 million, principally due to the closure of a facility in North America in late-2018, offset by the pass through of higher input costs.
- Adjusted EBITDA of \$85 million to show a decrease of \$2 million on the second quarter of 2018 (which was \$87 million). Excluding adverse currency translation effects of \$5 million, Adjusted EBITDA increased by \$3 million compared to the second quarter of 2018, as favorable IFRS 16 effects were partly offset by lower volumes due to the closure of a facility in North America in late-2018.

Exal

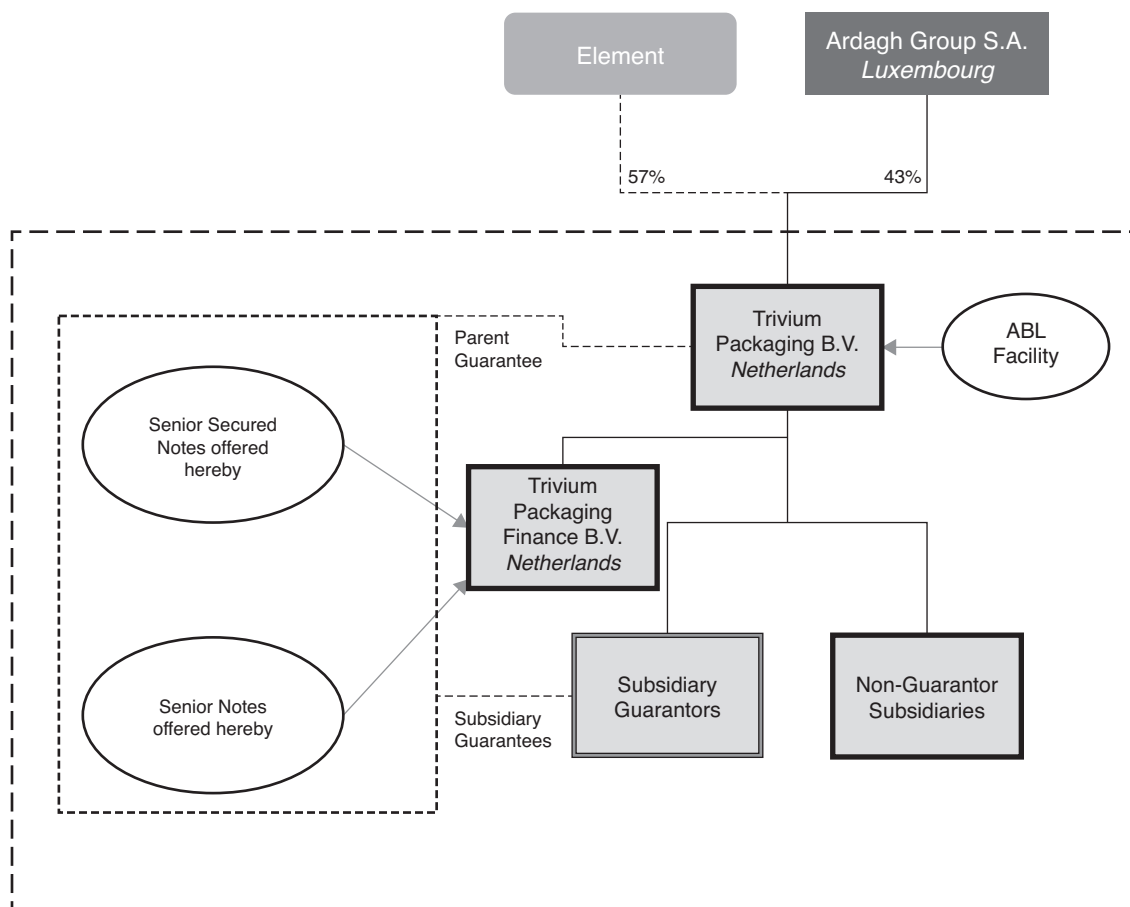
We expect Exal's performance in the second quarter of 2019 to be as follows:

- Revenue of approximately \$75 million, which is consistent with that of the second quarter of 2018 (which was \$75 million).
- Adjusted EBITDA of approximately \$21 million, which is greater than that of the second quarter of 2018 (which was \$20 million), due primarily to stronger demand from key customers in South America.

The statements included under the section “—Recent Developments” and “—Trading” include, inter alia, projections in respect of our financial results. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we do not provide any assurance with respect to such statements. The preparation of statements included under the section “—Our Company” is based upon, inter alia, certain assumptions concerning future events and management actions and such events and actions may not actually be realized, as they depend substantially on variables which management cannot control and may involve situations that management cannot predict. As a result, the projections and objectives in the statements included under the section “—Our Company” are by definition uncertain and may differ materially from and be more negative than those projected or implied in the projections and objectives. You should not place undue reliance on the projections and objectives, which speak only as of the date that they were made. We do not undertake any obligation to update such forward-looking statements after the date hereof to reflect later events or circumstances or to reflect the occurrence of unanticipated events. See “Forward-Looking Statements” and “Risk Factors.”

CORPORATE AND FINANCING STRUCTURE

The following diagram gives an overview of the corporate and financing structure of the Group and its subsidiaries following the Transactions. See “Use of Proceeds.” For a summary of the material financing arrangements identified in this diagram, see “Description of Other Indebtedness,” “Description of the Senior Secured Notes” and “Description of the Senior Notes.”



The Secured Notes and the Senior Notes will each be guaranteed on a senior basis by the Parent Guarantor and the Post-Completion Date Guarantors. The Post-Completion Date Guarantors would have accounted for 61% of the aggregate pro forma total assets and 61% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions.

As of March 31, 2019, on a pro forma basis, after giving effect to the Transactions, Trivium Packaging B.V. would have had, on a consolidated basis, total debt of \$2,853 million and total retirement benefit obligations of \$312 million. See “Unaudited Pro Forma Combined Financial Information.”

The Post-Completion Date Guarantors whose shares are pledged as part of the Fixed Asset Collateral and their direct and indirect subsidiaries would have accounted for 76% of the aggregate pro forma total assets and 77% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions.

THE OFFERING

The following summary contains basic information about the Secured Notes and the Senior Notes. It may not contain all the information that is important to you. For a more complete understanding of the Notes, please refer to the sections of this Offering Memorandum entitled “Description of the Senior Secured Notes” and “Description of the Senior Notes” and particularly to those subsections to which we have referred you. Terms used in this summary and not otherwise defined have the meanings given to them in “Description of the Senior Secured Notes” and “Description of the Senior Notes,” as applicable.

Terms of the Secured Notes

| | | | |
|---|---|---|-------------------------|
| Senior Secured Euro Fixed Rate Notes Offered | € | aggregate principal amount of | % Senior Secured Notes. |
| Senior Secured Dollar Notes Offered . | \$900,000,000 | aggregate principal amount of | % Senior Secured Notes. |
| Senior Secured Euro Floating Rate Notes Offered | € | aggregate principal amount of Floating Rate Senior Secured Notes. | |
| Senior Secured Euro Fixed Rate Notes Maturity | August 15, 2026. | | |
| Senior Secured Dollar Notes Maturity | August 15, 2026. | | |
| Senior Secured Euro Floating Rate Notes Maturity | August 15, 2026. | | |
| Interest: | | | |
| Senior Secured Euro Fixed Rate Notes | % per annum for the Senior Secured Euro Fixed Rate Notes, payable on December 15, 2019 and thereafter semiannually in arrears on each February 15 and August 15. Interest on the Senior Secured Euro Fixed Rate Notes will accrue from the Issue Date. | | |
| Senior Secured Dollar Notes | % per annum for the Senior Secured Dollar Notes, payable on December 15, 2019 and thereafter semiannually in arrears on each February 15 and August 15. Interest on the Senior Secured Dollar Notes will accrue from the Issue Date. | | |
| Senior Secured Euro Floating Rate Notes | Three-month EURIBOR plus % per year, reset on the Determination Date (as defined under “Description of the Senior Secured Notes”), payable quarterly in arrears on each on August 15, November 15, February 15 and May 15, beginning on November 15, 2019. Interest on the Senior Secured Euro Floating Rate Notes will accrue from the Issue Date. | | |

Collateral On the Issue Date, the Secured Notes of the Issuer will be secured on a first-priority basis by Security Interests over the Escrowed Property deposited in the applicable Escrow Accounts (the “Escrow Collateral”) and Security Interests over the shares of the Issuer (the “Issue Date Collateral”). The Escrowed Property that is deposited in the Escrow Accounts will not be charged to secure any obligations other than Trivium Packaging B.V.’s obligations under the Notes and the Indentures. Upon the definitive release of the Escrowed Property, the first-priority Security Interests over the Escrowed Property will be released.

Subject to the Agreed Security Principles, within 90 days of the Completion Date, the Secured Notes will be secured, subject to the Intercreditor Agreement and certain perfection requirements, by Security Interests and pledges granted on:

- (i) an equal and ratable first-ranking/first-priority basis over the following property, rights and assets:
 - (a) all assets (other than real property and the ABL Collateral) of Post-Completion Date Guarantors incorporated in each of England & Wales and the United States; and
 - (b) certain shares of Post-Completion Date Guarantors incorporated in each of Canada (British Colombia), Denmark, England & Wales, France, Hungary, Germany, The Netherlands, Poland, Spain and the United States.
 (collectively, the “Fixed Asset Collateral”); and
- (ii) a junior basis over all of the assets that secure the ABL Obligations (as defined below) on a first-ranking/first-priority basis, including in any event but subject to limited exceptions, including that the assets of the French Borrowers (as defined in the ABL Facility) who are not Post-Completion Date Guarantors will not secure the Secured Notes:
 - (a) all accounts (including accounts receivable), inventory, payment intangibles, and instruments;
 - (b) all general intangibles, documents, chattel paper, letter of credit rights, supporting obligations, and commercial tort claims evidencing, governing, securing, providing credit support for, arising from or substituted for any of the foregoing;
 - (c) all deposit accounts, securities accounts, and commodity accounts;
 - (d) certain related assets; and
 - (e) all proceeds (including, without limitation, insurance proceeds) of any of the foregoing, of the Post-Completion Date Guarantors in each of England & Wales, France, Germany, the Netherlands and the United States.

(collectively, the “ABL Collateral” and, together with the Fixed Asset Collateral and the Issue Date Collateral, the “Collateral”));

Denomination The Senior Secured Euro Fixed Rate Notes and the Senior Secured Euro Floating Rate Notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Senior Secured Dollar Notes will be issued in denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

Ranking of the Secured Notes and

Secured Notes Guarantees The Secured Notes will:

- be general senior obligations of the Issuer;
- 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 Secured Notes (including the ABL 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 Secured Notes;
- be effectively senior to the Issuer’s obligations under the ABL Facility, to the extent of the value of the Fixed Asset Collateral; and
- be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property or assets that do not secure the Senior Secured Notes or that secure the Senior Secured Notes on a junior basis, to the extent of the value of the property and assets securing such obligation or indebtedness (including the ABL Facility, to the extent of the value of the ABL Collateral).

On the dates specified in the Secured Indenture, the Secured Notes Guarantee to be provided by each Secured Notes Guarantor will:

- be the general senior secured obligation of that Secured Notes Guarantor;
- rank pari passu in right of payment with any existing and future indebtedness of that Secured Notes Guarantor that is not subordinated in right of payment to such Secured Notes Guarantee (including obligations under the ABL Facility and certain hedging obligations);
- rank senior in right of payment to all existing and future indebtedness of that Secured Notes Guarantor that is subordinated in right of payment to its Secured Notes Guarantee of the Secured Notes (including the Senior Notes);
- be effectively senior to the that Secured Notes Guarantor’s obligations under the ABL Facility, to the extent of the value of the Fixed Asset Collateral;

- be effectively subordinated to any existing or future indebtedness or obligation of that Secured Notes Guarantor and its subsidiaries that is secured by property or assets that do not secure the Secured Notes or the Secured Notes Guarantees, to the extent of the value of the property and assets securing such indebtedness or securing the Secured Notes on a junior basis (including the ABL Facility, to the extent of the value of the ABL Collateral);
- be effectively subordinated to that Secured Notes Guarantor's obligations under any indebtedness, including certain hedging arrangements which are granted a super senior lien on the Collateral, to the extent of the value of the Fixed Asset Collateral; and
- be structurally subordinated to any existing or future indebtedness of any of such Secured Notes Guarantor's subsidiaries that do not guarantee the Secured Notes, including their obligations to trade creditors.

See "Description of the Senior Secured Notes—General."

Guarantor Financial Information At March 31, 2019, on a pro forma basis after giving effect to the Transactions on a consolidated basis, the Parent Guarantor would have had total debt (before deducting deferred financing costs) secured by the Collateral, including the Secured Notes, of \$2,246 million.

In addition, on a pro forma basis, at December 31, 2018, our non-guarantor Restricted Subsidiaries would have had (i) \$2 million of debt outstanding and (ii) aggregated trade payables and deferred taxes of \$216 million.

Optional Redemption:

Senior Secured Fixed Rate Notes At any time prior to _____, 2022, the Issuer may redeem all or a portion of the Senior Secured Fixed Rate Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption, plus the Applicable Premium, as defined under "Description of the Senior Secured Notes—Certain Definitions."

At any time on or after _____, 2022, the Issuer may also redeem all or a portion of the Senior Secured Fixed Rate Notes at the redemption prices listed under "Description of the Senior Secured Notes—Optional Redemption—Senior Secured Fixed Rate Notes."

At any time prior to _____, 2022, the Issuer may redeem up to 40% of the aggregate principal amount of the Senior Secured Fixed Rate Notes with the net cash proceeds of certain equity offerings at the redemption price listed under "Description of the Senior Secured Notes—Optional Redemption."

At any time prior to _____, 2022, the Issuer may, at its option, during each calendar year redeem up to 10% of the original principal amount of the Senior Secured Fixed Rate Notes (including the original principal amount of any Additional Senior Secured Notes), upon giving notice as described under “Description of the Senior Secured Notes—Selection and Notice,” at a redemption price equal to 103.000% of the principal amount of the Senior Secured Fixed Rate Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date.

For a more detailed description, see “Description of the Senior Secured Notes—Optional Redemption.”

Senior Secured Euro Floating Rate

Notes At any time prior to _____, 2020, the Issuer may redeem all or a portion of the Senior Secured Euro Floating Rate Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption, plus the Applicable Premium, as defined under “Description of the Senior Secured Notes—Certain Definitions.”

At any time on or after _____, 2020, the Issuer may also redeem all or a portion of the Senior Secured Euro Floating Rate Notes at the redemption prices listed under “Description of the Senior Secured Notes—Optional Redemption—Senior Secured Euro Floating Rate Notes.”

For a more detailed description, see “Description of the Senior Secured Notes—Optional Redemption.”

Security Agent Citibank, N.A., London Branch

Terms of the Senior Notes

Senior Notes Offered \$600,000,000 aggregate principal amount of _____ % Senior Notes.

Senior Notes Maturity August 15, 2027.

Interest:

Senior Notes % per annum for the Senior Notes, payable on December 15, 2019 and thereafter semiannually in arrears on each February 15 and August 15. Interest on the Senior Notes will accrue from the Issue Date.

Senior Notes Guarantees On the Issue Date, the Senior Notes will be guaranteed on a senior basis by the Parent Guarantor. Subject to the Agreed Security Principles, on the dates specified in the Senior Indenture, the Parent Guarantor shall be required to ensure that the Senior Notes are guaranteed on a senior basis by the Post-Completion Date Guarantors.

The Secured Notes and the Senior Notes will each be guaranteed on a senior basis by the Parent Guarantor and the Post-Completion Date Guarantors. The Post-Completion Date Guarantors would have accounted for 61% of the aggregate pro forma total assets and 61% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions.

The Senior Notes will be, subject to any applicable limitations under applicable law, fully and unconditionally guaranteed, jointly and severally, by the Guarantors.

Denomination The Senior Notes will be issued in denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

Ranking of the Senior Notes and

Senior Notes Guarantees The Senior Notes will:

- be general senior obligations of the Issuer;
- 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 Senior Notes (including the ABL Facility);
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is subordinated in right of payment to the Senior Notes; and
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer (including obligations under the ABL Facility, the Secured Notes and certain hedging obligations), to the extent of the value of the assets securing such obligations or indebtedness.

On the dates specified in the Senior Indenture, the Senior Notes Guarantee to be provided by each Senior Notes Guarantor will:

- be the general senior obligation of that Senior Notes Guarantor;
- rank pari passu in right of payment with all existing and future indebtedness of that Senior Notes Guarantor that is not subordinated in right of payment to its Senior Notes Guarantee, including the ABL Facility, the Secured Notes and certain hedging obligations;
- rank senior in right of payment to any existing and future indebtedness of such Senior Notes Guarantor that is expressly subordinated in right of payment to that Senior Notes Guarantee of such Senior Notes Guarantor;

- be effectively subordinated to any existing or future indebtedness of that Senior Notes Guarantor and its subsidiaries that is secured by property or assets that do not secure the Senior Notes or the Senior Notes Guarantees (including obligations under the ABL Facility, the Secured Notes and certain hedging obligations), to the extent of the value of the property and assets securing such indebtedness; and
- be structurally subordinated to any existing or future indebtedness of the subsidiaries of that Senior Notes Guarantor that do not guarantee the Senior Notes, including their obligations to trade creditors.

See “Description of the Senior Notes—General.”

Guarantor Financial Information At March 31, 2019, on a pro forma basis after giving effect to the Transactions, the Post-Completion Date Guarantors would have had, on a consolidated basis:

- (a) total debt of \$2,853 million;
- (b) total secured debt of \$2,246 million; and
- (c) \$600 million of debt that would rank equally with the Guarantees.

In addition, on a pro forma basis, at December 31, 2018, our non-guarantor Restricted Subsidiaries would have had (i) \$2 million of debt outstanding and (ii) aggregated trade payables and deferred taxes of \$216 million.

Optional Redemption At any time prior to , 2022, the Issuer may redeem all or a portion of the Senior Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption, plus the Applicable Premium, as defined under “Description of the Senior Notes—Certain Definitions.”

At any time on or after , 2022, the Issuer may also redeem all or a portion of the Senior Notes at the redemption prices listed under “Description of the Senior Notes—Optional Redemption.”

At any time prior to , 2022, the Issuer may redeem up to 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds of certain equity offerings at the redemption price listed under “Description of the Senior Notes—Optional Redemption.”

For a more detailed description, see “Description of the Senior Notes—Optional Redemption.”

**Terms Common to the Secured Notes
and the Senior Notes**

Issuer Trivium Packaging Finance B.V.

| | |
|---------------------------------|---|
| Restrictive Covenants | <p>The Indentures will contain covenants that restrict the ability of the Parent Guarantor and its Restricted Subsidiaries to:</p> <ul style="list-style-type: none"> • incur more debt; • pay dividends, repurchase stock and make distributions of certain other payments; • create liens; • enter into transactions with affiliates; and • transfer or sell assets. <p>For a more detailed description of these covenants, see “Description of the Senior Secured Notes—Certain Covenants” and “Description of the Senior Notes—Certain Covenants.” These covenants are subject to a number of important qualifications and exceptions.</p> |
| Tender Offers | <p>In connection with any tender offer for the Notes (including any Change of Control Offer or Asset Disposition Offer (each as defined in the relevant “Description of the Notes”)), if holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such 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 in such tender offer.</p> |
| Change of Control | <p>In the event of a Change of Control, the Issuer will be obligated to make an offer to purchase all outstanding Notes at a redemption price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. See “Description of the Senior Secured Notes—Change of Control” and “Description of the Senior Notes—Change of Control.”</p> |
| Transfer Restrictions | <p>We have not registered the Notes or the related Guarantees under the U.S. Securities Act. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. See “Notice to Investors.”</p> |
| Use of Proceeds | <p>We will use the proceeds from the issuance of the Notes to provide cash consideration to the Ardagh Group, refinance certain indebtedness of Exal, for general corporate purposes and to pay fees and expenses related to the Combination. See “Use of Proceeds.”</p> |

Escrow of Proceeds; Special

Mandatory Redemption Pending the consummation of the Combination, the Initial Purchasers will deposit the gross proceeds from the offering of the Notes into one or more Escrow Accounts in the name of the Issuer but controlled by the Escrow Agent, and pledged on a first-ranking basis in favor of, the Trustee on behalf of the holders of the Notes. The release of the funds from the Escrow Accounts to the Issuer on the Completion Date will be subject to the satisfaction of certain conditions, including the closing of the Combination. The consummation of the Combination is subject to certain regulatory approvals and the satisfaction of certain other customary closing conditions.

If the Combination has not been completed on or prior to the Escrow Longstop Date, the Issuer will effect a Special Mandatory Redemption at 100% of the issue price of the Notes plus accrued and unpaid interest thereon through to but not including the redemption date. See “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.”

Trustee and Security Agent Citibank, N.A., London Branch.

Principal Paying Agent and Transfer Agent Citibank, N.A., London Branch.

Registrar Citigroup Global Markets Europe AG.

Escrow Agent Citibank, N.A., London Branch.

Euronext Dublin Listing Agent Davy.

Listing Application has been made for listing particulars to be approved by Euronext Dublin and for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market.

Governing Law The Indentures and the Notes will be governed by the laws of the State of New York. In the case of the Secured Notes, the Security Documents will be governed by the laws of the jurisdictions in which the Collateral that is the subject of such Security Documents is, or is deemed to be, located.

Risk Factors Investing in the Notes involves risks. You should consider all the information in this Offering Memorandum carefully and, in particular, you should evaluate the specific risk factors set out under “Risk Factors” before making a decision on whether to invest in the Notes.

SUMMARY COMBINED FINANCIAL AND OTHER DATA OF THE ARDAGH CARVE-OUT BUSINESS

The following table sets forth summary financial data and other data for the Ardagh Carve-out Business for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Transactions. The summary financial data and other data should be read in conjunction with “Selected Combined Financial and Other Data of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Results of Operations of Ardagh Carve-out Business” and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results.

We have derived the summary financial data as of and for the financial years ended December 31, 2018, 2017 and 2016 from the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements, which are included elsewhere in this Offering Memorandum. The Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements reflect the metal food and specialty business of Ardagh Group S.A. that have not in the past formed a separate accounting group. These businesses do not constitute a separate legal entity or group. The Ardagh Carve-out Business Combined Carve-out Financial Statements have been prepared by aggregating the financial information for the metal food and specialty business, comprising the entities constituting the Ardagh Carve-out Business together with the assets, liabilities, revenue and expenses that management has determined are specifically attributable to the Ardagh Carve-out Business.

For a complete description of the accounting principles followed in preparing the Ardagh Carve-out Business Combined Carve-out Financial Statements, please see Note 2 “Summary of Significant Accounting Policies” to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements included elsewhere in this Offering Memorandum. This basis of preparation sets out the method used in identifying the financial position, performance and cash flows of the metal food and specialty businesses included in the Ardagh Carve-out Business Combined Carve-out Financial Statements. The notes explain that the businesses included in the Ardagh Carve-out Business Combined Carve-out Financial Statements have not operated as a separate stand-alone entity or group.

The Ardagh Carve-out Business adopted IFRS 16 effective January 1, 2019, and applied the modified retrospective approach which does not require restatement of prior periods. As detailed in Note 2 of the Ardagh Carve-out Business Unaudited Interim Combined Financial Statements “Summary of significant accounting policies,” the adoption of IFRS 16 impacts on the combined income statement and certain key financial metrics as a result of changes in the classification of charges recognized in the combined income statement. The application of the new standard decreased both cost of sales and operating costs (excluding depreciation) in the combined income statement, giving rise to an increase in underlying Adjusted EBITDA, but this is largely offset by corresponding increases in depreciation and finance expenses.

For a detailed discussion of the presentation of financial data, see “Presentation of Financial and Other Data.”

| | Audited Combined | | | Unaudited Combined | | |
|--|--------------------------------------|------------|------------|--|------------|--|
| | Year ended and as of December 31, | | | Three months ended and as of March 31, | | Twelve months ended and as of March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions, except percentages) | | | | | |
| Income Statement Data | | | | | | |
| Revenue | 2,421 | 2,206 | 2,150 | 581 | 598 | 2,404 |
| Cost of sales | (2,031) | (1,801) | (1,778) | (483) | (488) | (2,026) |
| Gross profit | 390 | 405 | 372 | 98 | 110 | 378 |
| Sales, general and administration expenses | (114) | (115) | (112) | (35) | (37) | (112) |
| Intangible amortization | (28) | (27) | (27) | (7) | (7) | (28) |
| Exceptional operating items ⁽¹⁾ | (18) | (26) | (27) | (2) | (7) | (13) |
| Operating profit | 230 | 237 | 206 | 54 | 59 | 225 |
| Net finance expense | (42) | (35) | (41) | (12) | (11) | (43) |
| Profit before tax | 188 | 202 | 165 | 42 | 48 | 182 |
| Income tax charge | (39) | (51) | (27) | (11) | (12) | (38) |
| Profit for the period | 149 | 151 | 138 | 31 | 36 | 144 |
| Balance Sheet Data | | | | | | |
| Cash and cash equivalents ⁽²⁾ | 34 | 35 | 41 | 32 | 40 | 32 |
| Working capital ⁽³⁾ | 86 | 163 | 154 | 173 | 248 | 173 |
| Total assets | 2,378 | 2,526 | 2,294 | 2,528 | 2,659 | 2,528 |
| Total borrowings ⁽⁴⁾ | 567 | 504 | 452 | 650 | 636 | 650 |
| Total invested capital | (759) | (933) | (870) | (806) | (883) | (806) |
| Other Data | | | | | | |
| Adjusted EBITDA ⁽⁵⁾ | 363 | 367 | 340 | 87 | 95 | 355 |
| Adjusted EBITDA margin (%) | 15.0% | 16.6% | 15.8% | 15.0% | 15.9% | 14.8% |
| Depreciation and amortization ⁽⁶⁾ | 115 | 104 | 107 | 31 | 29 | 117 |
| Capital expenditure ⁽⁷⁾ | 108 | 92 | 65 | 40 | 28 | 120 |

(1) The income statement data presented above is on a reported basis and includes certain exceptional items which, by their incidence or nature, management considers should be adjusted for to enable a better understanding of the financial performance of the Ardagh Carve-out Business. A summary of these exceptional items included in the income statement data is as follows:

| | Audited Combined | | | Unaudited Combined | | |
|--|----------------------------|-----------|-----------|---------------------------------------|----------|--|
| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Exceptional cost of sales (excluding impairment) | 10 | 6 | 15 | 2 | 2 | 10 |
| Exceptional sales, general and administration expenses | 2 | 4 | 4 | — | — | 2 |
| Exceptional impairment | 6 | 16 | 8 | — | 5 | 1 |
| Exceptional operating items | 18 | 26 | 27 | 2 | 7 | 13 |

For further details on the exceptional operating items for the years ended December 31, 2018, 2017 and 2016, see Note 4 to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements for each of the years ended December 31, 2018, 2017 and 2016. For further details on the exceptional items for the three months ended March 31, 2019 and 2018, see Note 4 to the Ardagh Carve-out Business Unaudited Interim Combined Carve-out Financial Statements as of and for the three months ended March 31, 2019.

- (2) Cash and cash equivalents include restricted cash as per the note disclosures to the financial information.
- (3) Working capital is comprised of inventories, trade and other receivables, contract assets, trade and other payables and current provisions.

| | Audited Combined | | | Unaudited Combined | | |
|-----------------------------|--------------------|------------|------------|--------------------|------------|-----------------|
| | As of December 31, | | | As of March 31, | | As of March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Inventories | 383 | 351 | 305 | 429 | 401 | 429 |
| Trade and other receivables | 273 | 365 | 318 | 310 | 427 | 310 |
| Contract asset | 16 | 27 | 24 | 27 | 30 | 27 |
| Trade and other payables | (569) | (560) | (463) | (576) | (589) | (576) |
| Current provisions | (17) | (20) | (30) | (17) | (21) | (17) |
| Working capital | 86 | 163 | 154 | 173 | 248 | 173 |

- (4) Total borrowings are defined as related party borrowings (which includes accrued interest payable to Ardagh), representing certain components of the Ardagh Group's corporate debt, finance lease obligations (the three months ended March 31, 2019, include lease liabilities recognized as a result of the adoption of IFRS 16 as of January 1, 2019) and other borrowings.
- (5) Adjusted EBITDA consists of profit before tax, net finance expense, depreciation and amortization and exceptional operating items. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA and Adjusted EBITDA margin in a manner different from ours. Adjusted EBITDA and Adjusted EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of profit before tax to Adjusted EBITDA is as follows:

| | Audited Combined | | | Unaudited Combined | | |
|-------------------------------|-------------------------|------------|------------|------------------------------|-------------------------------|------------|
| | Year ended December 31, | | | Three months ended March 31, | Twelve months ended March 31, | |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Profit before tax | 188 | 202 | 165 | 42 | 48 | 182 |
| Net finance expense | 42 | 35 | 41 | 12 | 11 | 43 |
| Depreciation and amortization | 115 | 104 | 107 | 31 | 29 | 117 |
| Exceptional operating items | 18 | 26 | 27 | 2 | 7 | 13 |
| Adjusted EBITDA | 363 | 367 | 340 | 87 | 95 | 355 |

IFRS 16 Adjusted EBITDA is Adjusted EBITDA further adjusted for the impact of IFRS 16 as if it had been adopted on April 1, 2018. IFRS 16 Adjusted EBITDA has been presented in order to reflect the impact of this new accounting standard for the nine months ended December 31, 2018.

The reconciliation of Adjusted EBITDA to IFRS 16 Adjusted EBITDA is as follows:

| | Unaudited Combined Twelve months ended March 31, 2019 |
|--|--|
| | (in \$ millions) |
| Adjusted EBITDA | 355 |
| Leasing Adjustments ^(a) | <u>14</u> |
| IFRS 16 Adjusted EBITDA | <u>369</u> |

(a) Leasing adjustments consists of the estimated additional depreciation and finance expense that would have been incurred for the period from April 1, 2018, to December 31, 2018, assuming that IFRS 16 “Leases” had been adopted on April 1, 2018.

- (6) Depreciation, amortization and impairment of property, plant and equipment.
- (7) Capital expenditure is the sum of purchase of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA OF EXAL

The following table sets forth summary consolidated financial data and other data of Exal for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Transactions. The summary financial data and other data should be read in conjunction with “Selected Consolidated Financial and Other Data of Exal,” “Operating and Financial Review and Prospects of Exal—Results of Operations of Exal” and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results.

We have derived the summary financial data as of December 31, 2018, 2017 and 2016 and for the three financial years ended December 31, 2018, 2017 and 2016 from the Exal Audited Annual Consolidated Financial Statements, which are included elsewhere in this Offering Memorandum. For a complete description of the accounting principles followed in preparing the Exal Consolidated Financial Statements, please see Note 1 “Organization and Basis of Presentation” and Note 2 “Summary of Significant Accounting Policies” to the Exal Audited Annual Consolidated Financial Statements included elsewhere in this Offering Memorandum.

For a detailed discussion of the presentation of financial data, see “Presentation of Financial and Other Data.”

| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
|---|----------------------------|-----------|-----------|------------------------------------|-----------|--|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Revenues | 288 | 272 | 274 | 71 | 76 | 283 |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 186 | 175 | 185 | 46 | 50 | 182 |
| Selling, general and administrative cost | 26 | 26 | 24 | 7 | 6 | 27 |
| Depreciation and amortization ⁽⁶⁾ | 27 | 25 | 24 | 7 | 7 | 27 |
| Transition and integration expenses | 3 | 2 | 4 | — | — | 3 |
| Loss on write-down or disposal of fixed assets | 6 | 2 | 5 | — | — | 6 |
| Other expenses ⁽¹⁾ | 25 | 16 | 6 | 4 | 3 | 26 |
| Insurance claim income, net ⁽²⁾ | (10) | — | — | — | (2) | (8) |
| Operating income | 25 | 26 | 26 | 7 | 12 | 20 |
| Interest expense | 12 | 11 | 10 | 3 | 3 | 12 |
| Interest expense-related parties | — | 1 | 5 | — | — | — |
| Income before taxes | 13 | 14 | 11 | 4 | 9 | 8 |
| Benefit from/(provision for) income taxes | 1 | — | (8) | (1) | (2) | 2 |
| Net income | 14 | 14 | 3 | 3 | 7 | 10 |

| | Year ended and as of December 31, | | | Three months ended and as of March 31, | | Twelve months ended and as of March 31, |
|---|--------------------------------------|------|------|---|------|--|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Balance Sheet Data | | | | | | |
| Cash and cash equivalents | 4 | 3 | 7 | 3 | 8 | 3 |
| Total assets | 393 | 388 | 380 | 388 | 391 | 388 |
| Total borrowings ⁽³⁾ | 172 | 173 | 133 | 168 | 170 | 168 |
| Other Data | | | | | | |
| Adjusted EBITDA ⁽⁴⁾ | 80 | 71 | 66 | 20 | 20 | 80 |
| Capital expenditures ⁽⁵⁾ | 38 | 33 | 13 | 3 | 9 | 32 |

- (1) For a summary of the components of other expenses, see Note 15 to the 2018 Exal Audited Annual Consolidated Financial Statements, Note 16 to the 2017 Exal Audited Annual Consolidated Financial Statements and Note 7 to the Exal Unaudited Interim Consolidated Financial Statements.
- (2) For a summary of the components of Insurance claim income, net, see Note 16 to the 2018 Exal Audited Annual Consolidated Financial Statements, Note 17 to the 2017 Exal Audited Annual Consolidated Financial Statements and Note 8 to the Exal Unaudited Interim Consolidated Financial Statements.
- (3) Total borrowings consists of borrowings outstanding on Exal's revolving credit facility, term loan and related party borrowings, and excludes unamortized deferred financing fees and lease obligations.
- (4) Adjusted EBITDA consists of net income, plus the following items: income taxes, net interest expense, depreciation and amortization, certain one-time or unusual items such as costs associated with the recovery from the Exal Packaging facility fire, impairment of property, plant, and equipment, South American financial taxes, management change costs, restructuring expenses including severance and expenses associated other special projects. Adjusted EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA in a manner different from ours. Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with U.S. GAAP.
- (5) Capital expenditures is the sum of purchase of property, plant and equipment and software and other intangibles.

The reconciliation of net income to Adjusted EBITDA is as follows:

| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
|--|----------------------------|-----------|-----------|------------------------------------|-----------|--|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Net income | 14 | 14 | 3 | 3 | 7 | 10 |
| Income taxes | (1) | 1 | 8 | 1 | 2 | (2) |
| Interest expense, net | 12 | 12 | 15 | 3 | 3 | 12 |
| Depreciation and amortization expense ⁽⁶⁾ | 28 | 26 | 25 | 7 | 6 | 29 |
| Foreign currency losses | 19 | 5 | 1 | 4 | 2 | 21 |
| Net insurance proceeds | (8) | — | — | — | (2) | (6) |
| Property, plant and equipment impairment | 6 | 2 | 5 | — | — | 6 |
| M&A and one-time restructuring expenses | 7 | 2 | 4 | 1 | 1 | 7 |
| Other | 3 | 9 | 5 | 1 | 1 | 3 |
| Adjusted EBITDA | 80 | 71 | 66 | 20 | 20 | 80 |

- (6) Depreciation and amortization expense includes amortization of artwork and printing plates included in cost of goods sold under U.S. GAAP.

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL AND OTHER DATA

The following summary unaudited pro forma combined financial data gives effect to the Transactions in addition to further adjustments described in the notes hereto. The summary unaudited pro forma income statement data for the twelve months ended March 31, 2019, gives effect to the Transactions and the further adjustments described hereto, as if they had occurred on April 1, 2018. The summary unaudited pro forma balance sheet data as of March 31, 2019, gives effect to the Transactions and the further adjustments described hereto, as if they had occurred on that date. See the section entitled “Unaudited Pro Forma Combined Financial Information” for the basis for the adjustments reflected in the underlying pro forma condensed combined financial information and the key assumptions for those adjustments as explained in the notes thereto. The pro forma adjustments are based on the information available at the time of the preparation of this Offering Memorandum. The further adjustments also reflected in the accompanying summary unaudited pro forma combined financial and other data are described in the notes hereto.

The summary pro forma financial information set forth below has not been prepared in accordance with the requirements of Regulation S-X under the Exchange Act or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information has been audited or reviewed in accordance with International Standards on Auditing (Ireland) or U.S. GAAS. The summary unaudited pro forma combined financial and other data set forth below should be read in conjunction with the historical consolidated financial statements and notes thereto of the Ardagh Carve-out Business Combined Carve-out Financial Statements, the Exal Consolidated Financial Statements, and the “Unaudited Pro Forma Combined Financial Information” included elsewhere in this Offering Memorandum, together with “Operating and Financial Review and Prospects of the Ardagh Carve-out Business” and “Operating and Financial Review and Prospects of Exal.”

| | For the twelve months ended March 31, 2019 (in \$ millions) |
|--|--|
| Income Statement Data | |
| Revenue | 2,687 |
| Cost of sales | <u>(2,232)</u> |
| Gross profit | 455 |
| Sales, general and administration expenses | (135) |
| Intangible amortization | (31) |
| Exceptional items | <u>(42)</u> |
| Operating profit | 247 |
| Net finance expense | <u>(169)</u> |
| Profit before tax | <u>78</u> |

| | As of March 31, 2019 (in \$ millions) |
|---|---|
| Balance Sheet Data | |
| Cash and cash equivalents | 48 |
| Working capital | 185 |
| Total assets | 4,843 |
| Total borrowings | 2,819 |
| Total equity | 913 |
| Other Data | |
| Pro Forma Adjusted EBITDA ⁽¹⁾ | 435 |
| Pro Forma Supplemental Adjusted EBITDA ⁽²⁾ | 469 |
| Net borrowings | 2,771 |
| Ratio of Net borrowings to Pro Forma Supplemental Adjusted EBITDA | 5.9x |

- (1) Pro Forma Adjusted EBITDA is defined by us as pro forma profit for the period before income tax expense/(credit), net finance expense, depreciation and amortization and exceptional operating items. Pro Forma Supplemental Adjusted EBITDA is defined by us as Pro Forma Adjusted EBITDA further adjusted for: 1) the impact of new accounting standards with respect to leasing and 2) the impact of cost saving initiatives arising as a result of planned optimization, reorganization and operational improvement initiatives. We present Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA because they are measures management uses to assess financial performance. We believe that Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA provide investors with alternative methods for assessing our operating results in a manner that enables them to more thoroughly evaluate our performance. These non-GAAP measures also provide a baseline for assessing our future results. These non-GAAP measures are provided to give investors access to the types of measures that we use in analyzing our results. While providing useful information, measures of Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA should not be considered in isolation or as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS. Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA may have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. In addition, “Pro Forma Adjusted EBITDA” or “Pro Forma Supplemental Adjusted EBITDA” presented by other companies may not be comparable to our presentation, since each company may define these terms differently.
- (2) Pro Forma Adjusted EBITDA and Pro Forma Supplemental Adjusted EBITDA are reconciled to pro forma profit before tax in the table below:

| | Twelve months ended March 31, 2019 (in \$ millions) |
|--|--|
| Profit before tax | 78 |
| Net finance expense | 169 |
| Depreciation and amortization | 146 |
| Exceptional operating items | 42 |
| Pro Forma Adjusted EBITDA | 435 |
| Leasing Adjustment ^(a) | 14 |
| Leasing Adjustment ^(b) | 1 |
| Ardagh Carve-out Business cost saving initiatives ^(c) | 19 |
| Pro Forma Supplemental Adjusted EBITDA | 469 |

- (a) Leasing adjustment consists of the additional estimated depreciation and finance expense that would have been incurred for the period from April 1, 2018, to December 31, 2018, assuming that IFRS 16 “Leases” had been adopted on April 1, 2018.
- (b) Adjustment for additional 2019 EBITDA impact of new leasing standard where the additional lease liability is included in net borrowings as of March 31, 2019.
- (c) Ardagh Carve-out Business future cost saving initiatives represent anticipated future run-rate EBITDA benefits arising as a result of planned optimization, reorganization and operational improvement initiatives anticipated to be realized by the end of 2023, which are not directly related to the Combination.

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this Offering Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could materially adversely affect our business, financial condition or results of operations. If these events occur, the trading prices of the Notes could decline, and we may not be able to pay all or part of the interest or principal on the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Offering Memorandum. See “Forward-Looking Statements.”

Risks Relating to Our Business

Our customers sell to consumers of food, seafood, pet food and nutrition, as well as beauty and personal care and premium beverages. If economic conditions affect consumer demand, our customers may be affected, thus reducing the demand for our products.

Demand for our packaging depends on demand for the products which use our packaging, which is primarily consumer driven. General economic conditions may adversely impact consumer confidence, resulting in reduced spending on our customers’ products and, thereby, reduced or postponed demand for our products.

Adverse economic conditions may also lead to more limited availability of credit, which may have a negative impact on the financial condition, particularly on the purchasing ability, of some of our customers and distributors and may also result in requests for extended payment terms, and result in credit losses, insolvencies and diminished sales channels available to us. Our suppliers may have difficulties obtaining necessary credit, which could jeopardize their ability to provide timely deliveries of raw materials and other essentials to us. Adverse economic conditions may also lead to suppliers requesting credit support or otherwise reducing credit, which may have a negative effect on our cash flows and working capital.

Volatility in exchange rates may also increase the costs of our products that we may not be able to pass on to our customers; impair the purchasing power of our customers in different markets; result in significant competitive benefit to certain of our competitors who incur a material part of their costs in other currencies than we do; hamper our pricing; and increase our hedging costs and limit our ability to hedge our exchange rate exposure.

Changes in global economic conditions may reduce our ability to forecast developments in our industry and plan our operations and costs, resulting in operational inefficiencies. Negative developments in our business, results of operations and financial condition due to changes in global economic conditions or other factors could cause ratings agencies to lower the credit ratings, or ratings outlook, of our short- and long-term debt and, consequently, impair our ability to raise new financing or refinance our current borrowings and increase our costs of issuing any new debt instruments.

Furthermore, the economic outlook could be adversely affected by the risk that one or more eurozone countries could leave the European Monetary Union, or the euro as the single currency of the eurozone could cease to exist. Any of these developments, or the perception that any of these developments are likely to occur, could have a material adverse effect on the economic development of the affected countries and could lead to severe economic recession or depression, and a general anticipation that such risks will materialize in the future could jeopardize the stability of financial markets or the overall financial and monetary system. This, in turn, would have a material adverse effect on our business, financial position, liquidity and results of operations.

We face intense competition from other metal packaging producers, as well as from manufacturers of alternative forms of packaging.

The metal packaging sectors in which we operate are mature, experiencing limited growth in demand in recent years and competitive. Competition in the market for customized, differentiated packaging is based on price and, increasingly, on innovation, design, quality and service. The most competitive aspect of the metal packaging market is the sale of undifferentiated, standardized food cans. Prices for these products are primarily driven by raw material costs and seasonal capacity. Our principal competitors include Crown Holdings, Silgan Holdings, Ball Metalpack, Ball Corporation, CCL Container, TUBEX Group and Moravia Cans. To the extent that any one or more of our competitors become more successful with respect to any key competitive factor, our ability to attract and retain customers could be materially and adversely affected, which could have a material adverse effect on our business.

We are subject to substantial competition from producers of packaging made from plastic, carton and composites, particularly from producers of plastic packaging and flexible packaging. Changes in consumer preferences in terms of food processing (e.g., fresh or frozen food content and dry versus wet pet food) or in terms of packaging materials, style and product presentation can significantly influence sales. An increase in our costs of production or a decrease in the costs of, or a further increase in consumer demand for, alternative packaging could have a material adverse effect on our business, financial condition and results of operations.

We may not realize the growth opportunities, cost savings and synergies that are anticipated from the continuous improvement efforts that we undertake.

We may not realize all of the cost savings and synergies we expect to achieve from our current operational improvement initiatives due to a variety of risks, including, but not limited to, our ability to reduce headcount, eliminate duplicative overhead and functions, difficulties in rationalizing manufacturing capacity and integrating shared services within our business, higher than expected employee severance or retention costs, higher than expected overhead expenses and expenses related to facilities closures, delays in the anticipated timing of activities related to our cost savings plans and other unexpected costs associated with operating our business. If we are unable to achieve the cost savings or commercial synergies that we expect to achieve from our operational improvement initiatives, or if the implementation of these initiatives adversely affect our operations or cost more or take longer to effectuate than we expect, it could adversely affect our business, financial condition and results of operations.

Our profitability could be affected by varied seasonal demands.

Demand for some of our products is seasonal. The Ardagh Carve-out Business' sales are typically greater in the second and third quarters of the year, with generally lower sales in the first and fourth quarters. Exal typically has its lowest sales in the third quarter. Weather conditions can reduce crop yields and adversely affect customer demand for fruit and vegetable cans. Demand for our seafood packaging is also affected by variations in local fish catches. The variable nature of the food and seafood packaging businesses and our vulnerability to natural conditions could have a material adverse effect on our business, financial condition and results of operations.

An increase in metal packaging and aerosol container manufacturing capacity without a corresponding increase in demand for metal packaging could cause prices to decline, which could have a material adverse effect on our business, financial condition and results of operations.

The profitability of metal packaging companies is heavily influenced by the supply of, and demand for, metal packaging.

We cannot assure you that metal packaging and aerosol container manufacturing capacity in any of our markets will not increase further in the future, nor can we assure you that demand for metal packaging

will meet or exceed supply. If metal packaging and aerosol container manufacturing capacity increases and there is no corresponding increase in demand, the prices we receive for our products could materially decline, which could have a material adverse effect on our business, financial condition and results of operations.

Because our customers are concentrated, our business could be adversely affected if we were unable to maintain relationships with our largest customers.

For the year ended December 31, 2018, Ardagh Carve-out Business' ten largest customers accounted for approximately 39% of its revenues. For the year ended December 31, 2018, Exal's ten largest customers accounted for approximately 78% of its consolidated revenues. For the year ended December 31, 2018, Trivium's ten largest customers would have accounted for approximately 39% of its consolidated revenues.

We believe our relationships with these customers are good, but there can be no assurance that we will be able to maintain these relationships. For Trivium, approximately 60% of revenues for the year ended December 31, 2018, were under multiyear supply agreements of varying terms, with the remaining revenues generally under one-year agreements. Although these arrangements have provided, and we expect they will continue to provide, the basis for long-term partnerships with our customers, there can be no assurance that our customers will not cease purchasing our products. If our customers unexpectedly reduce the amount of metal cans they purchase from us, or cease purchasing metal cans altogether, our revenues could decrease and our inventory levels could increase, both of which could have an adverse effect on our business, financial condition and results of operations. In addition, while we believe that the arrangements that we have with our customers will be renewed, there can be no assurance that such arrangements will be renewed upon their expiration or that the terms of any renewal will be as favorable to us as the terms of the current arrangements. There is also the risk that our customers may shift their filling operations to locations in which we do not operate. The loss of one or more of these customers, a significant reduction in sales to these customers or a significant change in the commercial terms of our relationship with these customers could have a material adverse effect on our business.

The continuing consolidation of our customer base may intensify pricing pressures or result in the loss of customers, either of which could have a material adverse effect on our business, financial condition and results of operations.

Some of our largest customers have acquired companies with similar or complementary product lines. For example, in 2017, Reckitt Benckiser merged with Mead Johnson Nutrition Company. Such consolidation has increased the concentration of our net sales with our largest customers and may continue in the future. In many cases, such consolidation may be accompanied by pressure from customers for lower prices. Increased pricing pressures from our customers may have a material adverse effect on our business, financial condition and results of operations. In addition, this consolidation may lead manufacturers to rely on a reduced number of suppliers. If, following the consolidation of one of our customers with another company, a competitor was to be the main supplier to the consolidated companies, this could have a material adverse effect on our business, financial condition or results of operations.

Changes in consumer lifestyle, nutritional preferences, health-related concerns and consumer taxation could adversely affect our business.

Changes in consumer preferences and tastes can have an impact on demand for our customers' products, which in turn can lead to reduced demand for our products.

Certain end products represent a significant proportion of our packaging market. In the past, the occurrence of diseases such as bovine spongiform encephalopathy and swine fever have sometimes led to reduced demand for associated canned products, such as sauces, soups and ready meals, and publicity about the supposed carcinogenic effect of coatings used on some cans may have affected sales of canned products.

Any decline in the popularity of these product types as a result of lifestyle, nutrition, health considerations or consumer taxation could have a significant impact on our customers and could have a material adverse impact on our business, financial condition and results of operations.

Our profitability could be affected by the availability and cost of raw materials, including as a result of changes in tariffs and duties.

The raw materials that we use have historically been available in adequate supply from multiple sources. For certain raw materials, however, there may be temporary shortages due to weather, transportation, production delays or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favorable as our current terms, or at all. Any such raw materials shortages or any material increases in the cost of any of the principal raw materials that we use, including the introduction of new tariffs, could also inhibit our ability to secure necessary raw materials. For example, in 2018, tariffs of 25% on steel and 10% on aluminum were introduced in the United States. These tariffs were initially imposed by the United States on all countries, but as of the date of this Offering Memorandum, no longer apply to such imports from Canada and most such imports from Mexico, though new tariffs have been applied to certain fabricated steel imports from Mexico. Further tariffs, duties or other increases in the cost to transport materials to our production facilities could have a material adverse effect on our business, financial condition and results of operations or those of our customers. Furthermore, the relative price of oil and its by-products may impact our business by affecting transport, lacquer and ink costs.

The primary raw materials that we use are steel (both in tinplate and tin-free forms) and aluminum. Steel is generally purchased under one-year contracts with prices that are usually fixed in advance. When such contracts are renewed in the future, our steel costs under such contracts will be subject to prevailing global steel prices at the time of renewal, which may be different from historical prices. The hedging market for steel, and in particular that for coking coal, is a new market with limited depth and, as a consequence, there might be limitations on our ability to hedge steel input prices.

In the Ardagh Carve-out Business' European operations, aluminum is generally purchased under three-year contracts. In contrast, Exal typically purchases aluminum at spot market index rates. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. In contrast to steel, the hedging market for aluminum is well-developed and its depth does not pose a limitation on the ability to place hedges in the market. The Ardagh Carve-out Business has historically hedged its aluminum exposure, while Exal has not. We expect this trend to continue for our operations going forward, due to the pricing preferences of our customers. Our business is exposed to both the availability of aluminum and the volatility of aluminum prices, including associated premiums. While raw materials are generally available from independent suppliers, raw materials are subject to fluctuations in price and availability attributable to a number of factors, including general economic conditions, commodity price fluctuations (with respect to aluminum on the London Metal Exchange), the demand by other industries for the same raw materials and the availability of complementary and substitute materials. Adverse economic or financial changes could impact our suppliers, thereby causing supply shortages or increasing costs for our business.

While the majority of our sales to customers are made via sales contracts which include provisions enabling us to pass-through increases in certain input costs, we may not be able to pass on all or substantially all raw material price increases, now or in the future. In addition, we may not be able to hedge successfully against raw material cost increases. Furthermore, steel and aluminum prices are subject to considerable volatility in price and demand. While in the past sufficient quantities of steel and aluminum have been generally available for purchase, these quantities may not be available in the future, and, even if available, we may not be able to continue to purchase them at current prices. Further increases in the cost of these raw materials could adversely affect our operating margins and cash flows.

The supplier industries from which we receive our raw materials are relatively concentrated, and this concentration can impact raw material costs. Over the last ten years, the number of major steel and aluminum suppliers has decreased and further consolidation could hinder our ability to obtain adequate supplies of these raw materials, potentially leading to higher prices for steel and aluminum.

The failure to obtain adequate supplies of raw materials or future price increases could have a material adverse effect on our business, financial condition and results of operations.

Currency, interest rate fluctuations and commodity prices may have a material impact on our business.

Currently, our functional currency is anticipated to be the euro and we will present our financial information in U.S. dollars. Insofar as possible, we will actively manage currency exposures through the deployment of assets and liabilities throughout the Group and, when necessary and economically justified, enter into currency hedging arrangements to manage our exposure to foreign currency fluctuations by hedging against rate changes with respect to our anticipated functional currency, the euro. However, we may not be successful in limiting such exposure, which could adversely affect our business, financial condition and results of operations. In addition, our presented results may be impacted as a result of fluctuations in the U.S. dollar exchange rate versus the euro.

We have production facilities in 21 different countries worldwide. We also sell products to, and obtain raw materials from, companies located in these and different regions and countries globally. As a consequence, a significant portion of our consolidated revenue, costs, assets and liabilities are denominated in currencies other than the euro, particularly the U.S. dollar, the pound, the Brazilian real and the Argentine peso. The exchange rates between the currencies which we are exposed to, such as the euro, the U.S. dollar, the pound, the Brazilian real and the Argentine peso, have fluctuated significantly in the past and may continue to do so in the future.

In our European operations, we incur currency transaction risks primarily on metal purchases (or the hedging of those purchases), as metal prices are denominated in U.S. dollars, and on revenue denominated in currencies other than the euro supplied from facilities in euro-participant territories (or the hedging of those sales).

In addition to currency transaction risk, we are subject to currency translation risk. Our policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. The debt and interest payments relating to our Danish and Polish operations are all denominated in euro. Fluctuations in the value of these currencies with respect to the euro may have a significant impact on our financial condition and results of operations.

Changes in exchange rates can affect our ability to purchase raw materials and sell products at profitable prices, reduce the value of our assets and revenues, and increase liabilities and costs.

We are also exposed to interest rate risk. Fluctuations in interest rates may affect our interest expense on the ABL Facility and the Senior Secured Euro Floating Rate Notes and the cost of new financing. We use cross-currency interest rate swaps to manage this risk, but sustained increases in interest rates could nevertheless materially adversely affect our business, financial condition and results of operations.

For a further discussion of these matters and the measures we have taken to seek to protect our business against these risks, see “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Quantitative and Qualitative Disclosures About Market Risk” and “Operating and Financial Review and Prospects of Exal—Quantitative and Qualitative Disclosures About Market Risk.”

Our ability to fully pass through input costs may have an adverse effect on our financial condition and results of operations.

The majority of our sales to customers are made via sales contracts which include provisions enabling us to pass-through increases in certain input costs, generally for steel or aluminum, which help us reduce margin volatility due to changes in raw material costs, and in certain instances for conversion costs such as energy and labor. However, there is no assurance that we will be in a position to fully recover increased input costs from all of our customers.

Our manufacturing facilities are subject to operating hazards.

Our manufacturing processes include cutting, extruding, coating and shaping metal into containers, as well as the conversion of molten aluminum into aluminum slugs at high temperatures. These processes, which are conducted at high speeds and involve operating heavy machinery and equipment, entail risks and hazards, including industrial accidents, leaks and ruptures, explosions, fires, mechanical failures and environmental hazards, such as spills, storage tank leaks, discharges or releases toxic or hazardous substances and gases. These hazards may cause unplanned business interruptions, unscheduled downtime, transportation interruptions, personal injury and loss of life, severe damage to or the destruction of property and equipment, environmental contamination and other environmental damage, civil, criminal and administrative sanctions and liabilities and third-party claims, any of which may have a material adverse effect on our business, financial condition and results of operations. For example, in October 2017 Exal's Exal Packaging business experienced a fire.

Our business requires ongoing capital expenditures, which we may be unable to fund.

Our business requires ongoing capital expenditures. We may not be able to make such capital expenditures if we do not generate sufficient cash flow from operations, have funds available for borrowing under our ABL Facility to cover these capital expenditure requirements or if we were restricted from incurring additional debt to cover such expenditures or as a result of a combination of these factors. If we are unable to meet our capital expenditure plans, we may not be able to maintain our manufacturing capacity, which may negatively impact our competitive position and, ultimately, our revenues and profitability.

Interrupted energy supplies and higher energy costs may have a material adverse effect on our business.

We use natural gas and electrical power to manufacture our products. These energy sources are vital to our operations and we rely on a continuous power supply to conduct our business. Energy prices are subject to considerable volatility. We are not able to predict to what extent energy prices will vary in the future. If energy costs increase in the future, we could experience a sizeable increase in operating costs, which could, if we are not able to recover these costs increases from our customers through selling price increases, have a material adverse effect on our business, financial condition and results of operations.

We are subject to various environmental and other legal requirements and may be subject to new requirements of this kind in the future that could impose substantial costs upon us.

Our operations and properties are subject to extensive laws, ordinances, regulations and other legal requirements relating to environmental protection. Such laws and regulations which may affect our operations include, among others, requirements regarding remediation of contaminated soil, groundwater and buildings, water supply and use, natural resources, water discharges, air emissions, waste management, noise pollution, asbestos and other deleterious materials, the generation, storage, handling, transportation and disposal of regulated materials, product safety and workplace health and safety. Such laws and regulations are also subject to constant review by lawmakers and regulators which may result in further environmental legal requirements.

We have incurred, and expect to continue to incur, costs to comply with such legal requirements, and these costs are likely to increase in the future. Inquiries and enforcement by other regulators, including demands for more stringent pollution control devices could also result in the need for further capital upgrades to our furnaces and plant operations at substantial cost. We require a variety of permits to conduct our operations, including operating permits such as those required under various U.S. laws, including the federal Clean Air Act and the E.U. Industrial Emissions Directive, water and trade effluent discharge permits, water abstraction permits and waste permits. We are in the process of applying for, or renewing, permits at a number of our sites. Failure to obtain and maintain the relevant permits, as well as noncompliance with such permits, could have a material adverse effect on our business, financial condition and results of operations.

If we were to violate or fail to comply with these laws and regulations or our permits, we could be subject to criminal, civil and administrative sanctions and liabilities, including substantial fines and orders, or a partial or total shutdown of our operations.

In order to comply with air emission restrictions, significant capital investments may be necessary at some sites. Our business is also affected by the E.U. ETS, which limits emissions of greenhouse gases. See “The Trivium Business—Environmental, Health and Safety and Product Safety Regulation.” This scheme, any future changes to it and any additional measures required to control the emission of greenhouse gases that may apply to our operations could have a material adverse effect on our business, financial condition and results of operations.

Changes to the laws and regulations governing the materials that are used in our manufacturing operations may impact the price of such materials or result in such materials no longer being available, which could have a material adverse effect on our business, financial condition and results of operations. The E.U. passed regulations concerning REACH, which place onerous obligations on the manufacturers and importers of substances, preparations and articles containing substances, and which may have a material adverse effect on our business. Furthermore, substances we use may have to be removed from the market (under REACH’s authorization and restriction provisions) or need to be substituted for alternative chemicals which may also adversely impact upon our operations.

Sites at which we operate often have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that could give rise to contamination and result in potential liability to investigate or remediate, as well as claims for alleged damage to persons, property or natural resources. Liability may be imposed on us as owners, occupiers or operators of contaminated facilities. These legal requirements may apply to contamination at sites that we currently or formerly owned, occupied or operated, or that were formerly, owned, occupied or operated by companies we acquired or at sites where we have sent waste offsite for treatment or disposal. Our closure of a site may accelerate the need to investigate and remediate any contamination at the site.

Changes in product requirements and their enforcement may have a material impact on our operations.

Changes in laws and regulations relating to deposits on, and the recycling of, metal packaging could adversely affect our business if implemented on a large scale in the major markets in which we operate. Changes in laws and regulations laying down restrictions on, and conditions for use of, food contact materials or on the use of materials and agents in the production of our products could likewise adversely affect our business. Changes to health and food safety regulations could increase costs and also might have a material adverse effect on revenues if, as a result, the public attitude toward end products, for which we provide packaging, were substantially affected.

Additionally, the effectiveness of new standards such as the ones related to recycling or deposits on different packaging materials could result in excess costs or logistical constraints for some of our customers who could choose to reduce their consumption and even terminate the use of metal packaging for their

products. We could thus be forced to reduce, suspend or even stop the production of certain types of products.

Environmental concerns could lead E.U. or U.S. bodies to implement other product regulations that are likely to be restrictive for us and have a material negative impact on our business, financial condition and results of operations. There is significant variation, among countries where we sell our products, in the limitation on certain constituents in packaging, which can have the effect of restricting the types of raw materials we use. In turn, these restrictions can increase our operating costs, such as increased energy consumption, and the environmental impacts of our operations.

Other changes, such as restrictions on BPA in coatings for some of our products, as well as on the usage of chromium VI in consumer products and industrial processes, which have been proposed or adopted in the E.U. under the REACH legislation and some of its member states, have required us to develop substitute materials for our production.

We could incur significant costs in relation to claims of injury and illness resulting from materials present or used at our production sites, or from our use of these sites or other workplace injuries, or from our products.

As is the case in a number of other industrial processes that deal with high temperatures, since the 1990s, items made of asbestos have gradually been removed from our sites in Western Europe and the United States. Because of the age of some of our sites, however, asbestos-cement may have been used in construction and may still be present at these sites. When these buildings are modernized or repaired, the cost of upgrades is higher because of the restrictions associated with removing asbestos-containing materials.

We are exposed to claims alleging injury or illness associated with asbestos and related compensation over and above the support that may be offered through various existing social security systems in countries where we operate.

We are also exposed to claims alleging musculoskeletal disorders caused by performing certain repetitive operations or motions. We could also face claims alleging illness or injury from use of the products that we manufacture or sell or from workplace injuries more generally. If these claims succeed, they could have a material adverse impact on our business, financial condition and results of operations.

We may be subject to litigation, regulatory investigations and other proceedings that could have an adverse effect on us.

We are currently involved in various litigation matters, and we anticipate that we will be involved in litigation matters from time to time in the future. The risks inherent in our business expose us to litigation, including personal injury, environmental litigation, litigation with contractual counterparties, intellectual property litigation, tax or securities litigation and product liability lawsuits. We cannot predict with certainty the outcome or effect of any claim, regulatory investigation or other litigation matter, or a combination of these. If we are involved in any future litigation, or if our positions concerning current disputes are found to be incorrect, this may have an adverse effect on our business, financial condition and results of operations, because of potential negative outcomes, the costs associated with asserting our claims or defending such lawsuits, and the diversion of management's attention to these matters. See "The Trivium Business—Legal Proceedings."

We could incur significant costs due to the location of some of our industrial sites close to urban areas.

Obtaining, renewing or maintaining permits and authorizations issued by administrative authorities necessary to operate our production plants could be made more difficult due to the increasing urbanization of the sites where some of our manufacturing plants are located. Some of our sites are located close to urban areas. Urbanization could lead to more stringent operating conditions (by imposing traffic

restrictions, for example), conditions for obtaining or renewing the necessary authorizations, the refusal to grant or renew these authorizations or expropriations of these sites in order to allow urban planning projects to proceed.

The occurrence of such events could result in us incurring significant costs and there can be no assurance that the occurrence of such events would entitle us to partial or full compensation.

We may incur unforeseen risks and costs relating to acquisitions.

We may acquire other businesses from time to time. Risks associated with acquisitions include, for example, that our assessment of the acquisition target proves to be incorrect; we may become exposed to legal, market or other risks associated with the new business; there may be difficulties in conforming the acquired company's information systems, accounting, books and records, procedures and policies to ours and it may prove difficult to retain the loyalty and business of the customers of the acquired business. Any failure by us to successfully integrate an acquired business may have a material adverse effect on our business, financial condition and results of operations.

We face costs associated with our post-retirement and post-employment obligations to employees which could have an adverse effect on our financial condition.

As of March 31, 2019, on a pro forma basis, our accumulated post-retirement benefit obligation was approximately \$312 million. The additional costs associated with these and other benefits to employees could have a material adverse effect on our financial condition. In addition, in certain jurisdictions, these obligations may rank senior to the Guarantees of the Notes in a bankruptcy of the relevant Guarantor as a matter of law.

We operate a number of pension and other post-retirement benefit schemes funded by a range of assets which may include property, derivatives, equities and/or bonds. The value of these assets is heavily dependent on the performance of markets which are subject to volatility. The liability structure of the obligations to provide such benefits is also subject to market volatility in relation to its accounting valuation and management. Additional significant funding of our pension and other post-retirement benefit obligations may be required if market underperformance is severe.

Organized strikes or work stoppages by unionized employees could have a material adverse effect on our business.

Many of our operating companies are party to collective bargaining agreements with trade unions. These agreements cover the majority of our employees. Upon the expiration of any collective bargaining agreement, our operating companies' inability to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher ongoing labor costs, which may have a material adverse effect on our business, financial condition and results of operations.

Failure of control measures and systems resulting in faulty or contaminated product could have a material adverse effect on our business.

We have strict control measures and systems in place to ensure that the maximum safety and quality of our products is maintained. The consequences of a product not meeting these rigorous standards, due to, among other things, accidental or malicious raw materials contamination or due to supply chain contamination caused by human error or equipment fault, could be severe. Such consequences might include adverse effects on consumer health, litigation exposures, loss of market share, financial costs and loss of revenues.

In addition, if our products fail to meet rigorous standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from consumers) and to reimburse customers and/or end consumers for losses that they suffer as a result of this failure. Customers and end consumers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim, despite there being no negligence or other fault on our part. Placing an unsafe product on the market, failing to notify the regulatory authorities of a safety issue, failing to take appropriate corrective action and failing to meet other regulatory requirements relating to product safety could lead to regulatory investigation, enforcement action and/or prosecution. Any product quality or safety issue may also result in adverse publicity, which may damage our reputation. This could in turn have a material adverse effect on our business, financial condition and results of operations. Although we have not had material claims for damages for defective products in the past, and have not conducted any substantial product recalls or other material corrective action, these events may occur in the future.

In certain contracts, we provide warranties in respect of the proper functioning of our products and the conformity of a product to the specific use defined by the customer.

In addition, if a product contained in packaging manufactured by us is faulty or contaminated, it is possible that the manufacturer of the product may allege that our packaging is the cause of the fault or contamination, even if the packaging complies with contractual specifications.

In case of the failure of packaging produced by us to open properly or to preserve the integrity of its contents, we could face liability to our customers and to third parties for bodily injury or other tangible or intangible damages suffered as a result. Such liability, if it were to be established in relation to a sufficient volume of claims or to claims for sufficiently large amounts, could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.

Although we believe that our insurance policies will provide adequate coverage for the risks inherent in our business, these insurance policies typically exclude certain risks and are subject to certain thresholds and limits. We cannot assure you that our property, plant and equipment and inventories will not suffer damages due to unforeseen events or that the proceeds available from our insurance policies will be sufficient to protect us from all possible loss or damage resulting from such events. As a result, our insurance coverage may prove to be inadequate for events that may cause significant disruption to our operations, which may have a material adverse effect on our business, financial condition and results of operations.

We may suffer indirect losses, such as the disruption of our business or third-party claims of damages, as a result of an insured risk event. While we shall carry business interruption insurance and general liability insurance, they will be subject to certain limitations, thresholds and limits and may not fully cover all indirect losses.

We anticipate renewal of our insurance policies on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, adverse political developments, security concerns and natural disasters in any country in which we operate may materially adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage.

Our food packaging sales could be adversely affected by changes in agricultural subsidy rules.

Certain subsidies are provided to agricultural producers for the production of various fruit, vegetable and dairy products. For example, E.U. rules provide for such subsidies. The availability of these subsidies may affect levels of production for certain agricultural products. Any reduction in existing subsidy levels

could lead to a reduction in harvest or canning operations and therefore could have a material adverse effect on our business, financial condition and results of operations.

Our business may suffer if we do not retain our executive and senior management.

We depend on our executive team, who are identified under “Board of Directors and Senior Management” of this Offering Memorandum. The loss of services of any of the members of our executive team or other members of senior management could adversely affect our business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions and there is no assurance that we would be able to locate or employ such qualified personnel on terms acceptable to us or at all.

The United Kingdom’s notice of its intention to withdraw from the E.U. may have a negative effect on our financial condition and results of operations.

On March 29, 2017, the United Kingdom gave notice to the E.U. under Article 50 of the Treaty of European Union of its decision to withdraw from the E.U. (“Brexit”). Currently, the United Kingdom is due to leave the E.U. on October 31, 2019.

In November 2018, the United Kingdom and the E.U. agreed upon a draft withdrawal agreement setting out the terms of the United Kingdom’s departure. This agreement included a two-year transition period, during which the E.U. would treat the United Kingdom as if it were still a member of the E.U. This was included to facilitate the orderly withdrawal of the United Kingdom from the E.U. and to provide additional legal certainty once E.U. law ceases to apply to the United Kingdom. However, this agreement was subsequently rejected by the U.K. Parliament several times. On April 11, 2019, the European Council granted an extension of the notice period under Article 50 to October 31, 2019. Discussions regarding the terms of the United Kingdom’s exit are therefore ongoing. Nevertheless, if the U.K. Parliament does not approve a withdrawal deal before October 31, 2019, then (subject to any further extension of the negotiation period being agreed to by the United Kingdom and a unanimous decision of the European Council or the United Kingdom revoking Brexit altogether), the United Kingdom will leave the E.U. without a deal on that date. In such a scenario, the United Kingdom will, subject to any unilateral exemptions or bilateral topic-by-topic deals, lose the trade agreements it has in place with other countries as a member of the E.U. and trade with both the E.U. and the rest of the world would be subject to tariffs and duties based on World Trade Organization terms. Additionally, the movement of goods between the United Kingdom and the remaining member states of the E.U. could be subject to additional inspections and documentation checks, leading to possible delays at ports of entry and departure. These changes to the trading relationship between the United Kingdom and E.U. could result in increased cost of goods imported into and exported from the United Kingdom. Ongoing uncertainty on whether the government and U.K. parliament of the United Kingdom and the E.U. will agree to a revised withdrawal agreement sustains the possibility that the United Kingdom will leave the E.U. without a withdrawal agreement and transition period in place. Moreover, on May 24, 2019, Theresa May announced her resignation as Prime Minister, leading the way to the future election of a new leader for the Conservative party who is currently expected to become Prime Minister on July 24, 2019, thus adding increased uncertainty to the U.K.’s domestic political situation.

Approximately 8% of Trivium’s total revenue for the year ended December 31, 2018, would have been derived from revenues generated in the United Kingdom. Any changes to the trading relationship between the United Kingdom and the E.U. may adversely affect the cost or timing of imports, including aluminum and coatings in our operations. Further, while we predominantly sell to customers in the local U.K. market, some of our customers based in the U.K. who export outside the local U.K. market may experience reduced demand and/or delays arising from Brexit and post-Brexit arrangements. These negative impacts could adversely affect our financial condition and results of operations. Additionally, because of the extent of our business in the United Kingdom, the precise impact of Brexit is difficult to predict and may include

effects beyond those described herein, which could have a material adverse impact on our financial condition and results of operations.

Further, political instability as a result of Brexit may result in a material negative effect on credit markets and foreign direct investments in Europe and the United Kingdom. Uncertainty related to Brexit has also resulted in exchange rate volatility between the British pound and other currencies. See also our risk factor under “Risks Relating to Our Business” entitled “Currency, interest rate fluctuations and commodity prices may have a material impact on our business.” This deterioration in economic conditions could result in increased unemployment rates, increased short- and long-term interest rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, and other results that negatively impact household incomes.

The economic outlook could be further adversely affected by the risk that one or more E.U. member states could leave the E.U. as well, the risk of a greater push for independence by Scotland or Northern Ireland. These developments, or the perception that any of them could occur, may have a material adverse effect on the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. These negative impacts could adversely affect our financial condition and results of operations.

We are exposed to risks related to conducting operations in many different countries.

Our facilities are located in Europe, Morocco, the Seychelles, South Korea, the United States, Canada, Argentina and Brazil. Risks inherent in international operations include the following:

- economic contraction or volatility;
- general economic, social or political conditions in the countries in which we operate;
- outbreaks of war, rebellion, terrorism or other acts of violence;
- the nationalization or expropriation of privately-owned assets, or other political interference;
- the introduction or tightening of foreign ownership restrictions;
- the cancellation or unenforceability of contractual rights or title to real property;
- compliance with a variety of laws and regulations in various jurisdictions may be burdensome;
- inconsistent regulations, licensing and legal requirements may increase our cost of operations as we endeavor to comply with a myriad of laws that differ from one country to another in an unpredictable and adverse manner;
- withholding taxes or other taxes or royalties on our income could be imposed or other restrictions on foreign trade or investment, including currency exchange controls, could be adopted;
- adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses could occur;
- changes in trade laws, sanctions or embargos;
- difficulty in enforcing intellectual property rights;
- increase in transportation and other shipping costs;
- staffing difficulties, national or regional labor strikes or other labor disputes;
- changes in local legal or regulatory requirements, or their interpretation, in the operation of our business, including environmental rules, contracting or bidding requirements, local content

requirements, or various other areas of labor (such as the availability of work permits), and contract or natural resource law;

- differences in consumer preferences in products;
- currency collapse, devaluation, volatility or appreciation and the introduction of price controls; and
- difficulty in enforcing agreements and collecting receivables.

Any negative change in one or more macroeconomic factors, such as interest rates, inflation, wage levels, unemployment, foreign investment and international trade, could have a material adverse effect on our business, results of operations, financial condition or prospects.

Increasing privacy and data security obligations or a significant data breach may adversely affect our business.

We will continue our efforts to meet data security obligations and must manage evolving cybersecurity threats. The loss, disclosure, misappropriation of, or access to, employees' or business partners' information, or our failure to meet our obligations, could result in lost revenue, increased costs, legal claims or proceedings, liability or regulatory penalties. A significant data breach or our failure to meet our obligations may adversely affect our reputation and financial condition.

Our heavy reliance on technology and automated systems to operate its business could mean any significant failure or disruption of the technology or these systems could materially harm its business.

We depend on automated systems and technology to operate its business, including accounting systems, manufacturing systems and telecommunication systems. We operate a cyber and information risk management program including operating a global information security function, which partners with global leaders in the security industry, to deliver an integrated information and cyber risk management service using state-of-the-art technologies in areas including antivirus and anti-malware, email and web security platforms, firewalls, intrusion detection systems, cyber threat intelligence services and advanced persistent threat detection. We also partner with global leaders to deliver high availability and resilient systems and communication platforms. However, there is the possibility that these systems could suffer substantial or repeated disruptions due to various events, some of which are beyond our control, including natural disasters, power failures, terrorist attacks, equipment or software failures, computer viruses or cyber security attacks. Substantial or repeated systems failures or disruptions, could result in the unauthorized release of confidential or otherwise protected information, result in increased costs, lost revenue and the loss or compromise of important data, and may adversely affect our business, results of operations and financial condition.

Risks Relating to the Combination

The Combination is subject to receipt of certain regulatory approvals.

Before the Combination may be consummated, approvals or consents must be obtained from regulatory authorities (or waiting periods must expire or terminate) under applicable antitrust and competition laws in various jurisdictions, including the European Union, the United States, Brazil and Ukraine. There can be no assurance that all of these required approvals or consents will be obtained (or waiting periods will expire or terminate) on a timely basis.

The Combination is subject to successful completion of required works council consultations.

Completion of the Combination is subject to completion of consultations with the Ardagh Carve-out Business' works councils in France and the Netherlands. The works councils have a right of consultation on proposed material actions of certain legal entities within the Ardagh Carve-out Business, including certain Post-Completion Date Guarantors, such as contemplated acquisitions, dispositions, financing

arrangements (including the granting of guarantees or security), joint ventures and dismissals and appointments of directors. In addition, works councils have a right of approval on employment-related and labor-related matters. As a result, the Ardagh Group will need to complete the consultation processes in France and the Netherlands in respect of the Transactions prior to the completion of the Combination. The satisfactory completion of these consultations, and the consummation of the Combination, may not occur in a timely manner or at all. Please see “The Combination—Transactions Agreement.”

If the Combination is not completed, you may not obtain the return that you expect on the Notes.

Upon the issue of the Notes, the Initial Purchasers will deposit gross proceeds from the offering into one or more Escrow Accounts to be held in escrow pending the satisfaction of certain conditions precedent, including the completion of the Combination, the receipt of required regulatory approvals (or the expiration or termination of applicable waiting periods) in Europe, the United States, Brazil and Ukraine, and the completion of required works council consultations in France and the Netherlands. If the Combination has not been consummated by the Escrow Longstop Date or, upon the occurrence of certain events, the Notes will be subject to a special mandatory redemption. If this occurs, you may not be able to reinvest the proceeds from the redemption in an investment that yields comparable returns. In addition, the escrowed funds will only be in the amount of the gross proceeds received from the offering of the Notes, and will not be sufficient to pay the special mandatory redemption amount, which includes accrued and unpaid interest up to, but not including, the redemption date. See “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.”

In addition, the cash and property held in the Escrow Accounts may be invested in certain permitted investments, including in commercial paper, long-term and short-term debt obligations, and money market funds, *provided that* such investment is rated: (i) in the case of long-term debt obligations, at least (a) “AAA” by Standard & Poor’s Ratings Services (“S&P”), (b) “Aaa” by Moody’s Investors Service Inc. (“Moody’s”) or (c) “AAA” by Fitch Ratings Limited (“Fitch”); (ii) in the case of commercial paper and short-term debt obligations, at least (a) “A-1+” by S&P, (b) “P-1” by Moody’s or (c) “F1+” by Fitch; or (iii) in the case of any money market funds, rated at least (a) “AAA” or “AAAm-G” by S&P or (b) “Aaa/MR1+” by Moody’s. However, despite the rating requirement, there are certain risks that may occur as a result of these permitted investments, which may lead to a diminished or total loss of returns on such investments, none of which are under the Issuer’s control. These include risks relating to indices, interest rates and other market risks as they apply to the particular investments. In addition, the counterparty which provided the investment may face financial difficulties, and if they are not able to redeem the investment in full, this may lead to a shortfall in such Escrow Accounts. Further, if the Escrow Agent or any of the securities depositaries it transacts with face operational or financial difficulties, the same risks may occur. Further, depending on the investment, the Escrow Agent may not be able to liquidate the investment promptly if it becomes illiquid or has a specific maturity. This may lead to delays in obtaining a cash return on the amounts in such Escrow Account, which would be required to return cash to holders of the Notes, or may lead to losses if the risks above apply to such investments.

There can be no assurance that the investment policy relating to the permitted investments or other risks mentioned above will not cause a shortfall in cash to enable the Issuer to fund the special mandatory redemption in the manner as described in “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.”

Although the Trustee, for the benefit of the holders of the Notes, will be granted first-priority liens on the applicable funds in the escrow accounts, the ability of holders of the Notes to realize such funds may be subject to certain bankruptcy and insolvency law limitations in the event of the bankruptcy or insolvency of the Issuer. If the Issuer commences a bankruptcy or insolvency proceeding, or one is commenced against the Issuer while amounts remain in the escrow accounts, applicable bankruptcy or insolvency laws may

prevent the Escrow Agent from releasing the escrowed funds or applying those funds for the benefit of the holders of the Notes. The court adjudicating that case might find that such escrow accounts are the property of the bankrupt or insolvent estate. As a result, holders of the Notes may not be able to have the escrow funds applied at the time or in the manner contemplated by the indentures governing the Notes and could suffer a loss as a result.

We may be unable to achieve some or all of the benefits that we expect to achieve from the Combination.

We may not be able to achieve the combination benefits or other synergies we anticipate in connection with the Combination. Joint ventures inherently involve risks, including those associated with assimilating and integrating different business operations, corporate cultures and governance, personnel, infrastructure and technologies or products and increasing the scope, geographic diversity and complexity of operations. Those risks can increase where the joint venture is formed by and among entities that, but for the joint venture, would compete with each other in certain markets, as is the case to some degree with Exal and the Ardagh Carve-out Business. Integrating Exal and the Ardagh Carve-out Business may require significant resources and management attention. In addition, the cost savings and synergies that have been estimated in connection with the Combination may prove to be unrealistic or unobtainable for a number of reasons, including the fact that certain key managers, executive officers and directors of Exal and the Ardagh Carve-out Business were unable to share certain proprietary business information with each other prior to obtaining antitrust and competition law approval from regulatory authorities.

In order to successfully combine and operate Exal and the Ardagh Carve-out Business, our management will need to focus on managing the historical customer and supplier relationships of these businesses while also working to realize the anticipated synergies and cost savings on a timely basis. Our operations could be negatively affected if we are unable to successfully manage the integration of Exal and the Ardagh Carve-out Business. Our ability to realize anticipated cost savings and synergies may be affected by a number of factors, including, but not limited to:

- the ability of business units and employees from different corporate heritages to work together effectively; and
- the ability to leverage a low-cost, efficient distribution system, and optimize procurement savings with respect to certain raw materials.

Moreover, the potential cost savings and synergies we currently expect to result from the Combination are only estimates and may not actually be achieved in the time frame anticipated or at all.

In addition, the Combination could subject us to additional risks, including:

- costs relating to the Combination and related transactions, such as financing, legal and accounting fees, as well as unanticipated or higher than expected one-off costs related to operating the business;
- uncertainties relating to the Combination and related transactions may adversely affect relationships with our employees, vendors and customers. For example, we estimate that approximately \$300 million of our revenue is sourced from overlapping current customers of the Ardagh Carve-out Business and Exal; and
- difficulty meeting our external reporting obligations because Exal has historically used different accounting principles than the Ardagh Carve-out Business.

Furthermore, there may be additional costs or liabilities associated with the Combination that are not currently anticipated, including unexpected loss of key employees or customers and hiring additional management and other critical personnel. Also, please see the description of additional integration-related risks in “—Risks Relating to Our Business—We may incur unforeseen risks and costs relating to

acquisitions.” Any of these risks could adversely affect our business, financial condition and results of operations.

The pro forma financial information included in this Offering Memorandum may not necessarily reflect what the results of operations, financial condition and cash flows of Trivium would have been if operated on a combined basis.

The respective business operations of Exal and the Ardagh Carve-out Business have been operated separately prior to the Combination. We have no prior history as a combined entity and our operations have not previously been managed on a combined basis. Therefore, the historical financial statements and pro forma financial data presented in this Offering Memorandum may not reflect what our results of operations, financial position and cash flows would have been had we operated on a combined basis and may not be indicative of what our results of operations, financial position and cash flows will be in the future.

The Combination has not been completed and, as a result, we are currently not in a position to measure fair values and make related adjustments to recorded values of the assets and liabilities of Exal and the Ardagh Carve-out Business, respectively, as required by applicable IFRS rules. However, we will make these adjustments, which will be reflected in our financial statements following the Combination. This Offering Memorandum contains certain pro forma financial information that shows certain income statement and balance sheet items, including revenues and EBITDA, of Exal when added to the corresponding items, respectively, of the Ardagh Carve-out Business, without any adjustments for the effect of IFRS purchase accounting. The pro forma financial information included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the SEC or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information have been audited in accordance with International Standards on Auditing (Ireland) or U.S. GAAS. This pro forma information should therefore not be relied on to reflect what our results of operations and financial condition would have looked like had the Combination already occurred. See “Unaudited Pro Forma Combined Financial Information.”

We have no operating history as a standalone company

The Ardagh Carve-out Business Combined Carve-out Financial Statements included in this Offering Memorandum have been prepared specifically for the purpose of facilitating the Combination and the establishment of Trivium. The businesses, operations, assets and liabilities comprising the Ardagh Carve-out Business have not in the past operated as a separate stand-alone entity or group, and, therefore, the Ardagh Carve-out Business Combined Carve-out Financial Statements are not necessarily indicative of future results of those businesses.

For a complete description of the accounting principles followed in preparing the Ardagh Carve-out Business Combined Carve-Out Financial Statements, please see Note 2 “Summary of Significant Accounting Policies” to the Ardagh Carve-out Business Annual Audited Combined Carve-Out Financial Statements included elsewhere in this Offering Memorandum.

Trivium may have liabilities that we are unaware of.

As a result of the Combination, we have assumed certain of Exal’s and the Ardagh Carve-out Business’ liabilities, including certain pension liabilities. There may be liabilities that we underestimated, failed to discover or were unable to discover in the course of performing due diligence investigations into Exal and the Ardagh Carve-out Business. Specifically with respect to environmental liabilities, we cannot assure you that our due diligence investigations in conjunction with the Combination identified or accurately quantified all material environmental matters related to the acquired facilities. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial

condition and results of operations. As we integrate Trivium, we may learn additional information about Trivium that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

The consent of certain customers of and suppliers to Trivium is required to transfer their agreements and working capital arrangements with Exal and the Ardagh Carve-out Business to us.

The consent of certain counterparties to agreements of Exal and the Ardagh Carve-out Business and certain of their respective material customers and suppliers are required to transfer those agreements to us. If these consents are not obtained, the business conducted by Exal and the Ardagh Carve-out Business with these customers and suppliers may be curtailed, which could have an adverse effect on our revenues following the Combination. We also rely on such counterparties for trade finance to meet our working capital needs. Therefore, even if such counterparties consent to transfer such agreements to us, if they do not continue to provide us with the trade finance arrangements, each of Exal and the Ardagh Carve-out Business have historically benefited from, there is a risk that our working capital, taking into account the ABL Facility, could be insufficient for the needs of our business. Additional working capital may not be available to us on commercially reasonable terms, or at all. The Transaction Agreement provides that if any of these consents are not obtained before the Completion Date, Exal and Ardagh will cooperate with each other to put in place arrangements that will give us the benefits and burdens of the agreements for which consents have not been obtained before the Completion Date, but there can be no assurance that these arrangements will provide us with the same level of benefits under these agreements as we would receive if these contracts had actually been assigned to us.

A significant write-down of goodwill or intangible assets would have a material adverse effect on our financial condition and results of operations.

As a result of the Combination, our pro forma balance sheet as of March 31, 2019, includes goodwill and intangible assets of \$2,446 million. We will evaluate goodwill and intangible assets annually (or more frequently if impairment indicators arise) for impairment. The valuation methods used will include those requiring the use of a weighted average cost of capital to calculate the present value of the expected future cash flows of our groups of cash generating units. Future changes in the cost of capital, expected cash flows or other factors may cause our goodwill or intangible assets to be impaired, resulting in a non-cash charge against results of operations to write down goodwill or intangible assets for the amount of the impairment. If a significant write-down is required, the charge would have a material adverse effect on our financial condition and results of operations.

Element and the Ardagh Group may compete with us in certain businesses, including the aluminum bottles business.

While the Shareholders Agreement that will be entered into with Element and the Ardagh Group will restrict the ability of Element and the Ardagh Group and their respective subsidiaries from competing with our business, it will not prohibit the Ardagh Group and its subsidiaries from engaging and participating in any capacity in the business of developing, manufacturing, marketing or selling containers for the beverage market, including aluminum bottles. The scope of the non-compete is also limited to the development, manufacture, marketing or sale of metal food or specialty cans (including aerosol cans), in each case, as developed, manufactured, marketed and sold by us on the Completion Date. In addition, Element and the Ardagh Group and their respective subsidiaries may compete with our business in any way that does not involve the development, manufacture, marketing or sale of metal food or specialty cans (including aerosol cans), in each case, as developed, manufactured, marketed or sold by us on the date of the Transaction Agreement, including with products that are not, but which compete with, metal food or specialty cans products, or by the development, manufacture, marketing or sale of metal food or specialty cans in ways that we do not currently (and will not at the closing of the Combination) engage but may in the future

adopt. If we experience significant competition from Element and/or the Ardagh Group, it could have a material adverse effect on our financial condition and results of operations.

Our overlapping directors with Element and/or the Ardagh Group may result in the diversion of corporate opportunities to Element and/or the Ardagh Group and other conflicts.

Our directors may also be serving as directors, officers, employees or agents of Element and/or the Ardagh Group, and we may engage in material business transactions with Element and/or Ardagh Group. The Shareholders Agreement will expressly provide that it does not intend to, and will not, create or impose any fiduciary duties on any director serving on the management or supervisory boards of the Parent Guarantor, any shareholder or their respective affiliates in addition to those imposed by applicable law or modify any such duties imposed on any such person under applicable law. Also, conflicts may arise if there are issues or disputes under the Transaction Agreement, the Shareholders Agreement, the MSA, the IP Cross License Agreement or other agreements we enter into with the Ardagh Group, and any other agreements that exist between Element or the Ardagh Group and us. In addition, the Shareholders Agreement will expressly allow each shareholder, its affiliates and their respective officers, directors and other related persons to engage or invest in any business opportunity of any type, including those corporate business opportunities that might be similar or the same as those in which we engage, and they shall not be obligated to present any corporate business opportunity to us or any other shareholder. Each of Element, the Ardagh Group and the Parent Guarantor will renounce any and all interests or expectations in, or the right to be informed of, any such potential corporate business opportunities. Accordingly, in certain circumstances, the interests of the directors or shareholders of the Parent Guarantor or their respective affiliates may compete against the Parent Guarantor or pursue opportunities instead of the Parent Guarantor, for which the Parent Guarantor will have no recourse. These actions on the part of the officers, directors or shareholders of the Parent Guarantor or their respective affiliates could adversely impact the business, financial condition or results of operations of the Parent Guarantor. For a further discussion of the rights and obligations of Element and the Ardagh Group as shareholders, see “The Combination—Shareholders Agreement.”

Element and the Ardagh Group will have joint control over the Parent Guarantor after the Completion Date and their interests may conflict with each other, or with your interests as a holder of the Notes.

The Shareholders Agreement will provide that Element may designate or nominate up to five directors to the Parent Guarantor’s supervisory board and the Ardagh Group may designate or nominate up to four directors to the Parent Guarantor’s supervisory board. The Ardagh Group and Element (including their respective permitted transferees) will agree to vote all of their respective shares in favor of the election of such nominees. The Shareholders Agreement will also provide that certain matters will require the prior approval of shareholders constituting more than 70% of the then-outstanding shares of the Parent Guarantor. See “The Combination—Shareholders Agreement.” As a result, after this offering the Parent Guarantor will be jointly controlled by Element and the Ardagh Group. In addition, each of Element and the Ardagh Group may, in its capacity as a shareholder, approve transactions, agreements or other actions that may favor its own interests over our interests. In certain circumstances, the interests of Element and the Ardagh Group may conflict with your interests as holders of the Notes. For example, Element and the Ardagh Group could cause us to incur material indebtedness, sell certain material assets or pay dividends, in each case so long as the Indentures, the ABL Facility and the Intercreditor Agreement so permit.

Our ability to operate our business effectively may suffer if we are unable to cost-effectively establish our own administrative and other support functions in order to operate as a standalone company after the expiration of the MSA with the Ardagh Group.

We rely on administrative and other resources of the Ardagh Group, including information technology, accounting, finance, human resources, procurement and legal to operate our business. In connection with the Combination, we expect to enter into a mutual services agreement with the Ardagh Group to retain the ability for specified periods to use these Ardagh Group resources. See “Major Shareholders and Related Party Transactions—Related Party Transactions—Mutual Services Agreement.” These services may not be provided at the same level as when the Ardagh Carve-out Business was part of the Ardagh Group, and we may not be able to obtain the same benefits that we received prior to the Combination. These services may not be sufficient to meet our needs, and after our mutual services agreement with the Ardagh Group expires, we may not be able to replace these services at all or obtain these services at prices and on terms as favorable as we currently have with the Ardagh Group. We will need to create our own administrative and other support systems or contract with third parties to replace the Ardagh Group’s systems. In addition, we have received informal support from the Ardagh Group which may not be addressed in the mutual services agreement we expect to enter into with the Ardagh Group, and the level of this informal support may diminish as we become a more independent company. Any failure or significant downtime in our own administrative systems or in the Ardagh Group’s administrative systems during the transitional period could result in unexpected costs, impact our results and/or prevent us from paying our suppliers or employees and performing other administrative services on a timely basis.

Risks Relating to Our Debt, the Notes and the Guarantees

Our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We have a substantial amount of debt and significant debt service obligations. On a pro forma basis, after giving effect to the Transactions, we would have had total debt of \$2,853 million, of which \$2,246 million would have been secured. As of March 31, 2019, we would have had additional availability under our main credit facilities of up to \$250 million. See “Unaudited Pro Forma Combined Financial Information.”

Our substantial debt could have important negative consequences for us and for you as a holder of the Notes. For example, our substantial debt could:

- require us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- limit our ability to raise additional debt or equity capital in the future;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- make it difficult for us to satisfy our obligations with respect to the Notes and our other debt; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates. Although we may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps, we cannot assure you that we will do so in the future. As a result, an increase in market

interest rates would increase our interest expense and our debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

Certain of our credit facilities contain financial covenants which we could fail to meet.

We anticipate that the ABL Facility will require, and our future credit facilities may require, the Parent Guarantor and certain of its subsidiaries to satisfy specified financial tests and maintain specified financial ratios and covenants regarding a minimum level of EBITDA to net interest expense, a minimum level of EBITDA to total debt, and a maximum amount of capital expenditures, all as defined in such credit facilities. See “Description of Other Indebtedness.”

The ability of the Parent Guarantor and its subsidiaries to comply with these ratios and to meet these tests may be affected by events beyond their control and there can be no assurances that they will continue to meet these tests. The failure of the Parent Guarantor and its subsidiaries to comply with these obligations could lead to a default under these credit facilities unless we can obtain waivers or consents in respect of any breaches of these obligations under these credit facilities. We cannot assure you that these waivers or consents will be granted. A breach of any of these covenants or the inability to comply with the required financial ratios could result in a default under these credit facilities. In the event of any default under these credit facilities, the lenders under these facilities will not be required to lend any additional amounts to us or our operating subsidiaries and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable. In the event of a default, the relevant lenders (and, potentially, the trustee under any of the Notes) could also require us to apply all available cash to repay the borrowings or prevent us from making debt service payments on the Notes, any of which would be an event of default under these Notes. If the debt under our credit facilities or the Notes were to be accelerated, there can be no assurances that our assets would be sufficient to repay such debt in full.

If the conditions in the Escrow Agreements are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes; the conditions to release of the proceeds from the Escrow Accounts are limited.

Upon the issuance of the Notes, an amount equal to the gross proceeds received from the sale of the Notes, will be held in escrow pending the satisfaction of certain conditions precedent, including the closing of the Combination. As such amount will not include any interest on the Notes from the Issue Date until the earlier of (i) the completion of the Combination and (ii) the Escrow Longstop Date. If the conditions precedent to the Combination have not been satisfied before the Escrow Longstop Date or in the event of certain other events that trigger escrow termination, the Notes will be subject to a special mandatory redemption as described in “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.” If this were to happen, you may not obtain the return you expected to receive on the Notes.

Your decision to invest in the Notes is made at the time of purchase. Only limited changes in our business or financial condition, or the terms of the Combination, between the closing of this offering and the earlier of (i) the closing of the Combination and (ii) the Escrow Longstop Date, will cause the Issuer to effect a Special Mandatory Redemption and thereby return the principal amount of the Notes to you. In addition, the release of funds from the Escrow Accounts is not conditioned on guarantees by the Post-Completion Date Guarantors of the Notes or the grant of liens in the Collateral in favor of the Notes. The funds may be released even if certain defaults exist under the Indentures, subject to certain restrictions. Upon delivery to the Escrow Agent, the Security Agent and the Trustee of an officer’s certificate stating that the conditions to the escrow are satisfied, the Escrowed Property will be released to the Issuer and utilized as described in “Use of Proceeds.” See “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.”

We and our subsidiaries may be able to incur substantially more debt.

Subject to the restrictions in our credit facilities, the Indentures and other outstanding debt, we may be able to incur substantial additional debt in the future, which could also be secured.

We anticipate that the ABL Facility will permit additional borrowings of up to \$250 million, which could be secured and would effectively rank senior to the Senior Notes, to the extent in respect of the value of the collateral securing such debt. See “Description of Other Indebtedness” and “Unaudited Pro Forma Combined Financial Information.” Although the terms of the ABL Facility, the Indentures and other outstanding debt contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial. To the extent new debt is added to our currently anticipated debt levels, the substantial leverage related risks described above would increase. See also “—Risks Relating to Our Business—We may incur unforeseen risks and costs relating to acquisitions.”

Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate the cash required to service our debt.

Our ability to make scheduled payments on the Notes and to meet our other debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned acquisitions or capital expenditures or sell assets. There can be no assurances that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Notes. See “The Trivium Business—Liquidity and Capital Resources.”

We expect to be able to repay or refinance the principal amounts outstanding under our outstanding indebtedness (including the Notes) upon maturity. We may, however, be unable to repay or refinance such principal amounts on terms satisfactory to us or at all.

Restrictions imposed by the Indentures and certain of our other credit facilities limit our ability to take certain actions.

The Indentures and certain of our other credit facilities limit our flexibility in operating our business. For example, these agreements restrict or limit the ability of the Parent Guarantor and certain of its subsidiaries to, among other things:

- borrow money;
- pay dividends or make other distributions;
- create certain liens;
- make certain asset dispositions;
- make certain loans or investments;
- issue or sell share capital of our subsidiaries;
- guarantee indebtedness;
- enter into transactions with affiliates; or
- merge, consolidate or sell, lease or transfer all or substantially all of our assets.

There can be no assurances that the operating and financial restrictions and covenants in the Indentures and certain of our other credit facilities will not adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. Any future indebtedness may include similar or other restrictive terms. In addition, management believes that the future expansion of our packaging business may require participation in the consolidation of the packaging industry by the acquisition of existing packaging businesses. We cannot guarantee that we will be able to participate in such consolidation or that the operating and financial restrictions and covenants in the Indentures and certain of our other credit facilities will permit us to do so.

In addition to limiting our flexibility in operating our business, a breach of the covenants in the Indentures could cause a default under the terms of our other financing agreements, causing all the debt under those agreements to be accelerated. If this were to occur, we can make no assurances that we would have sufficient assets to repay our debt.

We may be unable to repurchase the Notes as required upon a Change of Control.

If we experience a Change of Control, we would be required to make an offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase. However, we may be unable to do so because we might not have enough available funds, particularly since a Change of Control could in certain circumstances cause part or all of our other debt to become due and payable. See “Description of the Senior Secured Notes—Change of Control” and “Description of the Senior Notes—Change of Control.”

The insolvency laws of The Netherlands and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar.

Trivium Packaging Finance B.V., the Issuer of the Notes, and the Parent Guarantor are incorporated in The Netherlands. Subject to the Agreed Security Principles, 90 days following the Completion Date, the Notes will be guaranteed by the Post-Completion Date Guarantors. Most of the Post-Completion Date Guarantors of the Notes are incorporated under the laws of one of British Columbia (Canada), Denmark, England and Wales, France, Germany, Hungary, Italy, The Netherlands, Poland and Spain. The insolvency laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the event that any one or more of the Issuer, the Guarantors or any other of Trivium Packaging B.V.’s subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

The Issuer’s ability to pay principal and interest on the Notes may be affected by our organizational structure. The Issuer is dependent upon payments from other members of our corporate group to fund payments to you on the Notes, and such other members might not be able to make such payments in some circumstances.

The Issuer does not conduct any business operations and does not have any assets or sources of income of its own, other than the intercompany notes made to on-lend the net proceeds from the offering of the Notes as described below. As a result, the Issuer’s ability to make payments on the Notes is dependent directly upon interest or other payments they receive from other members of our corporate group. Initially, the proceeds of the Notes will be loaned to other members of our corporate group pursuant to intercompany notes. These intercompany notes may be subordinated to senior debt of the relevant intercompany borrowers. The Indentures will not require the maintenance of these intercompany notes. Accordingly, you should only rely on the Guarantees of the Notes, and not these intercompany notes, to provide credit support in respect of payments of principal or interest on the Notes. The ability of other members of our corporate group to make payments to the Issuer will depend upon their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these “Risk Factors.”

Furthermore, some of our credit facilities contain certain restrictions on the borrowers thereunder from making certain distributions or payments of capital or income to their members. As a result, the amounts that the Issuer expects to receive from other members of our corporate group may not be forthcoming or sufficient to enable the Issuer to service its obligations on the Notes.

The Parent Guarantor and the Post-Completion Date Guarantors will guarantee the Notes. The Parent Guarantor is a holding company with no assets or sources of income of its own and thus is dependent on dividends and other distributions from its subsidiaries. The Post-Completion Date Guarantors are either intermediate holding companies or operating subsidiaries of the Parent Guarantor.

Enforcing your rights as a holder of the Notes or under the Guarantees or the Security Interests across multiple jurisdictions may prove difficult.

The Notes will be issued by the Issuer, which is incorporated under the laws of The Netherlands, and will be guaranteed by the Parent Guarantor, which is incorporated under the laws of The Netherlands. Subject to the Agreed Security Principles, 90 days following the Completion Date, the Notes will be guaranteed by the Post-Completion Date Guarantors. The Post-Completion Date Guarantors of the Notes are incorporated under the laws of one of British Columbia (Canada), Delaware (United States), Denmark, England and Wales, France, Germany, Hungary, Italy, The Netherlands, Ohio (United States), Poland and Spain. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these countries. Such multi jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes and the Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the Guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes and the Guarantees in these jurisdictions or limit any amounts that you may receive.

The laws of certain of the jurisdictions in which the Post-Completion Date Guarantors are organized limit the ability of these subsidiaries to guarantee debt of a sister company. See “—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests.”

Investors in the Notes may have limited recourse against the independent auditors.

See “Independent Accountants” for a description of the reports of the independent auditors of the Ardagh Carve-out Business. The independent auditors' report states that they were prepared solely for the directors of the Ardagh Group, as a body, in accordance with the terms of their engagement letter dated June 5, 2019, and the independent auditors do not accept or assume responsibility to anyone other than the directors of the Ardagh Group, as a body, for its audit work, for its reports or for the conclusions or opinions it has formed. The independent auditors' reports on the non-statutory combined financial statements of the Ardagh Carve-out Business, for the years ended December 31, 2018, 2017 and 2016, were unqualified and are included in this Offering Memorandum. PricewaterhouseCoopers was the auditor of the Ardagh Carve-out Business for these accounting periods.

Investors in the Notes should understand that in making these statements, the respective independent auditor confirmed that it does not accept or assume any responsibility to parties (such as the purchasers of the Notes) other than to the directors of Ardagh Group S.A., as a body, with respect to their reports and to

the independent auditor's audit work, conclusions and opinions. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act or in a report filed under the Exchange Act. If a U.S. court (or any other court) were to give effect to such limiting language, the recourse that investors in the Notes may have against the independent auditor based on its report or the combined financial statements to which it relates could be limited.

An active trading market may not develop for the Notes.

The Notes are new securities for which there is currently no existing market. Although application has been made for listing particulars to be approved by Euronext Dublin and for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market, we cannot assure you that the Secured Notes or the Senior Notes will become or will remain listed. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which the holders of the Notes may be able to sell them. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. There can be no assurances that if a market for the Notes were to develop, such a market would not be subject to similar disruptions. We have been informed by the Initial Purchasers that they intend to make a market for the Notes after the offering is completed. However, the Initial Purchasers are not obligated to do so and may cease their market-making activity at any time without notice. In addition, such market-making activity will be subject to limitations imposed by the U.S. Securities Act and other applicable laws and regulations. As a result, we cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained.

The Notes are subject to restrictions on transfer.

The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. You may not offer the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement. We have not undertaken to register the Notes or to effect any exchange offer for the Notes in the future. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "Notice to Investors."

Certain considerations relating to book-entry interests.

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of 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 Banking will be the registered holder of the Regulation S Euro Global Notes and the Rule 144A Euro Global Notes, and DTC, or its nominee, will be the registered holder of the Regulation S Euro Global Notes and the Rule 144A Dollar Global Notes (as such terms are defined in "Book-entry; Delivery and Form"). After payment to the common depositary or DTC's custodian, as the case may be, we, the Trustee and the Principal Paying Agent will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, Euroclear or Clearstream Banking, as applicable, and if you are not a participant in DTC, Euroclear or Clearstream Banking, on the procedures of the participant through

which you own your interest, to exercise any rights and obligations of a holder under the Indentures. See “Book-entry; Delivery and Form.”

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear or Clearstream Banking or, if applicable, a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Secured Indenture and/or the Senior 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 DTC, Euroclear or Clearstream Banking. We, the Trustee, and the Principal Paying Agent cannot assure you that the procedures to be implemented through DTC, Euroclear or Clearstream Banking will be adequate to ensure the timely exercise of rights under the Notes. See “Book-entry; Delivery and Form.”

You may be unable to serve process on us or our directors and officers in the United States and enforce U.S. judgments based on the Notes.

Trivium Packaging Finance B.V., the Issuer of the Notes, and the Parent Guarantor of the Notes are incorporated under the laws of The Netherlands. Subject to the Agreed Security Principles, 90 days following the Completion Date, the Notes will be guaranteed by the Post-Completion Date Guarantors. Most of the Post-Completion Date Guarantors of the Notes are incorporated under the laws of one of British Columbia (Canada), Denmark, England and Wales, France, Germany, Hungary, Italy, The Netherlands, Poland and Spain. Furthermore, most of the directors and executive officers of the Issuer and such Guarantors live outside the United States. Substantially all of the assets of Trivium Packaging Finance B.V. and the Guarantors (other than the Post-Completion Date Guarantors in Delaware and Ohio (United States)), and substantially all of the assets of their directors and executive officers, are located outside the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States. In addition, Danish, Dutch, English, French, German, Italian, Polish and Spanish counsel have informed us that it is questionable whether a Danish, Dutch, English, French, German, Italian, Polish or Spanish court would accept jurisdiction and impose civil liability if proceedings were commenced in Denmark, The Netherlands, the United Kingdom, France, Germany, Italy, Poland or Spain predicated solely upon U.S. federal securities laws. See “Service of Process and Enforcement of Judgments.”

Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests.

The laws of certain of the jurisdictions in which the Post-Completion Date Guarantors are organized limit the ability of these subsidiaries to guarantee debt of a related company or grant security on account of a related company's debts. These limitations arise under various provisions or principles of corporate law which include rules governing capital maintenance, under which, among others, the risks associated with a guarantee or grant of security on account of a parent company's debt need to be reasonable and economically and operationally justified from the guarantor's or grantor's perspective, as well as thin capitalization, unfair consideration, financial assistance, corporate purpose or similar law affecting the rights of creditors generally and fraudulent transfer principles. If these limitations were not observed, the Guarantees and the grant of Security Interests by these Post-Completion Date Guarantors could be subject to legal challenge. In some jurisdictions, the Guarantees will contain language limiting the amount of debt guaranteed or secured so that applicable local law restrictions will not be violated. Certain of the Security Documents will contain similar limitations. Accordingly, if you were to enforce the Guarantees by a

Post-Completion Date Guarantor in one of these jurisdictions or seek to enforce a Security Interest in Collateral granted by a Post-Completion Date Guarantor in one of these jurisdictions, your claims are likely to be limited. In some cases, where the amount that can be guaranteed or secured is limited by reference to the net assets and legal capital of the Post-Completion Date Guarantor or by reference to the outstanding debt owed by the relevant Post-Completion Date Guarantor to the Issuer under intercompany loans, that amount might have reached zero or close to zero at the time of any insolvency or enforcement. Furthermore, although we believe that the Guarantees by these Post-Completion Date Guarantors and the Security Interests granted by these Post-Completion Date Guarantors will be validly given in accordance with local law restrictions, there can be no assurance that a third-party creditor would not challenge these Guarantees and the Security Interests and prevail in court.

The Indentures will provide that, except under very limited circumstances, only the Trustee or the Security Agent, as applicable, will have standing to bring an enforcement action in respect of the Notes, the Guarantees and the Security Interests. Moreover, the Intercreditor Agreement restricts the rights of holders of the Notes to initiate insolvency proceedings or take other legal actions against the Post-Completion Date Guarantors, and by accepting any Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse under the Guarantees and the Security Interests in the event of a default by the Issuer or a Post-Completion Date Guarantor.

The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.

Some, but not all, of our subsidiaries will guarantee the Notes. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to any Guarantor, as direct or indirect shareholders.

Accordingly, in the event that any of the non-guarantor subsidiaries becomes insolvent, liquidates or otherwise reorganizes:

- the creditors of the Guarantors (including the holders of the Notes) will have no right to proceed against such subsidiary's assets; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before any Guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As of December 31, 2018, on a pro forma basis, our non-guarantor subsidiaries would have had \$2 million of debt outstanding and \$216 million of trade payables and deferred taxes, all of which would have ranked structurally senior to the Notes and the Guarantees. See "Capitalization."

Insolvency laws and other limitations on the Guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

Our obligations under the Notes will be guaranteed by the Guarantors. Subject to the Agreed Security Principles, 90 days following the Completion Date, the Notes will be guaranteed by the Post-Completion Date Guarantors. The Post-Completion Date Guarantors of the Notes are incorporated under the laws of one of British Columbia (Canada), Delaware (United States), Denmark, England and Wales, France, Germany, Hungary, Italy, The Netherlands, Ohio (United States), Poland and Spain.

Although laws differ among these jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and, in the case of the Guarantees and the Security Interests, limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Guarantee against a Guarantor and the enforceability of the Security Interests.

The court or an insolvency administrator may also in certain circumstances avoid the Security Interest or the Guarantee where the company is close to or in the vicinity of insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Guarantees and the Security Interests, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor's obligations under its Guarantee or the Security Interests;
- direct that holders of the Notes return any amounts paid under a Guarantee or any security to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any Guarantee or Security Interest is found to be a 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. In addition, the liability of each Guarantor under its Guarantee or the Security Interests will be limited to the amount that will result in such Guarantee or Security Interests not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. The amount recoverable from the Guarantors under the Security Documents will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. Also, there is a possibility that the Guarantees or Security Interests may be set aside, in which case the entire liability may be extinguished.

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would need to find that, at the time the Guarantees were issued or the Security Interests created, the relevant Guarantor:

- issued such Guarantee or created such Security Interest with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;
- issued such Guarantee or created such Security Interest in a situation where a prudent businessman as a shareholder of such Guarantor would have contributed equity to such Guarantor; or
- received less than reasonably equivalent value for incurring the debt represented by the Guarantee or Security Interest on the basis that the Guarantee or Security Interest were incurred for our benefit, and only indirectly the Guarantor's benefit, or some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the Guarantee or the creation of the Security Interest, or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the Guarantor's assets were unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor generally may, in different jurisdictions, be considered insolvent at the time it issued a Guarantee or created any Security Interest if:

- its liabilities exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due; and/or

- the present salable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

Although we believe that we are solvent, and will be so after giving effect to the offering of the Notes, there can be no assurance which standard a court would apply in determining whether a Guarantor was “insolvent” as of the date the Guarantees were issued or the Security Interests were created or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued or Security Interests were created, that payments to holders of the Notes constituted fraudulent transfers on other grounds.

We do not present separate financial statements for each Post-Completion Date Guarantor.

We have not presented in this Offering Memorandum separate financial statements for each Post-Completion Date Guarantor, and we are not required to do so in the future under the Secured Indenture or the Senior Indenture.

You will not have the benefit of the guarantees from any of the Post-Completion Date Guarantors on the Issue Date.

The Guarantees, other than the Secured Notes Parent Guarantee and Senior Notes Parent Guarantee by the Parent Guarantor, will not be in effect, subject to the Agreed Security Principles, until 90 days following the Completion Date with respect to the Guarantees by the Post-Completion Date Guarantors.

Certain changes in Dutch tax law related to The Netherlands government’s plan to combat tax avoidance may have an adverse effect on us and may entitle us to redeem the Notes.

On October 10, 2017, the new Dutch government released its policy statement (*Regeerakkoord 2017-2021 “Vertrouwen in de toekomst”*). The policy statement does not include concrete legislative proposals, but instead sets out a large number of policy intentions of the new Dutch government. In the policy statement, it was announced that The Netherlands will introduce a new withholding tax on interest payments paid to low-taxed jurisdictions.

In a letter dated February 23, 2018, to the Dutch Parliament, the Dutch Under-Minister of Finance published more details about the proposed introduction of withholding tax on interest payments. According to the letter, the interest withholding tax would apply to intragroup interest payments by a Dutch resident entity to entities that are resident (i) in a jurisdiction with a low statutory tax rate or (ii) in a jurisdiction included in the E.U. list of non-cooperative jurisdictions. In addition, the letter states that measures will be taken to counteract “abusive situations” (*misbruiksituaties*). According to the letter, abusive situations include situations where a payment of interest is not made directly to a low-taxed or non-cooperative jurisdiction, but where such interest indirectly reaches such jurisdiction by means of an artificial construction.

In his letter, the Dutch Under-Minister of Finance announced that it is intended for the withholding tax on interest payments to be effective from 2021 and that a legislative proposal will be submitted to the Dutch parliament in 2019. This was reiterated by the Dutch Under-Minister of Finance in one of the legislative proposals published on budget day 2018 (*Prinsjesdag 2018*).

The exact scope of the proposed legislation is not yet certain. Therefore, it cannot be excluded that the envisaged interest withholding tax could have a wider application and, as such, it could potentially be applicable to payments made by the Issuer and Guarantors under the Notes. If such payments become subject to Dutch withholding tax under the envisaged legislation, the Issuer and Guarantors generally will be required to pay Additional Amounts (see “Taxation—Netherlands Taxation,” “Description of the Senior Secured Notes—Withholding Taxes” and “Description of the Senior Notes—Withholding Taxes”), which may give rise to an event whereby the Issuer may be entitled to redeem the Notes (see “Description

of the Senior Secured Notes—Optional Redemption” and “Description of the Senior Notes—Optional Redemption”).

Risks Relating to the Secured Notes

The value of the Collateral securing the Secured Notes and the Secured Notes Guarantees may not be sufficient to satisfy our obligations under the Secured Notes and the Collateral securing the Secured Notes may be reduced or diluted under certain circumstances.

The Secured Notes and the Secured Notes Guarantees are secured by first priority security interests on the Collateral as described in this Offering Memorandum, which Collateral also secures on a first priority basis our and our subsidiaries’ obligations under certain hedging obligations. The Collateral may also secure additional debt to the extent permitted by the terms of the Indentures. Your rights to the Collateral would be diluted by any increase in the debt secured by the Collateral or a reduction of the Collateral securing the Secured Notes. The ABL Facility will have lien priority and other advantages over the Secured Notes with respect to the ABL Collateral, and the holders of indebtedness under the ABL Facility will be entitled to be paid out of the proceeds of the ABL Collateral upon an insolvency or an enforcement action before the proceeds are applied to pay obligations with respect to the Secured Notes and the Secured Notes Guarantees.

The value of the Collateral and the amount to be received upon a sale of such Collateral will depend upon many factors including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which our operations are located, the availability of buyers and other factors. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. Portions of the Collateral may be illiquid and may have no readily ascertainable market value. The Collateral is located in a number of countries, and the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the Collateral. To the extent that holders of other secured debt or third parties enjoy liens (including statutory liens), whether or not permitted by the Secured Indenture, such holders or third parties may have rights and remedies with respect to the Collateral securing the Secured Notes and the Secured Notes Guarantees which, if exercised, could reduce the proceeds available to satisfy the obligations under the Secured Notes and the Secured Notes Guarantees.

The Security Interests over the Collateral have been, or will be, granted to the Security Agent rather than directly to the holders of the Secured Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

In France, Germany, The Netherlands and Poland, the security over the Collateral that constitutes, or will constitute, security for the obligations of the Issuer under the Secured Notes and the Secured Indenture is not granted directly to the noteholders but only in favor of the Security Agent, as beneficiary of parallel debt obligations (“Parallel Debt”). This Parallel Debt was created to satisfy a requirement under the respective laws of France, Germany, The Netherlands and Poland that the Security Agent, as grantee of certain types of collateral, be a creditor of the relevant Post-Completion Date Guarantor. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Secured Indenture and the Secured Notes (the “Principal Obligations”). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. The Security Agent has, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Secured Notes. The holders of the Notes are not entitled to enforce such security except through the Security Agent. Holders of the Secured Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. The Parallel Debt obligations referred to above are contained in the Secured Indenture, which is governed by New York law. There is no assurance that such a structure will be effective before French, German, Dutch or Polish courts as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Agent to enforce the Collateral may be restricted.

You will not have a security interest in all of the Collateral on the Issue Date and you will not have the benefit of the guarantees from any of the Post-Completion Date Guarantors on the Issue Date.

You will not have a security interest in the Collateral, other than the Escrow Collateral and limited Issue Date Collateral, in place on the Issue Date and the Guarantees, other than the Secured Notes Parent Guarantee and Senior Notes Parent Guarantee by the Parent Guarantor, will also not be in effect, subject to the Agreed Security Principles, until 90 days following the Completion Date. Until such time as all the Collateral is in place, the Issuer's obligation to pay interest on the Notes will be an unsecured obligation during this period and will rank behind their secured obligations to the extent such amount is insufficient to pay the interest on the Secured Notes.

Subject to the Agreed Security Principles, we will be required under the Secured Indenture to provide security over the Fixed Asset Collateral and the ABL Collateral no later than 90 days following the Completion Date. See "Description of the Senior Secured Notes" and "Description of Other Indebtedness—Intercreditor Agreement." Failure to comply with these obligations would constitute a default under the Secured Indenture.

Any issues that we are not able to resolve in connection with the delivery of Collateral may negatively impact the value of the Collateral. To the extent a lien in certain Collateral is perfected following the Issue Date, it might be avoidable in bankruptcy or create new hardening periods. See "—The granting of the Security Interests in connection with the issuance of the Secured Notes may create hardening periods for such Security Interests in accordance with the law applicable in certain jurisdictions."

The granting of the Security Interests in connection with the issuance of the Secured Notes may create hardening periods for such Security Interests in accordance with the law applicable in certain jurisdictions.

The granting of new Security Interests in connection with the issuance of the Secured Notes may create hardening periods for such Security Interests in certain jurisdictions. The applicable hardening period for these new Security Interests will run as from the moment each new Security Interest has been granted, perfected or recreated. At each time, if the Security Interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it.

The Senior Secured Euro Floating Rate Notes and the loans under our ABL Facility will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.

The Senior Secured Euro Floating Rate Notes and the loans under our ABL Facility will bear interest at floating rates of interest per annum equal to LIBOR or EURIBOR (as the case may be), as adjusted periodically, plus a margin. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. These interest rates could also rise significantly in the future. To the extent interest rates were to rise significantly, our interest expense associated with the Senior Secured Euro Floating Rate Notes and the loans under our ABL Facility would correspondingly increase, thus reducing our cash flow.

Following allegations of manipulation of LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be

predicted. For example, on July 27, 2017, the U.K. Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including, but not limited to, the Senior Secured Euro Floating Rate Notes and the ABL Facility, whose interest rates are linked to LIBOR and EURIBOR). In the event that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the euro-zone for the purposes of determining floating rates of interest, the interest rate on the Senior Secured Euro Floating Rate Notes would be calculated based on a successor rate either generally accepted in the euro-zone, or if such rate was unavailable, by a successor rate selected by the Issuer in consultation with an independent financial advisor. There can be no assurance that such a successor rate would be favorable to holders of the Senior Secured Euro Floating Rate Notes as EURIBOR. Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

The Senior Notes and the Senior Notes Guarantees will be unsecured and the claims of secured creditors will have priority.

The Senior Notes and the Senior Notes Guarantees will be unsecured obligations of the Issuer and the Senior Notes Guarantors, respectively. Debt under the ABL Facility and several of our facilities are, and the Secured Notes will be, secured by liens on the property and assets of material operating subsidiaries of the Parent Guarantor, as well as shares held by the Parent Guarantor in its material operating subsidiaries. In addition, subject to the restrictions in our ABL Facility, the Indentures and in other outstanding debt, we may be able to incur substantial additional secured debt. The secured creditors of the Issuer and the Senior Notes Guarantors will have priority over the assets securing their debt to the extent of the value of such assets. In the event that any of such secured debt becomes due or a secured lender proceeds against the assets that secure the debt, the assets would be available to satisfy obligations under the secured debt before any payment would be made on the Senior Notes or under any of the Senior Notes Guarantees. Any assets remaining after repayment of our secured debt may not be sufficient to repay all amounts owing under the Senior Notes. As of March 31, 2019, on a pro forma basis, after giving effect to the Transactions, the Parent Guarantor and the Post-Completion Date Guarantors would have had \$2,246 million of secured debt outstanding. See “Capitalization.”

THE COMBINATION

Element and the Ardagh Group have agreed to form a joint venture named Trivium, which will own the Ardagh Carve-out Business and Exal. Trivium will be operated and financed on an independent basis, subject to the terms of the Shareholders Agreement described below and customary control rights of shareholders in a privately held Dutch company. The Notes offered hereby form part of the overall financing arrangements in connection with the Combination (as defined below).

The Combination remains subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals and completion of works council consultation processes in France and The Netherlands. Please see “Risk Factors—Risks Relating to the Combination.”

The Combination

The Combination will be documented in two main agreements: the Transaction Agreement and the Shareholders Agreement. The summaries of the Transaction Agreement and the Shareholders Agreement presented below do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of the Transaction Agreement and Shareholders Agreement. Copies of the Transaction Agreement and the Shareholders Agreement are available upon request to the Issuer.

Transaction Agreement

The Transaction Agreement has been entered into by and among Element, the Ardagh Group and the Parent Guarantor. Under the Transaction Agreement, in exchange for the equity interests in the Ardagh Carve-out Business, the Parent Guarantor will (i) issue to the Ardagh Group, or its designated controlled affiliate, ordinary shares representing 43% of the Parent Guarantor’s issued and outstanding equity interests, and (ii) pay to the Ardagh Group in cash the equivalent of \$2,500 million (the “Ardagh Cash Consideration”) and in exchange for the equity interests in Exal, the Parent Guarantor will issue to Element or its designated controlled affiliate, ordinary shares representing 57% of the Parent Guarantor’s issued and outstanding equity interests (the “Combination”). The Ardagh Cash Consideration as well as the number of the Parent Guarantor’s ordinary shares to be issued to Element are subject to a customary purchase price adjustment to reflect changes in our net debt, cash and net working capital between execution of the Transaction Agreement and the Completion Date. If, however, the number of ordinary shares issuable to Element after giving effect to the purchase price adjustment would result in Element owning less than 51.0% of the Parent Guarantor’s ordinary shares, Element will receive 51.0% of the Parent Guarantor’s ordinary shares and will pay to the Parent Guarantor, in cash, an amount equal to the number of ordinary shares that would have been issued to Element in excess of 51.0% multiplied by the per share price of \$24.3831. The terms of the Transaction Agreement include, among other things:

- Customary representations and warranties given by Element in respect of Exal and by the Ardagh Group in respect of the Ardagh Carve-out Business.
- Customary interim operating covenants in respect of the Ardagh Carve-out Business and in respect of Exal, including requiring the Ardagh Group and Exal to conduct their respective businesses in the ordinary course of business consistent with past practice and restrictions on their ability to sell assets, amend the organizational documents of any legal entities in the Ardagh Carve-out Business or Exal, declare dividends, enter into material contracts, change their accounting policies or issue any new securities, incur, assume or guarantee indebtedness.
- Indemnification for certain losses in connection with the investigation initiated in 2015 by the German competition authority. See “The Trivium Business—Legal Proceedings”.
- Conditions to closing of the Combination that need to be satisfied or waived in accordance with the Transaction Agreement, including: (i) no action, order or law shall have been in effect that restrains or prohibits the Combination or would rescind the Combination following the Completion Date,

(ii) certain fundamental representations and warranties of each of Element and the Ardagh Group being true and correct and other non-fundamental representations being true and correct except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have a material adverse effect, (iii) each of Element and the Ardagh Group having complied with their respective covenants under the Transaction Agreement in all material respects, (iv) the obtaining of all required regulatory approvals and consents agreed among the parties; (v) the completion of certain works council consultation processes in France and the Netherlands; and (vi) issuing the Notes offered hereby and entering into the ABL Facility on terms satisfactory to the Element and the Ardagh Group.

- The right to terminate the Transaction Agreement by Element or the Ardagh Group (i) in the event that not all of the conditions to closing set forth therein have been satisfactorily fulfilled or waived by January 14, 2020 (the “Termination Date”), *provided* the Termination Date may be extended to April 14, 2020 in the event that regulatory approvals and consents are not obtained by such date; (ii) in the event a government order permanently enjoins, restrains or prohibits the consummation of the Combination; (iii) for a violation, breach or inaccuracy of any representation or warranty, or failure to perform any covenant or agreement, by the other party if such violation, breach or failure gives rise to a material breach or failure to deliver a closing deliverable that, if curable, is not cured within 20 business days; and (iv) by mutual written consent; *provided that* neither Element nor the Ardagh Group is permitted to terminate the Transaction Agreement for the reasons described in the foregoing clauses (i) or (iii) if, in the case of clause (i) its own breach of its representations, warranties or covenants is the reason why the Combination failed to close by the Termination Date or, in the case of clause (iii) it is then in breach of any of its representations, warranties or covenants under the Transaction Agreement and such breach is not cured within 20 business days and would give rise to the failure of the closing conditions relating to breaches of representations, warranties and covenants not to be satisfied.

None of the representations, warranties or covenants required to be performed prior to the Completion Date will survive the closing of the Combination (other than the interim operating covenants and expense reimbursement covenants, which will survive for a period of twelve months following such closing). Post-closing covenants, including the covenant of the Ardagh Group to indemnify the Parent Guarantor in respect of the German competition investigation described above, will survive the closing of the Combination in accordance with their respective terms.

Shareholders Agreement

The Shareholders Agreement will be entered into by Element, the Ardagh Group and the Parent Guarantor upon the closing of the Combination. The agreed form of the Shareholders Agreement includes, among other things:

- Customary provisions relating to the governance of the Parent Guarantor, including (i) the formation of a nine person supervisory board (including up to five members to be designated or nominated by Element and up to four members to be designated or nominated by the Ardagh Group) and (ii) the formation a management board consisting of one or more directors, including our chief executive officer and two observers to be appointed by each of Element and the Ardagh Group.
- Certain shareholder reserved matters that require the approval of shareholders holding shares constituting at least 70% of the then-outstanding shares of the Parent Guarantor, including our annual budget and five year business plan, material acquisitions or dispositions, mergers, demergers or consolidations, issuances or repurchases of our shares, incurrence of indebtedness over a certain amount, incurrence of unbudgeted capital expenditure (over a certain limit), related party transactions, distributions or dividends, our adoption of a management incentive plan, or a change

in accounting policies, the adoption of the audited financial statements or the appointment or termination of members of the senior management team.

- A non-competition covenant providing that none of Element or its subsidiaries and none of the Ardagh Group or its subsidiaries will, directly or indirectly, engage in the development, manufacture, marketing or sale of metal food or specialty cans (including aerosol cans), in each case as developed, manufactured, marketed or sold by us at the Completion Date); *provided, however*, that the Ardagh Group will be free to engage and participate in the beverage market, and to develop, manufacture, market or sell containers for the beverage market, including aluminum bottles.
- A provision relating to aluminum bottles matters, and the right of Element or the supervisory board members designated or nominated by Element, to take all actions and decisions on matters concerning the business of manufacturing, marketing or selling of aluminum bottles as conducted by us, subject to certain limitations.
- A customary non-solicitation covenant in respect of Element and the Ardagh Group, not to solicit, induce or encourage any individual to leave the employ or to hire, employ, engage or otherwise retain any individual who is an employee of, the other party or its affiliates.
- Provisions relating to restrictions on the transfer of shares in Trivium, including customary tag-along, first refusal, pre-emptive and other rights associated with Element and the Ardagh Group's shareholdings.

USE OF PROCEEDS

We estimate that the gross proceeds of the offering of the Notes will be the equivalent of \$2,750 million. Pending the completion of the Transactions, an amount equal to the gross proceeds of the issuance of the Notes will be deposited into the Escrow Accounts and will be released on the Completion Date. See “Description of the Senior Secured Notes—Special Mandatory Redemption” and “Description of the Senior Notes—Special Mandatory Redemption.”

Upon satisfaction of the conditions to the release of the proceeds of the issuance of the Notes from escrow, the proceeds will be released and will be used to provide cash consideration to the Ardagh Group, refinance certain indebtedness of Exal, for general corporate purposes and to pay fees and expenses related to the Combination.

The following table sets out the expected sources and uses of the funds necessary to consummate the Combination as if it had occurred on March 31, 2019. Actual amounts will vary from estimated amounts depending on several factors, including changes in working capital at Trivium and differences from our estimates of fees and expenses.

| <u>Sources</u> | <u>(in \$ millions)⁽¹⁾</u> | <u>Uses</u> | <u>(in \$ millions)⁽¹⁾</u> |
|---|---------------------------------------|---|---------------------------------------|
| | | Cash Consideration to the Ardagh Group | 2,500 |
| Secured Notes offered hereby | 2,150 | Refinancing of the debt of Exal | 168 |
| Senior Notes offered hereby | 600 | Cash to Trivium balance sheet | 48 |
| New ABL Facility ⁽²⁾ | — | Estimated fees and expenses of the financing ⁽³⁾ | 34 |
| Total | <u>2,750</u> | Total | <u>2,750</u> |

- (1) Euro-denominated borrowings have been translated at an exchange rate of \$1.00 = €1.1235, the exchange rate used in preparing our pro forma balance sheet on March 31, 2019.
- (2) The new ABL Facility is anticipated to provide for commitments of up to \$250 million with availability subject to conditions typical for asset based revolving credit facilities. Based on the currently anticipated timing for the Combination, we believe the new ABL Facility will be undrawn at the Completion Date.
- (3) Estimated fees and expenses of the financing does not include the estimated transaction costs of \$45 million primarily associated with reimbursement of transaction related costs incurred by the transferring parties.

CAPITALIZATION

The following table sets forth our pro forma unaudited total cash and cash equivalents and capitalization as of March 31, 2019, presented to give effect to the Transactions, the issuance of the Notes offered hereby and the use of proceeds therefrom, as if such transactions had occurred on March 31, 2019.

The information set forth below should be read in conjunction with “Use of Proceeds” and “Unaudited Pro Forma Combined Financial Information,” included elsewhere in this Offering Memorandum.

| | As of March 31, 2019 Pro Forma (in \$ millions) ⁽¹⁾ |
|---|---|
| Cash and cash equivalents | 48 ⁽²⁾ |
| Debt | |
| Secured Notes offered hereby ⁽³⁾ | 2,150 |
| New ABL Facility ⁽⁴⁾ | — |
| Lease obligations | 96 |
| Total secured debt | <u>2,246</u> |
| Senior Notes offered hereby ⁽³⁾ | 600 |
| Other borrowings | 7 |
| Total debt | <u>2,853</u> |
| Total shareholder equity | <u>913</u> |
| Total capitalization | <u>3,766</u> |

(1) Euro-denominated borrowings have been translated at an exchange rate of \$1.00 = €1.1235, the exchange rate used in preparing our pro forma balance sheet on March 31, 2019.

(2) Cash and cash equivalents has not been reduced to reflect the estimated transaction costs of \$45 million primarily associated with reimbursement of transaction related costs incurred by the transferring parties.

(3) Amounts shown are gross of the estimated deferred financing costs associated with the incurrence of the Notes offered hereby.

(4) The new ABL Facility is anticipated to provide for commitments of up to \$250 million with availability subject to conditions typical for asset based revolving credit facilities. See “Description of Other Indebtedness—ABL Facility.” Based on the currently anticipated timing for the Combination, we believe the new ABL Facility will be undrawn at the Completion Date.

For further details relating to the debt instruments described above, see “The Trivium Business—Liquidity and Capital Resources,” “Description of Other Indebtedness,” “Description of the Senior Secured Notes” and “Description of the Senior Notes.”

SELECTED COMBINED FINANCIAL AND OTHER DATA OF THE ARDAGH CARVE-OUT BUSINESS

The following table sets forth selected financial data and other data for the Ardagh Carve-out Business for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Transactions. The selected financial data and other data should be read in conjunction with “Summary Combined Financial and Other Data of the Ardagh Carve-out Business,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Results of Operations of Ardagh Carve-out Business” and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results.

We have derived the summary financial data as of and for the financial years ended December 31, 2018, 2017 and 2016 from the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements, which are included elsewhere in this Offering Memorandum. The Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements reflect the metal food and specialty business of Ardagh Group S.A. that have not in the past formed a separate accounting group. These businesses do not constitute a separate legal entity or group. The Ardagh Carve-out Business Combined Carve-out Financial Statements have been prepared by aggregating the financial information for the metal food and specialty business, comprising the entities constituting the Ardagh Carve-out Business together with the assets, liabilities, revenue and expenses that management has determined are specifically attributable to the Ardagh Carve-out Business.

For a complete description of the accounting principles followed in preparing the Ardagh Carve-out Business Combined Carve-out Financial Statements, please see Note 2 “Summary of Significant Accounting Policies” to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements included elsewhere in this Offering Memorandum. This basis of preparation sets out the method used in identifying the financial position, performance and cash flows of the metal food and specialties businesses included in the Ardagh Carve-out Business Combined Carve-out Financial Statements. The notes explain that the businesses included in the Ardagh Carve-out Business Combined Carve-out Financial Statements have not operated as a separate stand-alone entity or group.

The Ardagh Carve-out Business adopted IFRS 16 effective January 1, 2019, and applied the modified retrospective approach which does not require restatement of prior periods. As detailed in Note 2 of the Ardagh Carve-out Business Unaudited Interim Combined Financial Statements “Summary of significant accounting policies,” the adoption of IFRS 16 impacts on the combined income statement and certain key financial metrics as a result of changes in the classification of charges recognized in the combined income statement. The application of the new standard decreased both cost of sales and operating costs (excluding depreciation) in the combined income statement, giving rise to an increase in underlying Adjusted EBITDA, but this is largely offset by corresponding increases in depreciation and finance expenses.

For a detailed discussion of the presentation of financial data, see “Presentation of Financial and Other Data.”

| | Audited Combined | | | Unaudited Combined | | |
|--|--------------------------------------|------------|------------|--|------------|---|
| | Year ended and as of December 31, | | | Three months ended and as of March 31, | | Twelve months ended and as of March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions, except percentages) | | | | | |
| Income Statement Data | | | | | | |
| Revenue | 2,421 | 2,206 | 2,150 | 581 | 598 | 2,404 |
| Cost of sales | (2,031) | (1,801) | (1,778) | (483) | (488) | (2,026) |
| Gross profit | 390 | 405 | 372 | 98 | 110 | 378 |
| Sales, general and administration expenses . . | (114) | (115) | (112) | (35) | (37) | (112) |
| Intangible amortization | (28) | (27) | (27) | (7) | (7) | (28) |
| Exceptional operating items ⁽¹⁾ | (18) | (26) | (27) | (2) | (7) | (13) |
| Operating profit | 230 | 237 | 206 | 54 | 59 | 225 |
| Net finance expense | (42) | (35) | (41) | (12) | (11) | (43) |
| Profit before tax | 188 | 202 | 165 | 42 | 48 | 182 |
| Income tax charge | (39) | (51) | (27) | (11) | (12) | (38) |
| Profit for the period | 149 | 151 | 138 | 31 | 36 | 144 |
| Balance Sheet Data | | | | | | |
| Cash and cash equivalents ⁽²⁾ | 34 | 35 | 41 | 32 | 40 | 32 |
| Working capital ⁽³⁾ | 86 | 163 | 154 | 173 | 248 | 173 |
| Total assets | 2,378 | 2,526 | 2,294 | 2,528 | 2,659 | 2,528 |
| Total borrowings ⁽⁴⁾ | 567 | 504 | 452 | 650 | 636 | 650 |
| Total invested capital | (759) | (933) | (870) | (806) | (883) | (806) |
| Other Data | | | | | | |
| Adjusted EBITDA ⁽⁵⁾ | 363 | 367 | 340 | 87 | 95 | 355 |
| Adjusted EBITDA margin (%) | 15.0% | 16.6% | 15.8% | 15.0% | 15.9% | 14.8% |
| Depreciation and amortization ⁽⁶⁾ | 115 | 104 | 107 | 31 | 29 | 117 |
| Capital expenditure ⁽⁷⁾ | 108 | 92 | 65 | 40 | 28 | 120 |

(1) The income statement data presented above is on a reported basis and includes certain exceptional items which, by their incidence or nature, management considers should be adjusted for to enable a better understanding of the financial performance of the Ardagh Carve-out Business. A summary of these exceptional items included in the income statement data is as follows:

| | Audited Combined | | | Unaudited Combined | | |
|--|----------------------------|-----------|-----------|---------------------------------------|----------|-------------------------------------|
| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Exceptional cost of sales (excluding impairment) | 10 | 6 | 15 | 2 | 2 | 10 |
| Exceptional sales, general and administration expenses | 2 | 4 | 4 | — | — | 2 |
| Exceptional impairment | 6 | 16 | 8 | — | 5 | 1 |
| Exceptional operating items | 18 | 26 | 27 | 2 | 7 | 13 |

For further details on the exceptional operating items for the years ended December 31, 2018, 2017 and 2016, see Note 4 to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements for each of the years ended December 31, 2018, 2017 and 2016. For further details on the exceptional items for the three months ended March 31, 2019 and

2018, see Note 4 to the Ardagh Carve-out Business Unaudited Interim Combined Carve-out Financial Statements as of and for the three months ended March 31, 2019.

- (2) Cash and cash equivalents include restricted cash as per the note disclosures to the financial information.
- (3) Working capital is comprised of inventories, trade and other receivables, contract assets, trade and other payables and current provisions.

| | Audited Combined | | | Unaudited Combined | | |
|---------------------------------------|-----------------------|------------|------------|--------------------|------------|----------------------------|
| | As of December 31, | | | As of March 31, | | |
| | 2018 | 2017 | 2016 | 2019 | 2018 | As of March 31, 2019 |
| | (in \$ millions) | | | | | |
| Inventories | 383 | 351 | 305 | 429 | 401 | 429 |
| Trade and other receivables | 273 | 365 | 318 | 310 | 427 | 310 |
| Contract asset | 16 | 27 | 24 | 27 | 30 | 27 |
| Trade and other payables | (569) | (560) | (463) | (576) | (589) | (576) |
| Current provisions | (17) | (20) | (30) | (17) | (21) | (17) |
| Working capital | 86 | 163 | 154 | 173 | 248 | 173 |

- (4) Total borrowings are defined as related party borrowings (which includes accrued interest payable to Ardagh), representing certain components of the Ardagh Group's corporate debt, finance lease obligations (the three months ended March 31, 2019, include lease liabilities recognized as a result of the adoption of IFRS 16 as of January 1, 2019) and other borrowings.
- (5) Adjusted EBITDA consists of profit before tax, net finance expense, depreciation and amortization and exceptional operating items. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA and Adjusted EBITDA margin in a manner different from ours. Adjusted EBITDA and Adjusted EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of profit before tax to Adjusted EBITDA is as follows:

| | Audited Combined | | | Unaudited Combined | | |
|---|----------------------------|------------|------------|---------------------------------------|-----------|--|
| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Profit before tax | 188 | 202 | 165 | 42 | 48 | 182 |
| Net finance expense | 42 | 35 | 41 | 12 | 11 | 43 |
| Depreciation and amortization | 115 | 104 | 107 | 31 | 29 | 117 |
| Exceptional operating items | 18 | 26 | 27 | 2 | 7 | 13 |
| Adjusted EBITDA | 363 | 367 | 340 | 87 | 95 | 355 |

IFRS 16 Adjusted EBITDA is Adjusted EBITDA further adjusted for the impact of IFRS 16 as if it had been adopted on April 1, 2018. IFRS 16 Adjusted EBITDA has been presented in order to reflect the impact of this new accounting standard for the nine months ended December 31, 2018.

The reconciliation of Adjusted EBITDA to IFRS 16 Adjusted EBITDA is as follows:

| | Unaudited Combined Twelve months ended March 31, 2019 |
|--|--|
| | (in \$ millions) |
| Adjusted EBITDA | 355 |
| Leasing Adjustments ^(a) | 14 |
| IFRS 16 Adjusted EBITDA | <u>369</u> |

(a) Leasing adjustments consists of the estimated additional depreciation and finance expense that would have been incurred for the period from April 1, 2018, to December 31, 2018, assuming that IFRS 16 “Leases” had been adopted on April 1, 2018.

- (6) Depreciation, amortization and impairment of property, plant and equipment.
- (7) Capital expenditure is the sum of purchase of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF EXAL

The following table sets forth summary consolidated financial data and other data of Exal for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Transactions. The summary financial data and other data should be read in conjunction with “Selected Consolidated Financial and Other Data of Exal,” “Operating and Financial Review and Prospects of Exal—Results of Operations of Exal” and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results.

We have derived the summary financial data as of December 31, 2018, 2017 and 2016 and for the three financial years ended December 31, 2018, 2017 and 2016 from the Exal Audited Annual Consolidated Financial Statements, which are included elsewhere in this Offering Memorandum. For a complete description of the accounting principles followed in preparing the Exal Consolidated Financial Statements, please see Note 1 “Organization and Basis of Presentation” and Note 2 “Summary of Significant Accounting Policies” to the Exal Audited Annual Consolidated Financial Statements included elsewhere in this Offering Memorandum.

For a detailed discussion of the presentation of financial data, see “Presentation of Financial and Other Data.”

| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
|---|----------------------------|-----------|-----------|---------------------------------------|-----------|--|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Revenues | 288 | 272 | 274 | 71 | 76 | 283 |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 186 | 175 | 185 | 46 | 50 | 182 |
| Selling, general and administrative cost | 26 | 26 | 24 | 7 | 6 | 27 |
| Depreciation and amortization ⁽⁶⁾ | 27 | 25 | 24 | 7 | 7 | 27 |
| Transition and integration expenses | 3 | 2 | 4 | — | — | 3 |
| Loss on write-down or disposal of fixed assets | 6 | 2 | 5 | — | — | 6 |
| Other expenses ⁽¹⁾ | 25 | 16 | 6 | 4 | 3 | 26 |
| Insurance claim income, net ⁽²⁾ | (10) | — | — | — | (2) | (8) |
| Operating income | 25 | 26 | 26 | 7 | 12 | 20 |
| Interest expense | 12 | 11 | 10 | 3 | 3 | 12 |
| Interest expense-related parties | — | 1 | 5 | — | — | — |
| Income before taxes | 13 | 14 | 11 | 4 | 9 | 8 |
| Benefit from (provision for) income taxes | 1 | — | (8) | (1) | (2) | 2 |
| Net income | 14 | 14 | 3 | 3 | 7 | 10 |

| | Year ended and as of December 31, | | | Three months ended and as of March 31, | | Twelve months ended and as of March 31, |
|---|-----------------------------------|------|------|--|------|---|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Balance Sheet Data | | | | | | |
| Cash and cash equivalents | 4 | 3 | 7 | 3 | 8 | 3 |
| Total assets | 393 | 388 | 380 | 388 | 391 | 388 |
| Total borrowings ⁽³⁾ | 172 | 173 | 133 | 168 | 170 | 168 |
| Other Data | | | | | | |
| Adjusted EBITDA ⁽⁴⁾ | 80 | 71 | 66 | 20 | 20 | 80 |
| Capital expenditures ⁽⁵⁾ | 38 | 33 | 13 | 3 | 9 | 32 |

- (1) For a summary of the components of other expenses, see Note 15 to the 2018 Exal Audited Annual Consolidated Financial Statements, Note 16 to the 2017 Exal Audited Annual Consolidated Financial Statements and Note 7 to the Exal Unaudited Interim Consolidated Financial Statements.
- (2) For a summary of the components of Insurance claim income, net, see Note 16 to the 2018 Exal Audited Annual Consolidated Financial Statements, Note 17 to the 2017 Exal Audited Annual Consolidated Financial Statements and Note 8 to the Exal Unaudited Interim Consolidated Financial Statements.
- (3) Total borrowings consists of borrowings outstanding on Exal's revolving credit facility, term loan and related party borrowings, and excludes unamortized deferred financing fees and lease obligations.
- (4) Adjusted EBITDA consists of net income, plus the following items: income taxes, net interest expense, depreciation and amortization, certain one-item or unusual items such as costs associated with the recovery from the Exal Packaging facility fire, impairment of property, plant, and equipment, South American financial taxes, management change costs, restructuring expenses including severance and expenses associated other special projects. Adjusted EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA in a manner different from ours. Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with U.S. GAAP.
- (5) Capital expenditures is the sum of purchase of property, plant and equipment and software and other intangibles.

The reconciliation of net income to Adjusted EBITDA is as follows:

| | Year ended December 31, | | | Three months ended March 31, | | Twelve months ended March 31, |
|--|-------------------------|-----------|-----------|------------------------------|-----------|-------------------------------|
| | 2018 | 2017 | 2016 | 2019 | 2018 | 2019 |
| | (in \$ millions) | | | | | |
| Net income | 14 | 14 | 3 | 3 | 7 | 10 |
| Income taxes | (1) | 1 | 8 | 1 | 2 | (2) |
| Interest expense, net | 12 | 12 | 15 | 3 | 3 | 12 |
| Depreciation and amortization expense ⁽⁶⁾ | 28 | 26 | 25 | 7 | 6 | 29 |
| Foreign currency losses | 19 | 5 | 1 | 4 | 2 | 21 |
| Net fire (proceeds) | (8) | — | — | — | (2) | (6) |
| Property, plant and equipment impairment | 6 | 2 | 5 | — | — | 6 |
| M&A and one-time restructuring expenses | 7 | 2 | 4 | 1 | 1 | 7 |
| Other | 3 | 9 | 5 | 1 | 1 | 3 |
| Adjusted EBITDA | 80 | 71 | 66 | 20 | 20 | 80 |

- (6) Depreciation and amortization expense includes amortization of artwork and printing plates included in cost of goods sold under U.S. GAAP.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

While it has not yet been determined, the information contained in the unaudited pro forma combined financial information included below has been presented on the basis that Trivium will record the businesses contributed to it on formation at fair value, including goodwill. This involves measuring the cost of the businesses contributed and allocating, at the Completion Date, the cost of the businesses contributed to the identifiable assets acquired and liabilities assumed at their respective fair values. Identifiable assets contributed and liabilities assumed will be measured initially at their fair values at the Completion Date. Trivium intends to measure the consideration transferred to each of the contributing parties, including Trivium equity transferred, at fair value.

The Combination has not been completed, and, as a result, we are not currently in a position to measure fair values and make the related adjustments to the recorded values of identifiable assets and liabilities of the Ardagh Carve-out Business and the Exal business, respectively. Following completion of the accounting for the Combination (including measurement of fair values), we will make any necessary adjustments to recorded values of the contributed assets and liabilities. We currently expect that the majority of the adjustments will result in adjustments to property, plant and equipment, the creation of intangible assets and goodwill and an increase in the fair value of inventory. The adjustments to intangible assets are likely to result in additional charges for amortization, which will have a negative effect on operating profit. Similarly, the adjustment to inventory will result in a corresponding increase in cost of sales which will be recognized and reduce operating profit during the period in which the acquired inventory is sold. The unaudited pro forma financial information set forth below does not reflect any fair value accounting adjustments for the Combination. The adjustments that will occur on completion of the final accounting for the Combination could have a material impact on the pro forma combined financial information.

The following unaudited pro forma income statement information for the twelve months ended March 31, 2019, gives effect to Transactions as if they had occurred on April 1, 2018. The summary unaudited pro forma balance sheet data as of March 31, 2019, gives effect to the Transactions as if they had occurred on that date. We are not presenting full pro forma balance sheet information in this Offering Memorandum. This unaudited pro forma financial information is based on available information and various assumptions that management believe to be reasonable, including the receipt of all consents and approvals required for completion of the Transactions. Completion of the Transactions as contemplated in this Offering Memorandum is subject to legally required staff consultation in certain jurisdictions. The actual results may differ significantly from those reflected in the unaudited pro forma financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. The unaudited pro forma financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations would have been had the Transactions occurred on the dates assumed, nor is it necessarily indicative of future consolidated results of operations or financial position.

The unaudited pro forma financial information reflects a number of adjustments made to the financial information of the Exal business. It is expected that Trivium will follow the presentation and accounting policies applied by Ardagh and so no adjustments are required to adjust the accounting policies and presentation of financial information followed by the Ardagh Carve-out Business for purposes of the unaudited pro forma financial information. The compilation of the unaudited pro forma financial information and the adjustments reflected therein are explained as follows:

- Adjustments have been made to convert the underlying U.S. GAAP financial information set forth in the Exal Consolidated Financial Statements to IFRS and in alignment with the expected IFRS accounting policies of Trivium. These adjustments are based on management's analysis of the major GAAP and accounting policy differences between Trivium and the Exal Consolidated Financial

Statements. There can be no assurance that a full IFRS conversion of the financial information set forth in the Exal Consolidated Financial Statements to be performed on completion of the Combination would not result in different numbers, and such differences may be material.

- The underlying financial information of Exal has been adjusted to align the presentation of certain income statement items with the expected presentation of such financial information by Trivium.
- The impact of any new contractual agreements that are factually supportable, directly related to the acquisitions and are expected to have a continuing impact.

The basis for the adjustments reflected in the unaudited pro forma financial information and the key assumptions made are explained in the notes to the information accompanying the tables.

The following pro forma financial information presented has not been prepared in accordance with the requirements of Regulation S X under the Exchange Act or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information have been audited or reviewed in accordance with International Standards on Auditing (Ireland) or U.S. GAAS. The unaudited pro forma combined financial information set forth below should be read in conjunction with the historical combined financial statements and notes thereto of the Ardagh Carve-out Business Combined Carve-out Financial Statements and the Exal Consolidated Financial Statements, both included elsewhere in this Offering Memorandum, “Operating and Financial Review and Prospects of the Ardagh Carve-out Business” and “Operating and Financial Review and Prospects of Exal.”

| For the twelve months ended March 31, 2019 | | | | | | |
|---|---------------------------------|---------------------|------------------------|----------------------------|--------------------------|--------------------------------|
| | Ardagh Carve-out Business | Exal ⁽¹⁾ | Trivium ⁽²⁾ | Transaction Adjustments | Financing Adjustments | Pro Forma Financial Data |
| | (in \$ millions) | | | | | |
| Income Statement Data | | | | | | |
| Revenue | 2,404 | 283 | — | — | — | 2,687 |
| Cost of sales | (2,026) | (206) | — | — | — | (2,232) |
| Gross profit | 378 | 77 | — | — | — | 455 |
| Sales, general and administration expenses | (112) | (23) | — | — | — | (135) |
| Intangible amortization | (28) | (3) | — | — | — | (31) |
| Exceptional operating items | (13) | (29) | — | — | — | (42) |
| Operating profit | 225 | 22 | — | — | — | 247 |
| Net finance expense | (43) | (14) | — | 48 ⁽³⁾ | (160) ⁽³⁾ | (169) |
| Profit/(loss) before tax | 182 | 8 | — | 48 | (160) | 78 |

| | For the twelve months ended and as of March 31, 2019 | | | | | |
|---|--|------|------------------------|----------------------------|---|--------------------------------|
| | Ardagh Carve-out Business | Exal | Trivium ⁽²⁾ | Transaction Adjustments | Financing Adjustments ⁽⁴⁾ | Pro Forma Financial Data |
| | (in \$ millions, except percentages) | | | | | |
| Balance Sheet Data | | | | | | |
| Cash and cash equivalents | 32 | 3 | — | (35) | 48 | 48 |
| Working capital ⁽⁵⁾ | 173 | 57 | — | (45) ⁽⁶⁾ | — | 185 |
| Total assets | 2,528 | 388 | — | 1,927 ⁽⁷⁾ | — | 4,843 |
| Total borrowings ⁽¹¹⁾ | 650 | 172 | — | (719) ⁽⁸⁾ | 2,716 | 2,819 |
| Total Invested / Equity capital | 806 | 174 | — | (67) ⁽⁹⁾ | — | 913 |
| Other Data | | | | | | |
| Pro Forma Adjusted EBITDA ⁽¹⁰⁾ | | | | | | 435 |
| Pro Forma Adjusted EBITDA margin (%) ⁽¹⁰⁾ | | | | | | 16.2% |
| Depreciation and amortization | | | | | | 146 |
| Net finance expense | | | | | | 169 |
| Capital expenditure | | | | | | 152 |
| Net borrowings ⁽¹¹⁾ | | | | | | 2,771 |

(1) The following adjustments have been made to the financial data of the Exal consolidated financials which have been converted to \$ millions:

| | For the twelve months ended March 31, 2019 | | |
|--|---|---|--------------------------------------|
| | Exal Consolidated Financials U.S. GAAP ^(a) | IFRS conversion adjustments ^(b) | Exal Consolidated Financials IFRS |
| | | (in \$ millions) | |
| Income Statement Data | | | |
| Revenue | 283 | — | 283 |
| Cost of sales | (206) | — | (206) |
| Gross profit | 77 | — | 77 |
| Sales, general and administration expenses | (23) | — | (23) |
| Intangible amortization | (3) | — | (3) |
| Exceptional operating items | (29) | — | (29) |
| Operating profit | 22 | — | 22 |
| Net finance expense | (14) | — | (14) |
| Profit before tax | 8 | — | 8 |

(a) The following table presents the adjustments made to the financial data in the Exal Consolidated Financial Statements to reclassify certain items to conform to the format in which Trivium presents its financial information under IFRS.

For the twelve months ended March 31, 2019

| | Exal Consolidated Financials U.S. GAAP | Reclassifications⁽ⁱ⁾ | Exal Consolidated Financials U.S. GAAP | Trivium Income Statement |
|---|---|--|---|--|
| | (in \$ millions) | | | |
| Income Statement Data | | | | |
| Revenue | 283 | — | 283 | Revenue |
| Cost of sales (excluding depreciation and amortization) ⁽ⁱⁱ⁾ | <u>(182)</u> | <u>(24)</u> | <u>(206)</u> | Cost of sales |
| | | | 77 | Gross profit |
| Sales, general and administration expenses | (27) | 4 | (23) | Sales, general and administration expenses |
| Depreciation and amortization | (27) | 24 | (3) | Intangible amortization |
| Transition and integration expenses . | (3) | (26) | (29) | Exceptional operating items |
| Loss on write-down or disposal of fixed assets | (6) | 6 | — | |
| Other expenses | (26) | 26 | — | |
| Insurance claim income, net | <u>8</u> | <u>(8)</u> | <u>—</u> | |
| Earnings before interest and tax | 20 | 2 | 22 | Operating profit |
| Interest expense ⁽ⁱⁱⁱ⁾ | <u>(12)</u> | <u>(2)</u> | <u>(14)</u> | Net finance expense |
| Earnings before taxes . . . | <u>8</u> | <u>—</u> | <u>8</u> | Profit before tax |

- (i) Reclassifies certain items to conform to the format in which Trivium is expected to present its financial information. The items impacted are the classification as exceptional operating items of certain one-off or unusual items, such as FX gains and losses on volatile foreign currencies, primarily in South America, as well as costs associated with the recovery from the Exal Packaging facility fire, impairment of property, plant, and equipment, management change costs, restructuring expenses, including severance, and expenses associated with other special projects.
- (ii) Cost of sales has been adjusted to include depreciation. There has been no impact on the balance sheet as a result of this adjustment, with the exception of a reclassification for spare parts of \$8 million between inventory and property, plant and equipment.
- (iii) Interest expense has been adjusted to include South American financial taxes. There has been no impact on the balance sheet as a result of this adjustment.
- (b) An assessment has been undertaken in order to convert the underlying U.S. GAAP financial information to IFRS. There has been no material impact on the Pro Forma combined income statement or the Pro Forma combined balance sheet data as a result of this assessment. Based on management analysis to date, no material impact to the Pro Forma combined income statement or balance sheet data is expected as a result of IFRS 15 or IFRS 16.
- (2) Trivium has not previously prepared or presented any financial information. Trivium has no income statement or balance sheet activity other than de minimis amounts.
- (3) Represents the increase in net finance expense associated with the elimination of the Ardagh Carve-out Business related party debt and the Exal debt, and the addition of the finance expense (at assumed rates), of the Notes offered hereby. The finance expense related to the Notes offered hereby includes the amortization of associated deferred financing costs. No adjustment has been made in respect of finance expense associated with the ABL Facility.
- (4) Reflects the additional cash and cash equivalents and the increase in indebtedness, net of estimated deferred financing costs associated with the incurrence of new indebtedness, associated with the Notes offered hereby. See “Use of Proceeds.”

- (5) Working capital is comprised of inventories, trade and other receivables, contract assets, trade and other payables and current provisions.

| | As at March 31, 2019 |
|---------------------------------------|-------------------------|
| | (\$ millions) |
| Inventories | 459 |
| Trade and other receivables | 366 |
| Contract asset | 27 |
| Trade and other payables | (650) |
| Current provisions | (17) |
| Working Capital | <u>185</u> |

- (6) Reflects estimated transaction costs of \$45 million, primarily associated with reimbursement of transaction related costs incurred by the contributing parties.
- (7) Reflects adjustments for the elimination of historic goodwill, the elimination of historic cash not acquired and the allocation to goodwill of the excess of the estimated fair value of the businesses contributed to Trivium over the book value of the identified assets and liabilities. No adjustment has been made in respect of the fair value of identified assets and liabilities as required by IFRS. Fair value of the business has been determined based on a multiple of Adjusted EBITDA on which the two joint venture parties agreed to contribute their respective businesses. See “The Combination.”
- (8) Reflects the elimination of Ardagh Carve-out Business related party debt and the Exal debt as that debt will not remain a liability of Trivium upon completion of the transaction.
- (9) Reflects the equity impact to Trivium of (i) the elimination of the historic equity/invested capital of Exal and the Ardagh Carve-out Business, respectively, (ii) the estimated transaction costs as described in footnote 6, and (iii) the estimated fair value of equity interests that will be issued as consideration for the Combination.
- (10) Pro Forma Adjusted EBITDA is profit before tax, net finance expense, depreciation and amortization and exceptional operating items. Pro Forma Adjusted EBITDA margin is calculated as Pro Forma Adjusted EBITDA divided by revenues. Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA margin in a manner different from ours. Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of Pro Forma profit before tax to Pro Forma Adjusted EBITDA is as follows:

| | Twelve months ended March 31, 2019 |
|--|---------------------------------------|
| | Pro Forma Financial Data |
| | (\$ millions) |
| Profit before tax | 78 |
| Net finance expense | 169 |
| Depreciation and amortization | 146 |
| Exceptional operating items | 42 |
| Pro Forma Adjusted EBITDA | <u>435</u> |

- (11) Pro Forma total borrowings is presented after deduction of any unamortized debt issuance costs and includes lease obligations and other borrowings. Pro Forma net borrowings reflects pro forma total borrowings, less pro forma cash and cash equivalents.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS OF THE ARDAGH CARVE-OUT BUSINESS

The following discussion should be read together with, and is qualified in its entirety by reference to the Ardagh Carve-out Business Combined Carve-out Financial Statements, including the related notes thereto, included in this Offering Memorandum, beginning on page F-2. The following discussion should also be read in conjunction with “Presentation of Financial and Other Data,” “Selected Combined Financial and Other Data of the Ardagh Carve-out Business” and “Unaudited Pro Forma Combined Financial Information.” Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect Ardagh Carve-out Business’ plans, estimates and beliefs and involve risks and uncertainties. Ardagh Carve-out Business’ actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in “Risk Factors” and “Forward-Looking Statements.”

Unless the context indicates otherwise, when we refer to the “Ardagh Carve-out Business” we do not take into account the effects of the Combination. Some of the measures used in this Offering Memorandum are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities as a measure of liquidity or an alternative to operating profit/(loss) or profit/(loss) for the period as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

Ardagh Carve-out Business

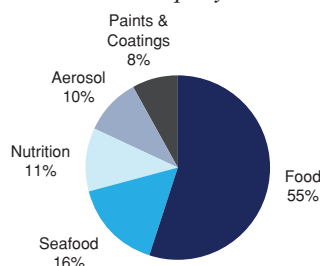
The Ardagh Carve-out Business is a leading supplier of innovative, value-added, infinitely-recyclable metal packaging solutions. The Ardagh Carve-out Business’ products principally comprise metal packaging in the form of cans and aerosol containers, and serve a broad range of end use categories, including food, seafood, pet food and nutrition, as well as beauty and personal care, along with paints and coatings, which are characterized by stable, consumer-driven demand patterns. Its customers include a wide variety of leading CPG companies, which value its packaging products for their features, convenience and quality, as well as the end-user appeal they offer through design, innovation, functionality, premium association and brand promotion. With the Ardagh Carve-out Business’ significant invested capital base, extensive technological capabilities and manufacturing know-how, it believes it is well-positioned to continue to meet the dynamic needs of its global customers. The Ardagh Carve-out Business has mainly been built through strategic acquisitions and believes it has established leadership positions in large, attractive markets in food and other cans.

The Ardagh Carve-out Business’ profit, Adjusted EBITDA and cash generated from operations for the three months ended March 31, 2019, were \$31 million, \$87 million and nil, respectively and for the year ended December 31, 2018, were \$149 million, \$363 million and \$385 million, respectively.

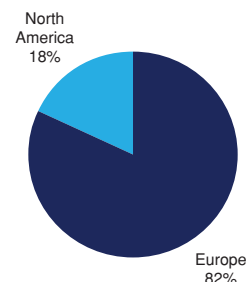
The following chart illustrates the breakdown of our revenue by end use category and by destination for the year ended December 31, 2018:

Revenue by End Use Category

Based on Company estimates



Revenue by Destination



In 2018, the Ardagh Carve-out Business had 52 facilities, located in Europe, the United States, Canada, Morocco, the Seychelles and South Korea, and approximately 6,800 employees producing approximately 30 billion containers and components. The Ardagh Carve-out Business believes it enjoys leadership positions in its key businesses with #1 or #2 positions in each of those businesses. The Ardagh Carve-out Business believes that the Ardagh Carve-out Business is the #1 can supplier to the European nutrition and paints and coatings end use categories, as well as the supply of aerosol cans, which are predominantly used in the beauty and personal care and household care sectors. In addition, the Ardagh Carve-out Business believes that it was the #1 supplier of aerosol containers, collectively serving multiple end use categories including beauty and personal care, food, household care and other uses. Moreover, Ardagh Carve-out Business believes that it was the #2 can supplier to the food and seafood end use categories in Europe and North America.

The Ardagh Carve-out Business serves over 1,200 customers across more than 70 countries, comprised of multi-national companies, large national and regional companies and small local businesses. In the Ardagh Carve-out Business' target regions of Europe and North America, its customers include a wide variety of CPG companies, which own some of the best known brands in the world. The Ardagh Carve-out Business has a stable customer base with long-standing relationships and approximately 60% of its revenues are generated under multi-year contracts, with the remainder largely subject to annual arrangements, with a high degree of customer retention. A significant portion of the Ardagh Carve-out Business' revenues are generated under contracts which include input cost pass-through provisions, which help us reduce margin volatility due to changes in raw material costs.

The Ardagh Carve-out Business' plants are generally located in close proximity to its customers, with some located near-site to its customers' filling locations. The European facilities operate as a scalable and flexible pan-European network while the North American production facilities, with three of its six facilities constructed in the past 10 years, are well located to serve key customers and regions. Significant capital has been invested in Ardagh Carve-out Business' extensive network of long-lived production facilities, which, together with its skilled workforce and related manufacturing process know-how, supports the Ardagh Carve-out Business' competitive positions.

The Ardagh Carve-out Business is committed to market-leading innovation and product development. Its global operations are supported by a dedicated innovation, development and engineering center in France. The 60 research and engineering specialists working at this facility enable the Ardagh Carve-out Business to continuously improve design and consumer convenience, reduce costs and ensure compliance with evolving standards and food safety regulations. Examples of the Ardagh Carve-out Business' innovations include introducing two-piece fully bisphenol-A non-intentionally added ("BPANIA") cans for a major North American customer, consistently leading in down-gauging initiatives in cans and ends, including innovations such as the OptiLift closing system, the lightest end in the world. These innovations

appeal to our customers, as they enhance the end-user experience, reduce metal consumption and facilitate brand differentiation. Further, the Ardagh Carve-out Business holds more than 50 patents.

The Ardagh Carve-out Business has expanded its footprint through strategic investments in new capacity including, in 2015, the completion of approximately \$220 million in can-making facilities in Roanoke, Virginia and Reno, Nevada, as well as a significant expansion of our Conklin, New York, ends plant to meet substantially all the U.S. food can requirements of a major U.S. customer pursuant to a long-term contract. These initiatives, as well as other investments over many years, in existing and adjacent end use categories, have increased our scale and diversification and provided opportunities to grow our business with both existing and new customers.

Business Drivers

The main factors affecting the Ardagh Carve-out Business' results of operations are: (i) global economic trends and end-consumer demand for our products; (ii) prices of raw material and energy used in our business, primarily tinplate steel and aluminum, and our ability to pass-through these and other cost increases to our customers, through contractual pass-through mechanisms under multi-year contracts, or through renegotiation in the case of short-term contracts; (iii) investment in operating cost reductions; and (iv) foreign exchange rate fluctuations and currency translation risks arising from various currency exposures, primarily with respect to the euro, U.S. dollar, British pound, Polish zloty and Danish krone. In addition, certain other factors affect the Ardagh Carve-out Business' revenue and operating profit/(loss).

The Ardagh Carve-out Business generates its revenue from supplying metal containers to a wide range of primarily consumer-driven end use categories. Revenue is primarily dependent on sales volumes and sales prices.

Sales volumes are influenced by a number of factors, including factors driving customer demand, seasonality and the capacity of the Ardagh Carve-out Business' plants. Demand for our metal containers may be influenced by vegetable and fruit harvests, seafood catches, trends in the consumption of food, trends in the use of consumer products, industry trends in packaging, including marketing decisions, the impact of increasing sustainability awareness and changes in environmental regulations. The size and quality of harvests and catches vary from year to year, depending in large part upon the weather in the regions in which the Ardagh Carve-out Business operates. The food can industry is seasonal in nature, with strongest demand during the end of the summer, coinciding with the harvests. Accordingly, the Ardagh Carve-out Business' volume of containers shipped is typically highest in the second and third quarters and lowest in the first and fourth quarters. Accordingly, the Ardagh Carve-out Business generally builds inventories in the first quarter in anticipation of the seasonal demands.

The Ardagh Carve-out Business generates the majority of its earnings from operations during the second and third quarters. Ardagh Carve-out Business' Adjusted EBITDA is based on revenue derived from selling our metal containers and is affected by a number of factors, primarily cost of sales. The elements of the Ardagh Carve-out Business' cost of sales include (i) variable costs, such as electricity, raw materials (including the cost of tinplate steel and aluminum), packaging materials, decoration and freight and other distribution costs, and (ii) fixed costs, such as labor and other plant-related costs, including depreciation, maintenance and sales, marketing and administrative costs. The Ardagh Carve-out Business' variable costs have typically constituted approximately 80% of the total cost of sales for our metal containers manufacturing business.

Results of Operations of the Ardagh Carve-out Business

The results of operations presented below should be reviewed in conjunction with the combined financial statements and notes included elsewhere in this offering memorandum. The following table sets forth the Ardagh Carve-out Business' consolidated results of operations for the periods shown:

| | Unaudited | | Audited | | |
|--|------------------------------|------------|-------------------------|------------|------------|
| | Three months ended March 31, | | Year ended December 31, | | |
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (in \$ millions) | | | | |
| Revenue | 581 | 598 | 2,421 | 2,206 | 2,150 |
| Cost of sales | (485) | (495) | (2,047) | (1,823) | (1,801) |
| Gross profit | 96 | 103 | 374 | 383 | 349 |
| Sales, general and administration expenses | (35) | (37) | (116) | (119) | (116) |
| Intangible amortization | (7) | (7) | (28) | (27) | (27) |
| Operating profit | 54 | 59 | 230 | 237 | 206 |
| Net finance expense | (12) | (11) | (42) | (35) | (41) |
| Profit before tax | 42 | 48 | 188 | 202 | 165 |
| Income tax charge | (11) | (12) | (39) | (51) | (27) |
| Profit for the year | 31 | 36 | 149 | 151 | 138 |

Three months ended March 31, 2019 compared to three months ended March 31, 2018

Revenue

The Ardagh Carve-out Business' revenue decreased by \$17 million (3%) to \$581 million for the three months ended March 31, 2019 compared to \$598 million for the three months ended March 31, 2018. The decrease in revenue was primarily due to unfavorable volume/mix effects (including the impact of the closure of a facility in North America) and unfavorable foreign currency translation effects of \$31 million, offset by the pass-through to customers of higher input costs.

Cost of sales

The Ardagh Carve-out Business' cost of sales decreased by \$10 million (2%) to \$485 million for the three months ended March 31, 2019 compared to \$495 million for the three months ended March 31, 2018. The decrease in cost of sales is due mainly to lower volume/mix effects, lower other operating costs, the impact of the adoption of IFRS 16 "Leasing," lower exceptional cost of sales of \$5 million and favorable currency translation effects, partially offset by higher input costs. Further analysis of the movement in exceptional items is set out in note 4 to the Ardagh Carve-out Business Unaudited Interim Combined Carve-Out Financial Statements included elsewhere in this Offering Memorandum.

Sales, general and administration expenses

The Ardagh Carve-out Business' sales, general and administration expenses decreased by \$2 million (5%) to \$35 million for the three months ended March 31, 2019 compared to \$37 million for the three months ended March 31, 2018. The decrease in sales, general and administration expenses was primarily due to favorable currency translation effects.

Net finance expense

The Ardagh Carve-out Business' net finance expense increased by \$1 million (9%) to \$12 million for the three months ended March 31, 2019 compared to \$11 million for the three months ended March 31, 2018. The increase in net finance expense was primarily due to an increase in other finance expense of \$2 million, including additional finance expense of \$1 million related to lease liabilities, partially offset by a decrease in net pension interest cost of \$1 million.

Income tax charge

The Ardagh Carve-out Business' income tax charge decreased by \$1 million (8%) to \$11 million for the three months ended March 31, 2019 compared to \$12 million for the three months ended March 31, 2018. The decrease in income tax charge was primarily due to lower profit before tax.

Profit for the period

The Ardagh Carve-out Business' profit for the period decreased by \$5 million (14%) to \$31 million for the three months ended March 31, 2019 compared to \$36 million for the three months ended March 31, 2018. The decrease in profit for the period was primarily due to the factors described above.

Adjusted EBITDA

The Ardagh Carve-out Business' Adjusted EBITDA decreased by \$8 million (8%) to \$87 million for the three months ended March 31, 2019 compared to \$95 million for the three months ended March 31, 2018. The decrease in Adjusted EBITDA was primarily due to unfavorable volume/mix effects as mentioned above, unfavorable foreign currency translation effects, higher input costs offset by lower other operating costs and the impact of the adoption of IFRS 16 "Leasing."

Year ended December 31, 2018 compared to year ended December 31, 2017

Revenue

The Ardagh Carve-out Business' revenue increased by \$215 million (10%) to \$2,421 million for the year ended December 31, 2018 compared to \$2,206 million for the year ended December 31, 2017. The increase in revenue was primarily due to the pass-through to customers of higher input costs, favorable foreign currency translation effects of \$81 million, and favorable volume/mix effects.

Cost of sales

The Ardagh Carve-out Business' cost of sales increased by \$224 million (12%) to \$2,047 million for the year ended December 31, 2018 compared to \$1,823 million for the year ended December 31, 2017. The increase in cost of sales was primarily due to unfavorable currency translation effects, higher input and other operating costs, partially offset by lower exceptional cost of sales. Exceptional cost of sales decreased by \$6 million, primarily reflecting \$10 million lower property, plant and equipment impairment charges, partially offset by a \$3 million pension past service cost. Further analysis of the movement in exceptional items is set out in note 4 to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements, included elsewhere in this Offering Memorandum.

Sales, general and administration expenses

The Ardagh Carve-out Business' sales, general and administration expenses decreased by \$3 million (3%) to \$116 million for the year ended December 31, 2018 compared to \$119 million for the year ended December 31, 2017. The decrease in sales, general and administration expenses was primarily due to lower exceptional sales, general and administration expenses of \$2 million. Further analysis of the movement in

exceptional items is set out in note 4 to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements included elsewhere in this Offering Memorandum.

Intangible amortization

The Ardagh Carve-out Business' intangible amortization increased by \$1 million (4%) to \$28 million for the year ended December 31, 2018 compared to \$27 million for the year ended December 31, 2017. The increase in intangible amortization was primarily due to the impact of additional annual amortization charges on technology assets.

Net finance expense

The Ardagh Carve-out Business' net finance expense increased by \$7 million (20%) to \$42 million for the year ended December 31, 2018 compared to \$35 million for the year ended December 31, 2017. The increase in net finance expense was primarily due to higher interest on related party borrowings.

Income tax charge

The Ardagh Carve-out Business' income tax charge decreased by \$12 million (24%) to \$39 million for the year ended December 31, 2018 compared to \$51 million for the year ended December 31, 2017. The decrease in income tax charge was primarily due to lower profit before tax for the year ended December 31, 2018 and the impact of income taxed at rates other than standard tax rates.

Profit for the year

The Ardagh Carve-out Business' profit for the year decreased by \$2 million (1%) to \$149 million for the year ended December 31, 2018 compared to \$151 million for the year ended December 31, 2017. The decrease in profit for the year was primarily due to the factors described above.

Adjusted EBITDA

The Ardagh Carve-out Business' Adjusted EBITDA decreased by \$4 million (1%) to \$363 million for the year ended December 31, 2018 compared to \$367 million for the year ended December 31, 2017. The decrease in Adjusted EBITDA was primarily due to higher input costs offset by lower other operating costs, favorable volume/mix effects, as mentioned above and favorable foreign currency translation effects of \$13 million.

Year ended December 31, 2017 compared to year ended December 31, 2016

Revenue

The Ardagh Carve-out Business' revenue increased by \$56 million (3%) to \$2,206 million for the year ended December 31, 2017 compared to \$2,150 million for the year ended December 31, 2016. The increase in revenue was primarily due to the pass-through to customers of higher input costs and favorable foreign currency translation effects of \$11 million offset by unfavorable volume/mix effects.

Cost of sales

The Ardagh Carve-out Business' cost of sales increased by \$22 million (1%) to \$1,823 million for the year ended December 31, 2017 compared to \$1,801 million for the year ended December 31, 2016. The increase in cost of sales was primarily due to unfavorable currency translation effects and higher input costs, partially offset by volume/mix effects, lower other operating costs and by lower exceptional cost of sales of \$1 million.

Sales, general and administration expenses

The Ardagh Carve-out Business' sales, general and administration expenses increased by \$3 million (3%) to \$119 million for the year ended December 31, 2017 compared to \$116 million for the year ended December 31, 2016. The increase in sales, general and administration expenses was primarily due to unfavorable currency translation effects and operating cost increases.

Net finance expense

The Ardagh Carve-out Business' net finance expense decreased by \$6 million (15%) to \$35 million for the year ended December 31, 2017 compared to \$41 million for the year ended December 31, 2016. The decrease in net finance expense was primarily due to lower foreign currency translation losses and reduced losses on derivative financial instruments.

Income tax charge

The Ardagh Carve-out Business' income tax charge increased by \$24 million (89%) to \$51 million for the year ended December 31, 2017 compared to \$27 million for the year ended December 31, 2016. The increase in income tax charge was primarily due to higher profit before tax for the year ended December 31, and the impact of adjustments in respect of prior years' included in the income tax charge for the year ended December 31, 2016.

Profit for the year

The Ardagh Carve-out Business' profit for the year increased by \$13 million (9%) to \$151 million for the year ended December 31, 2017 compared to \$138 million for the year ended December 31, 2016. The increase in profit for the year was primarily due to the factors described above.

Adjusted EBITDA

The Ardagh Carve-out Business' Adjusted EBITDA increased by \$27 million (8%) to \$367 million for the year ended December 31, 2017 compared to \$340 million for the year ended December 31, 2016. The increase in Adjusted EBITDA was primarily due to lower input costs, lower other operating costs including a \$10 million pension credit, favorable foreign currency translation effects of \$4 million offset by unfavorable volume/mix effects as mentioned above.

Cash flows

The following table sets forth a summary of our cash flow for the three months ended March 31, 2019 and 2018 and the years ended December 31, 2018, 2017 and 2016:

| | Unaudited | | Audited | | |
|---|------------------------------|-------------|-------------------------|--------------|--------------|
| | Three months ended March 31, | | Year ended December 31, | | |
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (in \$ millions) | | | | |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | — | 19 | 385 | 338 | 374 |
| Interest paid | (10) | (9) | (38) | (24) | (25) |
| Income tax (paid)/received | (1) | 1 | (8) | (8) | (13) |
| Net cash (used in)/from operating activities | (11) | 11 | 339 | 306 | 336 |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | (36) | (25) | (90) | (85) | (59) |
| Purchase of intangible assets | (4) | (4) | (20) | (9) | (7) |
| Proceeds from disposal of property, plant and equipment | — | 1 | 2 | 2 | 1 |
| Net cash used in investing activities | (40) | (28) | (108) | (92) | (65) |
| Cash flows from financing activities | | | | | |
| Repayment of borrowings | — | (1) | (1) | (1) | (1) |
| Proceeds from borrowings | 1 | — | 4 | — | — |
| Cash received from/(remitted to) Ardagh | 53 | 22 | (232) | (223) | (331) |
| Lease payments | (3) | — | — | — | — |
| Net cash inflow/(outflow) from financing activities | 51 | 21 | (229) | (224) | (332) |
| Net increase/(decrease) in cash and cash equivalents | — | 4 | 2 | (10) | (61) |
| Cash and cash equivalents at the beginning of the year | 34 | 35 | 35 | 41 | 103 |
| Exchange (losses)/gains on cash and cash equivalents | (2) | 1 | (3) | 4 | (1) |
| Cash and cash equivalents at the end of the year | 32 | 40 | 34 | 35 | 41 |

Cash generated from/(used in) operating activities

Cash generated from operating activities in the three months ended March 31, 2019 was nil, representing a decrease of \$19 million, compared to cash generated from operating activities of \$19 million in the same period in 2018. The decrease was primarily due to lower profit for the period of \$5 million and higher outflows related to movements in working capital of \$12 million. Net cash (used in)/from operating activities was further impacted by higher interest paid of \$1 million and higher income tax paid of \$2 million.

Cash generated from operating activities in the year ended December 31, 2018, of \$385 million represents an increase of \$47 million, compared to \$338 million cash generated from operating activities in the same period in 2017. The increase was primarily due to higher inflows related to movements in working capital of \$50 million. This increase was partially offset by higher interest paid of \$14 million.

Cash generated from operating activities in the year ended December 31, 2017, of \$338 million represents a decrease of \$36 million, compared to \$374 million cash generated from operations in the same period in 2016. The decrease was primarily due to higher outflows related to movements in working capital of \$73 million, partially offset by higher profit before tax for the period of \$37 million. Net cash from

operating activities was further impacted by lower interest and income tax paid of \$1 million and \$5 million, respectively.

Net cash used in investing activities

Net cash used in investing activities increased by \$12 million to \$40 million in the three months ended March 31, 2019, compared to \$28 million in the same period in 2018 primarily due to increased capital expenditures related to the timing of capital investments and to the Ardagh Carve-out Business' short payback capital expenditure program, which deployed additional funding in relation to a number of specific investment initiatives which offered attractive payback periods.

Net cash used in investing activities increased by \$16 million to \$108 million in the year ended December 31, 2018, compared to \$92 million in the same period in 2017 primarily due to increased capital expenditures related to the Ardagh Carve-out Business' short payback projects as described above in addition to increased capital expenditures relating to intangible asset investments in the Ardagh Carve-out Business' information technology of \$11 million.

Net cash used in investing activities increased by \$27 million to \$92 million in the year ended December 31, 2017, compared to \$65 million in the same period in 2016 primarily due to the timing of capital expenditure cash outflows related to investments in the Ardagh Carve-out Business' program of continuous improvement initiatives, including the carry forward impact related to a number of projects initiated in year ended December 31, 2016.

Net inflow/(outflow) from financing activities

Net cash from financing activities represented an inflow of \$51 million in the three months ended March 31, 2019 compared to a \$21 million inflow in the same period in 2018 primarily due to \$31 million additional cash received from the Ardagh Group.

Net cash from financing activities represented an outflow of \$229 million in the year ended December 31, 2018 compared to a \$224 million outflow in the same period in 2017 primarily due to \$9 million additional cash remitted to the Ardagh Group, partially offset by \$4 million proceeds from borrowings.

Net cash from financing activities represented an outflow of \$224 million in the year ended December 31, 2017 compared to a \$332 million outflow in the same period in 2016 due to \$108 million lower cash remitted to the Ardagh Group.

Critical Accounting Policies

The Ardagh Carve-out Business prepares the Ardagh Carve-out Business Annual Audited Combined Carve-out Financial Statements in accordance with IFRS as issued by the IASB. A summary of significant accounting policies is contained in Note 2 to the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements, included elsewhere in this Offering Memorandum. In applying many accounting principles, the Ardagh Carve-out Business makes assumptions, estimates and judgments which are often subjective and may be affected by changing circumstances or changes in the analysis performed. Material changes in these assumptions, estimates and judgments have the potential to materially alter the results of operations. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill and other long-lived assets

In accordance with IAS 36 "Impairment of assets" ("IAS 36"), the Ardagh Carve-out Business tests whether goodwill and other long-lived assets have suffered any impairment in accordance with the

accounting policies stated. The determination of the recoverable amounts of goodwill requires the use of estimates as outlined in note 8 of the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements. The judgments made by the Ardagh Carve-out Business relating to the impairment of goodwill and other long-lived assets are included in notes 8 and 9 of the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements.

Establishing lives for the purposes of depreciation and amortization of property, plant and equipment and intangibles

Long-lived assets, consisting primarily of property, plant and equipment, customer intangibles and technology intangibles, comprise a significant portion of the total assets of the Ardagh Carve-out Business. The annual depreciation and amortization charges depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The board of directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilization and physical condition of the assets concerned. Changes in asset lives can have a significant impact on the depreciation and amortization charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined and there are a significant number of asset lives in use.

Income taxes

The Ardagh Carve-out Business is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Ardagh Carve-out Business recognizes liabilities for anticipated tax audit matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Measurement of employee benefit obligations

The Ardagh Carve-out Business follows guidance of IAS 19(R) to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations, other long-term employee benefits, and other end of service employee benefits which are subject to similar fluctuations in value in the long-term. The Ardagh Carve-out Business values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in note 18 of the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements.

Exceptional items

The combined income statement and segment analysis separately identify results before exceptional items. Exceptional items are those that, in our judgment, need to be disclosed by virtue of their size, nature or incidence.

The Ardagh Carve-out Business believes that this presentation provides additional analysis as it highlights exceptional items. The determination of “significant” as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. The Ardagh Carve-out Business uses judgment in assessing the particular items which, by virtue of their scale and nature, are disclosed in the combined income statement and related notes as exceptional items. Management considers the combined income statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by and presented to management. In that regard, management believes it to be consistent with

paragraph 85 of IAS 1 “Presentation of Financial Statements” (“IAS 1”), which permits the inclusion of line items and subtotals that improve the understanding of performance.

Revenue recognition

Revenue is recognized when control of a good or service has transferred to the customer. For certain contracts, the Ardagh Carve-out Business manufactures products for customers that have no alternative use and for which the Ardagh Carve-out Business has an enforceable right to payment for production completed to date. The determination of goods or contracts having no alternative use and the enforceable right to payment involves and relies upon management judgment, and can result in the Ardagh Carve-out Business accelerating the recognition of revenue over time as the Ardagh Carve-out Business satisfies the contractual performance obligations for those contracts.

Business combinations and goodwill

Goodwill only arises in business combinations. The amount of goodwill initially recognized is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management’s judgment. Allocation of the purchase price affects the results of the Ardagh Carve-out Business as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized and could result in differing amortization charges based on the allocation to indefinite-lived and finite-lived intangible assets.

Minority shareholders

Approximately 0.01% of the share capital of Ardagh MP Group France S.A. is owned by an outside party.

Quantitative and Qualitative Disclosures about Market Risk

Capital Risk

The Ardagh Carve-out Business does not have its own treasury function. Treasury and financial risk management is carried out by the Ardagh Group’s central treasury function under policies approved by the board of directors of the Ardagh Group. As described in note 2 of the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements, the related party borrowings reported within those financial statements comprise intercompany debt from the Ardagh Group. The debt of the Ardagh Carve-out Business in the Ardagh Carve-out Business Audited Annual Combined Carve-out Financial Statements has fixed interest rates and, as such, the Ardagh Carve-out Business is not exposed to variable interest rate risk.

The objectives when managing capital are to safeguard the Ardagh Carve-out Business’ ability to continue as a going concern and provide returns to its owners.

Financial risks are managed on an ongoing basis, by the Ardagh Group’s central treasury function and senior management team. The Ardagh Group does not permit the use of treasury instruments for speculative purposes, under any circumstances. Ardagh central group treasury regularly reviews the level of cash and debt facilities required to fund the activities of the Ardagh Carve-out Business, repayments and financing of related party debt obligations, and identify an appropriate amount of headroom to provide a reserve against unexpected funding requirements.

Currency exchange risk

The Ardagh Carve-out Business presents its combined financial information in U.S. dollars.

The Ardagh Carve-out Business operates in 20 countries, across four continents and its main currency exposure in the year to December 31, 2018, from the euro functional currency, was in relation to the U.S. dollar, British pound, Polish zloty and Danish krone. Currency exchange risk arises from future commercial transactions and recognized assets and liabilities.

As a result of the combined financial statements being presented in U.S. dollars, the results of the Ardagh Carve-out Business are also impacted by fluctuations in the U.S. dollar exchange rate versus the euro.

The Ardagh Carve-out Business has a limited level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies.

Fluctuations in the value of these currencies with respect to the euro currency may have a significant impact on the Ardagh Carve-out Business' financial condition and results of operations. The Ardagh Carve-out Business believes that a strengthening of the euro exchange rate by 1% against all other foreign currencies from the December 31, 2018, rate would decrease invested capital by approximately \$5 million (2017: \$5 million, 2016: \$5 million).

Commodity Price Risk

The Ardagh Carve-out Business is exposed to changes in prices of its main raw materials, primarily energy, tinplate steel and aluminum.

The majority of the tinplate steel purchases of the Ardagh Carve-out Business are obtained under one-year contracts with prices that are usually fixed in advance. When such contracts are renewed in the future, our tinplate steel costs under such contracts will be subject to prevailing global steel and/or tinplate steel prices at the time of renewal, which may be different from historical prices.

The hedging market for iron ore, and in particular that for coking coal, is a relatively new market which does not have the depth of the aluminum market and, as a consequence, there might be limitations to placing hedges in the market. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases in the operations are hedged by entering into swaps under which the Ardagh Carve-out Business pays fixed euro prices. Furthermore, the relative price of oil and its by-products may materially impact the Ardagh Carve-out Business, affecting our transport, lacquer and ink costs.

The Ardagh Carve-out Business uses derivative agreements to manage some of the material cost risk. The Ardagh Carve-out Business depends on an active liquid market and available credit lines with counterparty banks to cover this risk. The use of derivative contracts to manage its risk is dependent on robust hedging procedures. Increasing raw material costs over time has the potential, if it is unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on its financial condition. The Ardagh Carve-out Business is also exposed to possible interruptions of supply of steel and aluminum or other raw materials and any inability to purchase raw materials could negatively impact its operations.

As a result of the volatility of gas and electricity prices, the Ardagh Carve-out Business has either included energy pass-through clauses in its sales contracts or developed an active hedging strategy to fix a significant proportion of its energy costs through contractual arrangements directly with its suppliers, where there is no energy clause in the sales contract.

Where pass-through contracts do not exist, the Ardagh Carve-out Business policy is to purchase gas and electricity by entering into forward price-fixing arrangements with suppliers for the bulk of its anticipated requirements for the year ahead. Such contracts are used exclusively to obtain delivery of its

anticipated energy supplies. The Ardagh Carve-out Business does not net settle, nor does it sell within a short period of time after taking delivery. The Ardagh Carve-out Business avails of the own-use exemption and, therefore, these contracts are treated as executory contracts.

The Ardagh Carve-out Business typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price-fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit Risk

Credit risk of the Ardagh Carve-out Business has been managed by the Ardagh Group's central treasury function. Credit risk arises from derivative contracts, cash and deposits held with banks and financial institutions, as well as credit exposures to the customers of the Ardagh Carve-out Business, including outstanding receivables. The policy of the Ardagh Carve-out Business is to place excess liquidity on deposit with the Ardagh central group treasury entity who will, in turn, only place excess liquid funds with recognized and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" from at least two credit rating agencies are accepted, where possible. The credit ratings of banks and financial institutions are monitored to ensure compliance with the Ardagh Group policy. Risk of default is controlled within a policy framework of dealing with high quality institutions and by limiting the amount of credit exposure to any one bank or institution.

The policy of the Ardagh Carve-out Business is to extend credit to customers of good credit standing. Credit risk is managed on an ongoing basis, by experienced people within the Ardagh Carve-out Business. The Ardagh Carve-out Business' policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. The Ardagh Carve-out Business does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2018, the ten largest customers of the Ardagh Carve-out Business accounted for approximately 35% of total revenues (2017: 39%; 2016: 40%). There is no recent history of default with these customers.

Liquidity Risk

The Ardagh Carve-out Business is exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations. The Ardagh Group's policy has been to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due. The liquidity risk of the Ardagh Carve-out Business is managed centrally by the Ardagh Group's central group treasury function.

To effectively manage liquidity risk, the Ardagh Group:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long-term fixed rate debt securities; and
- has internal control processes to manage liquidity risk.

Cash flow forecasting is performed in the operating entities of the Ardagh Group and is aggregated by the Ardagh Group's central treasury function. The Ardagh Group central treasury monitors rolling forecasts of the Ardagh Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Ardagh Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Ardagh Group's debt financing plans.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS OF EXAL

The following discussion should be read together with, and is qualified in its entirety, by reference to the Exal Consolidated Financial Statements, including the related notes thereto, included in this Offering Memorandum, beginning on page F-79. The following discussion should also be read in conjunction with “Presentation of Financial and Other Data” and “Selected Consolidated Financial and Other Data of Exal.” Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect Exal’s plans, estimates and beliefs and involve risks and uncertainties. Exal’s actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in “Risk Factors” and “Forward-Looking Statements.”

Unless the context indicates otherwise, when we refer to “Exal,” we do not take into account the effects of the Combination. Some of the measures used in this Offering Memorandum are not measurements of financial performance under U.S. GAAP and should not be considered an alternative to cash flow from operating activities as a measure of liquidity or an alternative to operating profit/(loss) or profit/(loss) for the period as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP.

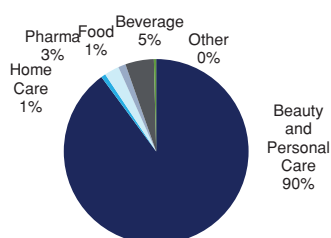
Exal

Exal is primarily engaged in the business of manufacturing and selling extruded aluminum containers to fit the specifications of customers in various industries in North and South America. In conducting this business, Exal leverages its technical capabilities to innovate new design allowing customers to enhance their brand and provide optimal functionality, primarily in the beauty and personal care, premium beverage and food end use categories. Exal does business primarily in the United States, Brazil and Argentina, and maintains holding companies in The Netherlands.

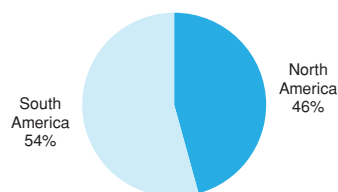
In 2018, Exal had five facilities, located in the United States, Argentina and Brazil and had approximately 1,000 employees producing aluminum aerosols and aluminum bottles with revenue of \$288 million in 2018. Exal has strong market share in diverse businesses. Specifically, in 2018, Exal believes that it had a #1 or #2 market position in each of those businesses in the aluminum segment of the aerosol market that it serves in both North and South America.

The following charts present the breakdown of our revenue by end use category and by destination for the year ended December 31, 2018:

Revenue by End Use Category



Revenue by Destination



Exal believes it is positioned for strong continued growth driven by market demands. Exal's Brazilian market is experiencing strong underlying growth and Exal expects a high portion of conversions to aerosol from tin and plastic in the beauty and personal care market. In North America, Exal sees itself at the forefront of growing the aluminum aerosol segment, which is highly under-penetrated in relation to other developed regions, such as Europe. In both markets, Exal sees the underlying consumer trends of premiumization and sustainability as a key component of aluminum's value proposition. Finally, Exal's production pipeline of more than one billion units supports the strong demand growth in each of these markets.

Exal is a strategic partner to blue-chip, global CPG companies. Exal has long-standing relationships with eight of its top customers that stretch back more than ten years and are supported by strong contracts which include take-or-pay agreements and account for the majority of volume in South America.

Exal also has an exceptional financial profile, with a demonstrated track record of profitable growth and margin-expansion with industry-leading EBITDA margins and free cash flow conversion.

Exal has numerous competitive advantages. In South America, its competitive advantage is based on its upstream vertical integration into slug manufacturing in Madryn, Argentina, which provides a strong cost and quality advantage. Built in 2014, the slug plant in Madryn supplies all of Exal's Argentina and Brazil slug needs. The Madryn plant provides Exal with a consistent long-term supply of high quality slugs to support Exal's growth in South America and enables Exal to opportunistically sell slugs to third parties. Moreover, the Madryn plant allows Exal to produce proprietary alloys to be used in innovative lightweight products. Production of slugs in the Madryn plant fulfills all of Exal's needs for high-quality slugs in South America.

Another aspect of Exal's competitive advantages is its strong asset base, which has continuously been the beneficiary of investment since 2013. For example, approximately \$45 million was invested in a greenfield slug manufacturing in South America for vertical integration, which has created a low-cost position. Moreover, this facility uses high-quality raw materials and creates the ability to achieve further light-weighting of its products. Additionally, Exal has invested approximately \$95 million in a greenfield Brazil aerosol can facility with six manufacturing lines. There have been other major investments, including investment in a new line in Argentina in 2018 and in upgrading multiple lines in North America, which has created advanced global shaping capability.

Exal believes it is viewed as a leader in innovation and is a value-added partner to its customers, providing them with valuable solutions. Exal benefits from a talented management team and a dynamic culture. Exal's proven management team has a track record of value creation. Since the beginning of 2016, Exal has brought new talent into 27 of 37 management positions.

Exal has a proven business system approach, using a common operating language and value creation approach providing the tools, processes and capabilities to the Exal organization in order to achieve excellence in core business capabilities through best-in-class execution of fundamental business processes. The business system approach is driven by four performance and capability engines: i) commercial excellence in marketing, pricing, contract, customer and sales force management, customer service and product development; ii) supply chain excellence in sourcing and procurement, sales and operational planning, inventory, network optimization, delivery service (OTIF) and value engineering; iii) operational excellence in safety, quality, cost, maintenance and lean processes; and iv) financial excellence in accounts receivable, accounts payable, cash and foreign exchange management and debt levels and compliance. The performance and capability engines are founded on the elements of people, capital assets and performance management, each with clear targets, cascading KPIs and harmonized reporting.

Adjusted EBITDA increased from \$66 million in 2016 to \$80 million in 2018.

Business Drivers

The main factors affecting Exal's results of operations are (i) global economic trends and end-consumer demand for our products; (ii) sustainability; (iii) input costs; (iv) foreign exchange rate fluctuations and (v) the ongoing repositioning of the Exal business.

A key global economic trend is the premiumization of aluminum consumer goods packaging to align with premium, differentiated customer-facing brands, by way of superior graphics and printing, shaping, with better functionality such as lightweight products, with strong barrier and anti-rust properties. Additional global economic trends are SKU proliferation and demand for convenience products, such as reclosable bottles and smaller pack sizes (which are a cost-competitive alternative to tin-based products).

Moreover, aluminum-based packaging is environmentally sustainable. Not only is aluminum infinitely recyclable, but it also has high recycling rates. Additionally, the creation of recycled aluminum uses less than 10% of the energy required to create primary aluminum. Aluminum's properties position it to benefit from the increasing backlash against the use of plastic products.

Another main factor affecting Exal's results of operations are input costs, specifically the cost of aluminum. Exal's pricing structure allows it to pass-through cost changes to customers. A large portion of Exal's volumes are provided via contracts providing for nearly full pass-through on aluminum and other costs.

Foreign exchange rate fluctuations, particularly those in South America, affect Exal's operations. Exal currently benefits from a degree of contractual foreign exchange protection from its existing customers, and is currently in the process of enhancing that protection for a significant portion of its business in Argentina.

Since 2015, the Exal business has repositioned itself from a focus on the mass beverage market in North America to premium, high-value niches in aluminum aerosols and aluminum bottles, while continuing to invest in growth opportunities in South America. This repositioning has been enhanced by an improved focus on commercial and operational excellence. In parallel, since 2013, Exal has invested over \$140 million in the Brazilian aerosol can manufacturing and the Madryn slug manufacturing facilities in support of customers' growing demand for aluminum aerosol packaging.

Results of Operations of Exal

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included elsewhere in this offering memorandum. The following table sets forth Exal's consolidated results of operations for the periods shown:

| | Unaudited | | Audited | | |
|---|------------------------------|-----------|-------------------------|-----------|-----------|
| | Three months ended March 31, | | Year ended December 31, | | |
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (in \$ millions) | | | | |
| Revenues | 71 | 76 | 288 | 272 | 274 |
| Cost of goods sold (exclusive of depreciation and amortization) | 46 | 50 | 186 | 175 | 185 |
| Selling, general and administrative cost | 7 | 6 | 26 | 26 | 24 |
| Depreciation and amortization | 7 | 7 | 27 | 25 | 24 |
| Transition and integration expenses | — | — | 3 | 2 | 4 |
| Loss/(gain) on write-down or disposal of fixed assets | — | — | 6 | 2 | 5 |
| Other expenses | 4 | 3 | 25 | 16 | 6 |
| Insurance claim income, net | — | (2) | (10) | — | — |
| Operating income | 7 | 12 | 25 | 26 | 26 |
| Interest expense | 3 | 3 | 12 | 11 | 10 |
| Interest expense-related parties | — | — | — | 1 | 5 |
| Income before taxes | 4 | 9 | 13 | 14 | 11 |
| Benefit from (provision for) income taxes | (1) | (2) | 1 | — | (8) |
| Net income | 3 | 7 | 14 | 14 | 3 |

Three months ended March 31, 2019 compared to three months ended March 31, 2018

Revenues

Exal's revenues decreased by \$5 million (6.6%) to \$71 million for the three months ended March 31, 2019 compared to \$76 million for the three months ended March 31, 2018. The decrease in revenues was primarily due to lower Argentina aerosol volume as well as lower volumes at our Argentina filling facility due to softness in the Argentine economy. These decreases were partially offset by significant growth in Brazil aerosol volume. Revenue in North America was stable year over year, as lower volumes were offset by a favorable product mix.

Cost of goods sold

Exal's cost of goods sold decreased by \$4 million (8.0%) to \$46 million for the three months ended March 31, 2019 compared to \$50 million for the three months ended March 31, 2018. The decrease in cost of goods sold was primarily due to lower volumes in Argentina and the United States, partially offset by volume growth in Brazil and continued improvements in operating efficiencies in South America.

Selling, general and administrative cost

Exal's selling, general and administrative cost increased by \$1 million (16.7%) to \$7 million for the three months ended March 31, 2019 compared to \$6 million for the three months ended March 31, 2018. The increase in selling, general and administrative cost was driven by investments in management in the current year.

Depreciation and amortization

Exal's depreciation and amortization was broadly stable at \$7 million for the three months ended March 31, 2019 compared to the three months ended March 31, 2018, despite additional capital investments to add capacity and improve operating efficiency.

Other expenses

Exal's other expenses increased by \$1 million (33.3%) to \$4 million for the three months ended March 31, 2019 compared to \$3 million for the three months ended March 31, 2018. The increase in other expenses was primarily due to higher foreign currency remeasurement expenses on Exal's net asset position in Argentina as the Argentine peso weakened significantly against the U.S. dollar in the current period. This increase was partially offset by lower South American financial taxes in the current period.

Insurance claim income, net

Exal's insurance claim income was zero for the three months ended March 31, 2019 compared to net insurance income of \$2 million for the three months ended March 31, 2018. The decrease in net insurance claim income was primarily due to the fact that all insurance recoveries related to the Exal Packaging fire and the Madryn equipment malfunction were finalized during 2018.

Operating income

Exal's operating income decreased by \$5 million (41.7%) to \$7 million for the three months ended March 31, 2019 compared to \$12 million for the three months ended March 31, 2018. The decrease in operating income was primarily due to \$2 million of insurance income, net, that was recognized in the prior year as well as higher foreign currency remeasurement expenses on Exal's net asset position in Argentina in the current period.

Interest expense

Exal's interest expense was stable at \$3 million for the three months ended March 31, 2019 compared to the three months ended March 31, 2018 as lower amortization of deferred financing fees and lower outstanding debt balances in the three months ended March 31, 2019 were largely offset by higher average interest rates on outstanding debt.

Income before taxes

Exal's income before taxes decreased by \$5 million (55.6%) to \$4 million for the three months ended March 31, 2019 compared to \$9 million for the three months ended March 31, 2018. The decrease in income before taxes was primarily due to \$2 million of insurance income, net, that was recognized in the prior year as well as higher foreign currency remeasurement expenses on Exal's net asset position in Argentina in the current period.

Benefit from (provision for) income taxes

Exal's provision for income taxes decreased by \$1 million (50.0%) to \$1 million for the three months ended March 31, 2019 compared to \$2 million for the three months ended March 31, 2018. The decrease in provision for income taxes was primarily due to a decrease in income before taxes, as well as the mix of U.S. and foreign income before taxes.

Net income

Exal's net income decreased by \$4 million (57.1%) to \$3 million for the three months ended March 31, 2019 compared to \$7 million for the three months ended March 31, 2018. The decrease in net income was

primarily due to \$2 million of insurance income, net, that was recognized in the prior year as well as higher foreign currency remeasurement expenses in the current period, partially offset by a lower provision for income taxes.

Year ended December 31, 2018 compared to year ended December 31, 2017

Revenues

Exal's revenues increased by \$16 million (5.9%) to \$288 million for 2018 compared to \$272 million for 2017. The increase in revenues was primarily due primarily driven by strong volume demand in North America aerosol, partially offset by lower volumes in Exal's Argentina filling facility.

Cost of goods sold

Exal's cost of goods sold increased by \$11 million (6.3%) to \$186 million for 2018 compared to \$175 million for 2017. The increase in cost of goods sold was primarily due to the overall increase in volume.

Selling, general and administrative cost

Exal's selling, general and administrative cost was broadly stable at \$26 million for 2018 compared to 2017, as cost pressure was offset by favorable foreign currency impacts in South America and lower management incentive compensation.

Depreciation and amortization

Exal's depreciation and amortization increased by \$2 million (8.0%) to \$27 million for 2018 compared to \$25 million for 2017. The increase in depreciation and amortization was primarily due to capital investments in equipment upgrades in North America and capacity expansion in South America.

Transition and integration expenses

Exal's transition and integration expenses increased by \$1 million (50.0%) to \$3 million for 2018 compared to \$2 million for 2017. The increase in transition and integration expenses was primarily due to higher severance costs as Exal rationalized resources to align with expected volumes.

Loss on write-down or disposal of fixed assets

Exal's loss on write-down or disposal of fixed assets increased by \$4 million to \$6 million for 2018 compared to \$2 million for 2017. The increase in loss on write-down or disposal of fixed assets was primarily due to an impairment charge relating to three manufacturing lines in Exal's North America operations that had been taken out of service in previous years.

Other expenses

Exal's other expenses increased by \$9 million (56.3%) to \$25 million for 2018 compared to \$16 million for 2017. The increase in other expenses was primarily due to the impact of foreign currency remeasurement in 2018 associated with Exal's South America operations, principally driven by the Argentina business, and higher transaction-related expenses in 2018. These increases were partially offset by lower financial taxes in South America and lower provision for related-party debt.

Insurance claim income, net

Exal's insurance claim income, net of \$10 million for 2018 was primarily attributable to the recovery of losses associated with the Exal Packaging fire and an equipment malfunction at Exal's Madryn facility.

Operating income

Exal's operating income decreased by \$1 million (3.8%) to \$25 million for 2018 compared to \$26 million for 2017. The decrease in operating income was primarily due to higher foreign currency remeasurement expenses largely offset by higher net insurance claim income.

Interest expense

Exal's interest expense increased by \$1 million (9.1%) to \$12 million for 2018 compared to \$11 million for 2017. The increase in interest expense was primarily due to slightly higher interest rates in 2018 compared to 2017.

Interest expense-related parties

Exal's interest expense-related parties decreased by \$1 million to zero for 2018 compared to \$1 million for 2017. The decrease was due to refinancing of related party debt with long-term debt during 2017.

Income before taxes

Exal's income before taxes decreased by \$1 million (7.1%) to \$13 million for 2018 compared to \$14 million for 2017. The decrease in income before taxes was primarily due to higher foreign currency remeasurement expenses largely offset by higher insurance claim income, net and the refinancing of related party debt with long-term debt.

Benefit from (provision for) income taxes

Exal's benefit from (provision for) income taxes increased by \$1 million to a benefit of \$1 million for 2018 compared to a provision for zero for 2017. The increase in benefit from income taxes was primarily due to the release of a valuation allowance associated with Exal's Argentina slug manufacturing facility which was merged into its Argentina can manufacturing facility during 2018, allowing Exal to utilize previously reserved net operating losses as well as the mix of United States and foreign income before taxes, partially offset by the deferred tax impact of lower tax rates enacted in the United States during 2017.

Net income

Exal's net income was flat at \$14 million for 2018 compared to 2017, primarily due to the factors mentioned above.

Year ended December 31, 2017 compared to year ended December 31, 2016

Revenues

Exal's revenues decreased by \$2 million (0.7%) to \$272 million for 2017 compared to \$274 million for 2016. The decrease in revenues was primarily due to a decrease of volume in North American as Exal transitioned away from the beverage market, largely offset by strong growth in aerosol volumes in both North and South America.

Cost of goods sold

Exal's cost of goods sold decreased by \$10 million (5.4%) to \$175 million for 2017 compared to \$185 million for 2016. The decrease in cost of goods sold was primarily due to the lower volume as Exal transitioned from the beverage market to the aerosol market, as well as initial results from Exal's production efficiency efforts.

Selling, general and administrative cost

Exal's selling, general and administrative cost increased by \$2 million (8.3%) to \$26 million for 2017 compared to \$24 million for 2016. The increase in selling, general and administrative cost was primarily due to the transition to the current leadership team to support growth objectives, including consulting support resources.

Depreciation and amortization

Exal's depreciation and amortization increased by \$1 million (4.2%) to \$25 million for 2017 compared to \$24 million for 2016. The increase in depreciation and amortization was primarily due to additional capacity growth investments, most notably associated with Exal's Brazil operations to capture volume growth in this region.

Transition and integration expenses

Exal's transition and integration expenses decreased by \$2 million (50.0%) to \$2 million for 2017 compared to \$4 million for 2016. The decrease in transition and integration expenses was primarily due to lower levels of separation benefits during 2017.

Loss on write-down or disposal of fixed assets

Exal's loss on write-down or disposal of fixed assets decreased by \$3 million (60.0%) to \$2 million for 2017 compared to \$5 million for 2016. The decrease in loss on write-down or disposal of fixed assets was primarily due to the impairment of manufacturing lines taken out of service in Exal's North American facility during 2016.

Other expenses

Exal's other expenses increased by \$10 million to \$16 million for 2017 compared to \$6 million for 2016. The increase in other expenses was primarily due to higher financial taxes in South America due to significant capacity growth investments at Exal's Brazilian operations, as well as higher foreign currency remeasurement expenses.

Operating income

Exal's operating income was \$26 million for 2017 compared to \$26 million for 2016. Operating income increased primarily due to lower cost of goods sold as Exal transitioned from the beverage market to the aerosol market, which was offset by higher South American financial taxes and higher foreign currency remeasurement expenses.

Interest expense

Exal's interest expense increased by \$1 million (10.0%) to \$11 million for 2017 compared to \$10 million for 2016. The increase in interest expense was primarily due to the write-off of unamortized deferred financing fees associated with the refinancing of Exal's outstanding debt, as well as an approximately 60 basis point increase in interest rates during the year, partially offset by a reduction in outstanding debt levels.

Interest expense—related parties

Exal's interest expense—related parties decreased by \$4 million (80.0%) to \$1 million for 2017 compared to \$5 million for 2016. The decrease in interest expense—related parties was primarily due to the related party debt being extinguished during 2017.

Income before taxes

Exal's income before taxes increased by \$3 million (27.2%) to \$14 million for 2017 compared to \$11 million for 2016. The increase in income before taxes was primarily due lower net interest expenses and higher operating income.

Benefit from (provision for) income taxes

Exal's provision for income taxes was zero for 2017 compared to a provision for \$8 million for 2016. The decrease provision for income taxes was primarily due to the approximately \$8.5 million one-time benefit associated with the "Tax Cuts and Jobs Act" enacted in the U.S. during 2017.

Net income

Exal's net income increased by \$11 million to \$14 million for 2017 compared to \$3 million for 2016. The increase in net income was primarily due to higher income before taxes and lower provision for income taxes during 2017.

Cash flows

The following table sets forth a summary of our cash flow for the three months ended March 31, 2019 and 2018 and the years ended December 31, 2018, 2017 and 2016:

| | Unaudited | | Audited | | |
|---|------------------------------|------------|--------------------------|-------------|-------------|
| | Three months ended March 31, | | Years Ended December 31, | | |
| | 2019 | 2018 | 2018 | 2017 | 2016 |
| | (in \$ millions) | | | | |
| Operating activities | | | | | |
| Net income | 3 | 7 | 14 | 14 | 3 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 7 | 7 | 27 | 25 | 24 |
| Gain on insurance recovery related to fixed assets | — | (1) | (5) | — | — |
| Amortization of deferred financing costs | — | — | 2 | 2 | 2 |
| Deferred income taxes | — | — | (3) | (10) | (5) |
| Loss on impairment or disposal of fixed assets | — | — | 6 | 2 | 5 |
| Stock-based compensation | — | — | 1 | 1 | 1 |
| Foreign exchange impact on capital lease obligations | — | — | (2) | — | — |
| Expensed, but unpaid PIK interest | — | — | — | 1 | 5 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | (4) | — | 4 | (1) | 6 |
| Inventories | 3 | 3 | (3) | (4) | 9 |
| Accounts payable | — | 3 | (8) | 5 | 1 |
| Other | (3) | (3) | 2 | (1) | — |
| Cash provided by operating activities | 6 | 16 | 35 | 34 | 51 |
| Investing activities | | | | | |
| Purchase of property and equipment | (3) | (9) | (38) | (33) | (13) |
| Insurance proceeds related to fixed assets | — | 1 | 5 | — | — |
| Other | — | — | — | 1 | — |
| Cash used for investing activities | (3) | (8) | (33) | (32) | (13) |
| Financing activities | | | | | |
| Proceeds from long-term debt | 2 | 6 | 11 | 196 | 4 |
| Payments on long-term debt | (6) | (9) | (12) | (195) | (49) |
| Deferred financing costs paid | — | — | — | (6) | (2) |
| Cash provided by (used for) financing activities | (4) | (3) | (1) | (5) | (47) |
| Effect of exchange rate on cash and cash equivalents | — | — | — | (1) | 2 |
| Increase (Decrease) in Cash | (1) | 5 | 1 | (4) | (7) |
| Cash and cash equivalents | | | | | |
| Beginning of year | 4 | 3 | 3 | 7 | 14 |
| End of Period | 3 | 8 | 4 | 3 | 7 |

Cash provided by operating activities

Cash provided by operating activities in the three months ended March 31, 2019, of \$6 million represents a decrease of \$10 million, compared to \$16 million net cash provided by operations in the same period in 2018. The decrease was primarily due to lower net income and higher investments in working

capital during the three months ended March 31, 2019 and insurance recoveries received during the three months ended March 31, 2018.

Cash provided by operating activities in the year ended December 31, 2018, of \$35 million represents an increase of \$1 million compared to \$34 million net cash provided by operations in the same period in 2017 as higher cash operating results in 2017 were largely offset by higher working capital investments.

Cash provided by operating activities in the year ended December 31, 2017, of \$34 million represents a decrease of \$17 million, compared to \$51 million net cash provided by operations in the same period in 2016. The decrease was primarily due to higher cash usage for working capital in 2017.

Net cash used for investing activities

Net cash used for investing activities decreased by \$5 million to \$3 million in the three months ended March 31, 2019, compared to \$8 million in the same period in 2018 due to lower capital spending in South America in the current period, as the prior year period included capacity expansion projects and fire recovery efforts that were completed in 2018.

Net cash used for investing activities increased by \$1 million to \$33 million in the year ended December 31, 2018, compared to \$32 million in the same period in 2017 due to higher capital spending on capacity expansion projects in North America, offset by lower capital spending in South America where significant capacity expansion projects were completed in 2017.

Net cash used for investing activities increased by \$19 million to \$32 million in the year ended December 31, 2017, compared to \$13 million in the same period in 2016 due to significant capacity expansion projects in South America during 2017.

Net cash used for financing activities

Net cash used for financing activities was \$4 million in the three months ended March 31, 2019 compared to a \$3 million outflow in the same period in 2018, an increase of \$1 million, due to Exal's focus on incremental debt pay down in the current period.

Net cash used for financing activities was \$1 million in the year ended December 31, 2018 compared to a \$5 million in the same period in 2017, a decrease of \$4 million, primarily due to expenses incurred to refinance Exal's outstanding debt in 2017.

Net cash used for financing activities was \$5 million in the year ended December 31, 2017 compared to a \$47 million in the same period in 2016, a decrease of \$42 million, due to significant pay downs on Exal's revolving credit facility and term loans in 2016.

Critical Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to changes in facts and circumstances.

On an ongoing basis, Exal evaluates its estimates, including those related to the accounts receivable allowance, reserve for excess and obsolete inventory, lower of cost or market conditions, useful lives of long-lived assets (including intangible assets), carrying value of long-lived assets (including goodwill and intangible assets), and the valuation of deferred income tax assets, as well as its assumptions to value its workers' compensation liabilities, the value of unit option plans and other related assumptions used for the

purpose of determining stock-based compensation, among other things. Exal bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Revenue Recognition

Revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred, price has been fixed or is determinable, and collectability is reasonably assured. Customers generally take title and assume all the risks of ownership upon shipment.

Shipping and Handling Costs

Shipping and handling costs billed to customers are recorded as revenues and the related costs are included as a component of cost of goods sold in Exal's consolidated statements of operations and comprehensive income.

Cash and Cash Equivalents

Exal considers highly liquid debt instruments purchased with original maturity dates of three months or less from the date of acquisition to be cash equivalents and are valued at cost plus accrued interest, which approximates fair value.

Receivables

Exal has established credit policies in evaluating its customers' financial condition and, generally, requires no collateral from its customers. The potential risk is limited to the amounts recorded in the consolidated financial statements. Periodically, management reviews accounts receivable and adjusts the allowance for doubtful accounts based on Exal's historical losses, existing economic conditions and the financial stability of its customers. Receivables are written off when they are determined to be uncollectible, although collection efforts may continue.

Inventories

Inventories are stated at the lower of cost (determined using the first-in, first-out ("FIFO") method) or net realizable value. The cost of work in process and finished goods includes materials, labor and an allocation of fixed overhead based on normal operating capacity. Provisions are made for potentially obsolete or slow-moving inventory based on management's analysis of inventory levels, historical usage, future demand and market conditions.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method. Major property categories are depreciated over various periods as follows (in years):

| <u>Description</u> | <u>Useful life</u> |
|--------------------------------------|--------------------|
| Land improvements | 30 - 40 |
| Buildings and improvements | 10 - 40 |
| Machinery and equipment | 2 - 17 |

Exal capitalizes interest cost incurred on funds used to construct property and equipment. The capitalized interest is recorded as part of the cost of the asset to which it relates and is amortized over the asset's estimated useful life.

In accordance with Accounting Standards Codification ("ASC") Topic 360, Property, Plant and Equipment, Exal regularly assesses the carrying value of its long-lived assets to be held and used, including

property, plant and equipment, and intangible assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If such events or circumstances are present, a loss is recognized to the extent the carrying values of the asset are in excess of estimated fair value. Exal recorded impairment losses of \$6 million and \$5 million during the years ended December 31, 2018 and 2016, respectively, primarily related to certain manufacturing assets that were taken out of service during 2016. No impairment loss was recorded during the three months ended March 31, 2019 or 2018 or the year ended December 31, 2017.

Intangible Assets

Intangible assets consist primarily of customer relationships. The useful lives of intangible assets are estimated based upon the nature of the intangible asset. Amortization is provided using the straight-line method over a useful life of 15 years.

Contingencies

From time-to-time during the ordinary course of business, Exal is threatened with, or may become a party to, legal actions and other proceedings. Exal records a liability for such claims when an unfavorable outcome of the matter is deemed to be probable and the amount of the loss is reasonably estimable. Legal costs associated with these contingencies are recorded as incurred.

Income Taxes

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, the provision for income taxes represents income taxes paid or payable (or received or receivable) for the current year plus the change in deferred taxes during the year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid and result from differences between the financial and tax bases of Exal's assets and liabilities. Deferred taxes are adjusted for changes in tax rates and tax laws when changes are enacted.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. In evaluating the need for a valuation allowance, management considers all potential sources of taxable income including income available in carryback periods, future reversals of taxable temporary differences, projections of taxable income, and income from tax planning strategies, as well as all available positive and negative evidence.

Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that either the appropriate taxing authority has completed their examination even though the statute of limitations remains open, or the statute of limitation has expired. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Fair Value Measurements

Exal accounts for the fair value measurement of its financial assets and liabilities in accordance with Financial Accounting Standards Board ("FASB") ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy, prioritizing observable and unobservable inputs used to measure fair value into three broad levels as described below:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date;
- Level 2—inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3—unobservable inputs for the asset or liability.

The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement.

Stock-based Compensation

Exal's Parent has a stock option plan with Exal's management, employees and independent directors, and the related stock-based compensation is reported as part of selling, general and administrative expense in its consolidated statements of operations and comprehensive income. The fair value associated with unit option plans has been calculated using the Black-Scholes valuation model and is recognized as compensation expense over the requisite service period.

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which Exal's foreign subsidiary operates, except in countries with a history of high inflation. Management selects the functional currency after evaluating the economic operating environment of its foreign subsidiaries. Exal's operations in Argentina and Brazil use the U.S. dollar as the functional currency. All other foreign entities use the local currency as the functional currency.

For the Exal's operations in Brazil and Argentina, where the U.S. dollar is the functional currency, monetary assets and liabilities are remeasured at current rates, non-monetary assets and liabilities are remeasured at historical rates and revenues and expenses are remeasured at average rates on a monthly basis throughout the year. Foreign currency transaction losses included in other expenses totaled \$4 million, \$2 million, \$19 million, \$5 million, and \$1 million, for the three months ended March 31, 2019 and 2018 and the years ended December 31, 2018, 2017 and 2016, respectively.

Assets and liabilities of foreign operations where the local currency is the functional currency are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates on a monthly basis throughout the year. Translation gains and losses are reported as a component of accumulated other comprehensive income in partners' equity.

Short-term Purchase Commitments

In an attempt to fix the cost of aluminum at a lower level, Exal Corporation, Exal's North American subsidiary, committed itself on a short-term basis to purchase specified quantities of aluminum slugs at fixed prices from one supplier during 2018 and 2019. These contracts meet the normal purchases and normal sales provision and are therefore not subject to be accounted for as derivatives under ASC 815. For the years 2019 and 2018, these commitments totaled 2,017 and 2,913 metric tons of aluminum for \$6 million and \$7 million, respectively.

Non-cash Investing Activities

Machinery and equipment purchases of \$3 million and \$2 million were included in accounts payable at March 31, 2019 and 2018, respectively. Machinery and equipment purchases of \$3 million, \$3 million, and \$4 million were included in accounts payable at December 31, 2018, 2017, and 2016, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassifications had no effect on the accumulated deficit.

Research and Development

Research and development expenditures are expensed as incurred. Substantially all engineering and development costs are related to developing new products or designing significant improvements to existing products or processes. Costs primarily include salaries and benefits, facility costs and outside services.

New Accounting Policies Adopted by Exal

In January 2016, the FASB issued ASU 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities.” The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other changes, the amendments eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. For non-public entities, the guidance is effective for fiscal years beginning after December 15, 2017. The adoption of ASU 2016-01 did not have a material impact on Exal’s consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (“ASU 2016-09”). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, though early adoption is permitted if all amendments are adopted in the same period. On January 1, 2018, Exal adopted the provisions of ASU 2016-09. The adoption of ASU 2016-09 resulted in Exal making an accounting policy election to change how it recognizes the number of share-based payments that will ultimately vest. In the past, Exal applied a forfeiture rate to shares granted. With the adoption of ASU 2016-09, Exal recognizes forfeitures as they occur. The adoption of ASU 2016-09 did not have a material impact on Exal’s results of operations or financial condition.

In May 2017, the FASB issued Accounting Standards Update No. 2017-09, Compensation—Stock Compensation (Topic 718), Scope of Modification Accounting (“ASU 2017-09”). ASU 2017-09 clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. The guidance also clarifies that a modification to an award could be significant and therefore require disclosure, even if modification accounting is not required. ASU 2017-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. On January 1, 2018, Exal adopted the provision of ASU 2017-09 on a prospective basis. The adoption of ASU 2017-09 did not have an impact on Exal’s results of operations or financial condition.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

At December 31, 2018 and 2017, all of Exal's external borrowings were variable rate with a weighted average interest rate of 5.38% (2017: 4.61%; 2016: 4.05%). Exal had no related party borrowings at December 31, 2018 and 2017.

Holding all other variables constant, including levels of Exal's external indebtedness, at December 31, 2018 a one percentage point increase in variable interest rates would increase interest payable by approximately \$1.7 million (2017: \$1.7 million).

Currency Exchange Risk

Exal presents its consolidated financial information in U.S. dollars.

Exal operates in 3 countries, across two continents and its main currency exposure in the year ended December 31, 2018, was in relation to the Argentine Peso and Brazilian Réal. Currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Exal has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

Fluctuations in the value of these currencies with respect to Exal's U.S. dollar functional currency may have a significant impact on Exal's financial condition and results of operations. When considering Exal's position, Exal believes that a strengthening of the U.S. dollar exchange rate (Exal's functional currency) by 1% against all other foreign currencies from the December 31, 2018 rate would decrease shareholders' equity by approximately \$0.3 million (2017: \$0.3 million).

Commodity Price Risk

Exal is exposed to changes in prices of our main raw materials, primarily aluminum.

The majority of Exal's aluminum purchases are obtained on the spot market, with the majority of Exal's sales contracts allowing for the pass-through of material costs. Furthermore, the relative price of oil and its byproducts may materially impact Exal's business, affecting transportation, lacquer and ink costs.

Aluminum ingot is traded daily as a commodity (priced in U.S. dollars) on the London Metal Exchange, which has historically been subject to significant price volatility.

Increasing raw material costs over time has the potential, if Exal is unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on its financial condition. Exal is also exposed to possible interruptions of supply of steel and aluminum or other raw materials and any inability to purchase raw materials could negatively impact Exal's operations.

Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to Exal's customers, including outstanding receivables. Exal's policy is to place excess liquidity on deposit, only with recognized and reputable financial institutions.

The credit ratings of banks and financial institutions are monitored to ensure compliance with Exal's credit policy. Exal's policy is to extend credit to customers of good credit standing. Credit risk is managed on an ongoing basis by a designated team of experienced employees. Exal's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of

customers, taking into account their financial position, past experience and other factors. Provisions are made where deemed necessary and the utilization of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2018, Exal's ten largest customers accounted for approximately 78% of total revenue (2017: 79%; 2016: 88%). There is no recent history of default with these customers.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to Exal's treasury. Exal's treasury invests surplus cash in interest-bearing current accounts and time deposits with appropriate maturities to provide sufficient headroom as determined by the below-mentioned forecasts.

Liquidity Risk

Exal is exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations and derivative transactions. Exal's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities to ensure all obligations can be met as they fall due.

To effectively manage liquidity risk, Exal:

- has committed borrowing facilities that we can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long-term fixed rate debt securities; and
- has internal control processes to manage liquidity risk.

Cash flow forecasting is performed in the operating entities of Exal and is aggregated by Exal's treasury. Exal's treasury monitors rolling forecasts of our liquidity requirements to ensure Exal has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that it does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration Exal's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

THE TRIVIUM BUSINESS

In respect of historical financial information in this Offering Memorandum, all references to “we,” “us” or “our” are to Trivium Packaging B.V. and its subsidiaries on a consolidated basis having made pro forma adjustments for the Combination. For more information on Trivium, see “Summary—Trivium,” “Operating and Financial Review and Prospects of the Ardagh Carve-out Business—Results of Operations of Ardagh Carve-out Business” and “Operating and Financial Review and Prospect of Exal—Results of Operations of Exal.”

The statements included in this section include, inter alia, projections and objectives in respect of our financial results and our estimated benefits from the Combination, as well as statements with respect to our strategic goals and objectives. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we do not provide any assurance with respect to such statements. The preparation of statements included under the section “Our Company” is based upon, inter alia, certain assumptions concerning future events and management actions and such events and action may not actually be realized, as they depend substantially on variables which management cannot control, and may involve situations that management cannot predict. As a result the projections, and objectives in the statements included under the section “Our Company” are by definition uncertain and may differ materially from and be more negative than those projected or implied in the projections and objectives. You should not place undue reliance on the projections and objectives, which speak only as of the date that they were made. We do not undertake any obligation to update such forward-looking statements after the date hereof to reflect later events or circumstances or to reflect the occurrence of unanticipated events. See “Forward-Looking Statements” and “Risk Factors.”

Our Company

We are a leading supplier of innovative, value-added, infinitely-recyclable metal packaging solutions. Our products principally comprise metal packaging in the form of cans and aerosol containers, serving a broad range of end use categories, including food, seafood, pet food and nutrition, as well as beauty and personal care and beverage offerings, such as wine, energy, ready-to-drink coffee and premium beer. We also supply the paints and coatings and general household care end use categories. Our customers include a wide variety of leading CPG companies which value our packaging solutions for their convenience and quality, as well as the end user appeal they offer through design, innovation, functionality, premium association and brand enhancement. With our significant invested capital base, extensive technological capabilities and manufacturing know-how, we believe we are well-positioned to continue to meet the dynamic needs of our global customers. Substantially all our revenue is derived from end use categories where we believe we hold #1 or #2 positions within the respective geographies we serve, and we aim to build on these leadership positions in these large, stable and attractive markets in the future.

We serve over 1,300 customers across more than 70 countries, comprised of multi-national companies, large national and regional companies and small local businesses. In our target regions of Europe, North America and South America our customers include a wide variety of CPG companies, which own some of the best-known brands in the world. We have a stable customer base with long-standing relationships, including an average tenure of over 15 years with our ten largest customers. Approximately 60% of our sales are generated under multi-year contracts, with the remainder largely subject to annual arrangements. A significant portion of our revenues are generated under contracts which include input cost pass-through provisions, which help us reduce margin volatility due to changes in raw material costs.

In 2018, Trivium had 57 facilities, located in 21 countries and had approximately 7,800 employees. Our plants are well-located to serve our customers, with some located on-site or near-site to our customers' filling locations. Certain facilities may also be dedicated to end use categories, generating benefits of scale and production efficiencies. Significant capital has been invested in our well-invested and extensive

network of long-lived production facilities, which, together with our skilled workforce and related manufacturing process know-how, supports our competitive positions.

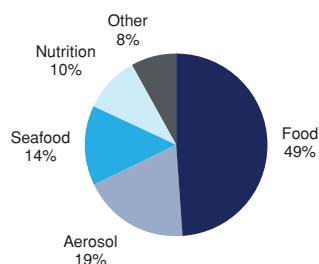
Organic growth initiatives have also involved expansionary strategic investments in new capacity of over \$350 million in new facilities since 2013. Notable investments in this period have included: (i) two new can-making facilities in Roanoke, Virginia and Reno, Nevada, as well as a significant expansion of our Conklin, New York, ends plant; positioning us to meet substantially all the metal packaging requirements of a major U.S. CPG company pursuant to a long-term contract; (ii) the material enhancement of our South American aerosol production capabilities and capacity to serve growing demand in that region, including the completion of a new state-of-the-art aluminum slug production facility; and (iii) consistent investment in our European business in pursuit of growth opportunities in selected end use categories, including the infant formula/nutrition market, where demand growth is driven by emerging market consumption, and in single-serve pet food formats, where convenience and a trend to premium products is evident. These initiatives, as well as other acquisitions and investments over many years, in both existing and adjacent end use categories, have increased our scale and diversification and provided opportunities to grow our business with existing and new customers.

We are committed to maintaining the industry leading innovation history of both the Ardagh Carve-out Business and Exal. To this end, we focus on four main areas of R&D: (i) innovations that provide improved product design, differentiation and usability; (ii) innovations that reduce metal content to generate cost savings (down-gauging); (iii) developments to meet evolving food safety standards and regulations; and (iv) innovations that address consumers' preference for sustainable packaging by allowing our customers to migrate to metal as a packaging material. Our worldwide manufacturing footprint is supported by a dedicated R&D center in France, which has developed numerous award-winning innovations and solutions for our customers over many years.

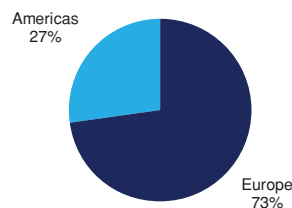
On a pro forma basis, after giving effect to the Combination, revenue and Pro Forma Supplemental Adjusted EBITDA for Trivium for the twelve months ended March 31, 2019 would have been \$2,687 million and \$469 million, respectively. We also expect the Combination to create Pro Forma Adjusted EBITDA net benefits of approximately \$40 million over the next few years through the pursuit of commercial and operational excellence initiatives across Trivium's business.

The following chart illustrates the breakdown of our revenue by end use category and by destination for the year ended December 31, 2018 after giving effect to the Combination:

Revenue by End Use Category
Based on Company estimates




Revenue by Destination



Our Segments

We manage our business in two reporting segments, Europe and Americas. The Europe segment, which includes the “rest of the world,” accounted for 73% of pro forma revenue in 2018. The following table illustrates the breakdown of our pro forma revenue and pro forma Adjusted EBITDA for the twelve

months ended March 31, 2019. Adjusted EBITDA is the performance measure used to manage and assess performance of our reportable segments.

| Financial Information by Segment Pro Forma Twelve Months Ended March 31, 2019 | | |
|--|---|---|
| | Europe | Americas |
| | (in \$ millions) | |
| Revenue | \$1,964 | \$723 |
| <i>% of Total</i> | <i>73%</i> | <i>27%</i> |
| IFRS 16 Adj. EBITDA | \$303 | \$146 |
| <i>% Margin</i> | <i>15.4%</i> | <i>20.2%</i> |
| Our Principal End Use Categories and Products | | |
| | Europe | Americas |
| Principal End Use Categories | <ul style="list-style-type: none"> - Food - Pet Food - Seafood - Nutrition - Beauty and Personal Care - Paints and Coatings | <ul style="list-style-type: none"> - Food (incl. Seafood) - Pet Food - Beauty and Personal Care - Beverage (Premium or Specialty) |
| Product Examples |  | |

Our Competitive Strengths

- **Leading market player in substantially all of our diversified businesses.** We believe we are one of the leading solutions providers in each of our target end use categories, across the various geographies in which we operate. Specifically, these end use categories are food, seafood, nutrition, beauty and personal care and paints and coatings.

Our Position by Geography and End Use Category

| Geography | Our Position | End Use Category / Product |
|------------------|--------------|--|
| Europe | #1 | Nutrition, paints and coatings Aerosol containers, serving multiple end use categories, including beauty and personal care, food, household care and other uses |
| | #2 | Food, seafood |
| North America | #2 | Food (including seafood), beauty and personal care |
| South America | #1 | Beauty and personal care |

- **Focus on end use categories with resilient demand, positive long-term trends and select growth opportunities.** Each of the broad end use categories served by us, comprising food, beverage and beauty and personal care, are relatively mature and characterized by stable-to-growing consumer-driven demand patterns. Within these categories, selective attractive growth opportunities arise from various factors, including consumption trends, a desire for greater convenience and

premiumization, material shifts and a growing focus on sustainability by consumers and brand owners. In particular, we believe those select growth opportunities include growth in lighter-weight two-piece food cans in North America, increasing demand for single-serve products in end use categories such as pet food and seafood, the shift from tinplate steel to aluminum aerosol containers in North America, growth in aerosol markets in South America and growth in the nutrition end use category. Specifically, volume growth for two-piece food cans in North America has been 2% CAGR in the period from 2014 to 2018 according to CMI. Demand for pet food in North America is expected to grow by 3.4% from 2017 to 2022 according to Zion. Aluminum aerosol containers benefit from the rising conversion from tinplate steel to aluminum in the Americas with expected CAGR of 5% in North America and 6% in South America based on management's review and application of industry sources from 2018 to 2021. Growth in nutrition of 5.7%, according to Research and Markets from 2019 to 2024, is supported by demand growth in emerging markets, especially China, reflecting rising income standards and changing demographic patterns.

- ***Long-term and contracted relationships with a diverse blue-chip customer base.*** We supply some of the world's best-known brands with innovative packaging solutions. We have long-standing relationships, with an average tenure of over 15 years with our ten largest customers, including with leading multinational CPG companies, large national and regional food companies, as well as numerous local companies. Our top ten customers are all under multi-year contracts, and represent approximately 39% of our pro forma revenue, with our largest customer accounting for 11% of our pro forma revenue. Our overall customer base is highly diversified, with our top twenty customers representing 54% of our pro forma revenue. Some of our major customers include Akzo Nobel, Alicorp, Bayer, Beiersdorf, ConAgra Brands, COTY, Danone, Friesland Campina, Groupe d'Aucy, Grupo Queruclor, JM Smucker, Johnson & Johnson, L'Oréal, Mars, Reckitt Benckiser, Mondelez International, Nestlé, O Boticário, Thai Union, The Kraft Heinz Company and Unilever. Approximately 60% of our revenues are derived from multi-year contracts, most of which include input cost pass-through provisions.
- ***Strategically-located and cost-efficient global manufacturing base.*** We have 57 facilities and approximately 7,800 employees located across 21 countries, primarily in Europe, North America and South America. We have 46 facilities in our Europe segment (including one plant in each of Morocco, South Korea and the Seychelles), 7 in North America and 4 in South America. Our presence in Europe provides us with a scalable and flexible manufacturing footprint and accounts for approximately 73% of our pro forma revenue. In the past years, the Ardagh Carve-out Business has migrated a majority of its component production in Europe to lower-cost labor regions in Europe, while maintaining can assembly close to its customers. In the Americas, which accounts for approximately 27% of our pro forma revenue (21% from North America and 6% from South America), our North American footprint serves customers nationally, while our presence in South America includes an integrated slug facility, which provides us with a cost-efficient supply of high quality slugs. We have a well-invested asset base, with over \$350 million invested in the past five years in new production facilities, supported by in-house research and development expertise. We expect to continue to pursue cost reduction and efficiency opportunities in the form of footprint optimization, component migration, manufacturing and operational excellence initiatives, including lean six-sigma implementation and complexity reduction programs.
- ***Strong track record of packaging innovation leadership.*** We have been consistently recognized as a leading industry innovator in the development and application of processes and products that enhance the end-user experience and enable our customers to promote and differentiate their brands. Our commitment, scale and dedicated R&D and engineering resources, have meant that, in conjunction with our customers, we consistently deliver solutions that offer greater consumer convenience and functionality, respond to developing market trends, including sustainability, and

help our customers address regulatory changes ahead of time. Examples of our innovations include our leading role in metal down-gauging initiatives, our investments in DWI can production in Europe and North America, lightweight easy-open end solutions and coating solutions to meet new requirements related to BPA in Europe. Product innovation has included advanced shaping solutions in nutrition cans to offer greater brand differentiation, enhanced hygiene features and tamper-proof protection, as well as new offerings in single-serve packaging for a wide variety of applications. Our product offerings also address and promote the secular shift from steel to aluminum aerosols in the Americas and the potential growth of new premium beverage applications for aluminum bottles, including beer, wines and ready-to-drink coffees.

- ***Consistently strong financial profile.*** We have an attractive financial profile highlighted by consistently strong Adjusted EBITDA in each of our two businesses and robust free cash flow generation. Our attractive combined financial performance is underpinned by our recurring sales into stable end use categories that have select attractive growth opportunities, our demonstrated ability to pass through changes in raw material prices to our customers and our consistent track record of delivering cost savings and moderate maintenance capital expenditure requirements anticipated to be approximately \$40 million annually. These factors culminate in an attractive and consistent free cash flow profile, which we expect will enable us to reduce leverage through debt repayment and Adjusted EBITDA growth over time. Further, each of the Ardagh Carve-out Business and Exal have a demonstrable track record of Adjusted EBITDA growth with a CAGR of 3.3% and 10.1%, respectively from 2016 to 2018.
- ***Proven leadership team focused on value creation supported by long-term focused shareholders.*** We have an experienced and talented leadership team, led by our Chief Executive Officer, Michael Mapes. Michael Mapes and members of our management team have extensive experience and a strong track record of value creation in the consumer packaging industry, including the successful repositioning and expansion of Exal through the implementation of our proven business system approach. Members of our management team have also delivered consistently strong performance in the Ardagh Carve-out Business' consumer packaging business. We further benefit from the continuity provided by our shareholders, who have demonstrated a long-term investment horizon and record of value delivery. Our shareholders, Ontario Teachers' Pension Plan, the largest single-profession pension plan in Canada, with approximately C\$191 billion in net assets as of December 31, 2018, and the Ardagh Group, a leading global packaging solutions provider with annual revenues of over \$9 billion in 2018, will own approximately 57% and 43% of our equity, respectively. Ardagh Chairman and CEO, Paul Coulson, will be the chairman of our supervisory board of directors.

Our Business Strategy

We plan to implement our proven business system approach to drive value creation, achieve our principal objective of growth in Adjusted EBITDA and cash generation and continue to drive a culture of commercial excellence. We pursue these objectives through the following strategies:

- ***Grow Adjusted EBITDA and cash flow.*** We seek to leverage our extensive footprint, proximity to our customers, commercial excellence, efficient manufacturing and high level of customer service to grow our revenue through the provision of innovative and sustainable packaging solutions to new and existing customers. We will continue to take decisive actions with respect to our assets and invest in our business in order to increase Adjusted EBITDA, in line with our stringent investment criteria. To grow cash generation, we continue to actively manage our working capital and capital expenditures. We will aim to execute on identified growth and costs savings projects, deliver commercial excellence targets and continually improve through ongoing operational benchmarking and sharing of best practices.

- ***Provide sustainable packaging solutions.*** We will continue to work with our customers to provide innovative and sustainable packaging solutions to meet their own ambitious environmental and sustainability objectives and commitments. Metal is the most recycled packaging material globally and can be infinitely recycled without any degradation in quality. We expect to leverage these attributes of metal packaging to develop new applications, including those arising from conversion from other packaging formats. Our dedicated R&D capabilities mean that we are well-positioned to capitalize on such pack-mix shifts, given our sole focus on sustainable packaging solutions.
- ***Enhance product mix and profitability.*** Backed by our scale and record of innovation, we intend to grow our business with existing and new customers. Working in partnership with our customers, we intend to build on our existing leadership positions in our businesses. We also intend to pursue selective growth opportunities across our product portfolio by offering packaging solutions that address needs or desires for sustainability, brand differentiation, customer convenience/usability and regulatory change. Coupled with our continued focus on streamlining our cost base and optimizing our efficiency, we are targeting an enhanced product mix and increased profitability over time.
- ***Apply operational excellence and technical expertise.*** In managing our businesses, we seek to improve our safety and efficiency, as well as controlling our costs to preserve and expand our margins. We have consistently optimized our cost base through streamlining our manufacturing footprint and investing in advanced technology to enhance our production capacity. We intend to continue increasing our productivity through the deployment of leading technology across our manufacturing footprint, including our innovation and design capabilities and development and sharing of best practices and know-how across our operations.

Reasons for the Combination

We believe that the combination of the complementary Ardagh Carve-out Business and Exal to form a leading metal packaging provider offers attractive opportunities for future growth, as we continue to serve our customers' desire for high-quality, innovative and sustainable solutions in support of their brands. Our ability to service customers across a broader range of geographies represents a significant potential benefit. We are well positioned to pursue attractive secular growth opportunities with our well-invested asset base, where we have spent in excess of \$350 million on new production facilities since 2013.

We believe in the highly complementary fit of our businesses, with no geographic overlap in end use categories served. Our Company has an attractive and diversified material mix, encompassing approximately 70% tinplate steel and 30% aluminum product offerings, to deliver differentiated and premiumized solutions to meet customer needs. Moreover, the Combination will provide for diversification in terms of product, end market, customers and geography. Further, we continuously support product and process innovations, as well as sustainability initiatives, with our dedicated research and development center.

Although we operate in relatively mature industries, we have identified attractive growth opportunities in the regions and end use categories which we serve. Overall, we believe metal packaging is positioned to benefit from the accelerating focus on sustainability. Attractive growth opportunities include the potential for further penetration of lighter-weight two-piece food cans in North America, increasing demand for single-serve products in end use categories such as pet food and seafood, the shift from tinplate steel to aluminum aerosol containers in North America, growth in aerosol markets in South America and growth in the nutrition end use category.

We believe we have an attractive financial profile characterized by stability and underpinned by resilient product demand, longstanding relationships with customers with whom we generally have long-term contracts with pass-through provisions. Our well-invested asset base enjoys a low-cost profile

and, in conjunction with our relatively low level of maintenance capital expenditures, lead to a high level of cash conversion in our business.

We also see significant scope to enhance performance through the sharing of best practices across all aspects of our combined business. We believe that the business system approach applied by Exal in recent years, which yielded an improvement of over 1,000 basis points in Adjusted EBITDA for the period 2015 (17.8% Adjusted EBITDA margin) to 2018 (27.9% Adjusted EBITDA margin), can deliver significant benefits to our enlarged business over the medium term. This will involve the implementation of commercial and operational optimization initiatives across our business, including continuous benchmarking of process and performance, business mix enhancement, accelerating growth and innovation opportunities, complexity reduction, a focus on value over volume and targeted investments, including in automation to drive efficiency, quality and cost performance. We have identified commercial and operational excellence opportunities which are expected over the next few years to generate approximately \$40 million of Pro Forma Adjusted EBITDA net benefit. We expect to realize these net benefits after targeted investments in our selling, general and administrative cost base.

Industry Overview

The global packaging industry is a large, consumer-driven industry with stable growth characteristics. We operate in the metal container sectors and our target regions are Europe, North America and South America. Metal containers are attractive to brand owners, as their strength and rigidity allows them to be filled at high speeds and easily transported, while their shelf-stable nature means that refrigeration is not required, thereby resulting in further energy savings in the supply chain. The ability to customize and differentiate products supplied in metal containers, through innovative design, shaping and printing, also appeals to our customers. The metal container market has been marked by progressive down-gauging, which has generated material savings in input costs and logistics, while enhancing the consumer experience. This reduction in raw material and energy usage in the manufacturing process has also increased the appeal to end-users, who are increasingly focused on sustainability.

Metal can packaging is approximately a \$55 billion global revenue industry that is comprised of beverage cans (45% of the market), food (including seafood) cans (30%) and other cans (25%), according to Smithers Pira, a leading independent market research firm.

Despite competition from other formats and materials, metal cans remain a key food packaging format, owing to their attractive value proposition. The use of metal cans as a food packaging format is expected to have modest but stable growth of 0.6% per annum, for the next few years, principally driven by macroeconomic growth, as forecasted by Smithers Pira. Global sales of aerosol cans continue to increase, driven by rising demand for beauty and personal care and household products. Growing levels of disposable income and a focus on convenience, together with a shift in material mix from tinplate steel to aluminum are among the factors which will drive future aerosols demand, according to Smithers Pira. Other cans is a diverse market segment encompassing a wide variety of metal packaging containers serving end user applications, such as nutrition, beer kegs for at-home use and paints and coatings. This market segment benefits from multiple drivers of demand, including convenience and sustainability. Collectively, North America, Latin America and Europe constitute 79% of the global food end use category by revenue and 52% of the “other” end use category by revenue, according to Smithers Pira.

We believe the purchasing decisions of retail consumers are significantly influenced by packaging. Consumer product manufacturers and marketers increasingly use packaging to position their products in the market and differentiate them on retailers’ shelves. The development and production of premium, specialized packaging products with a combination of value-added features requires a high level of design capability, manufacturing and process know-how and quality control to consistently produce lightweight products, with strong barrier and anti-rust properties. Additional industry trends such as SKU proliferation and demand for convenience products, such as reclosable bottles, which are a cost-competitive alternative

to tinplate based products for smaller pack sizes, also provide opportunities for selective growth in new and emerging end use categories.

Metal packaging offers performance and convenience for CPG companies compared to alternatives. It acts as a superior barrier to oxygen and light and is resilient, as it can be unbreakable, tamper-proof and fire and temperature resistant. Moreover, it is convenient, and can be lighter or more robust, with portable characteristics and easy open and recloseable solutions. When used in the food market, metal has the advantage of retaining nutritional value, without the requirement for preservatives. From a supply chain perspective, metal packaging allows for efficient transportation and storage and is suited to processing on installed high-speed filling lines and retort processes.

From a sustainability perspective, metal is the most recycled material globally and can be infinitely recycled without any degradation in quality. Metal packaging is officially endorsed as a preferred material by the E.U. and, with a growing awareness among end consumers of sustainability issues, has added appeal to brand owners in helping to meet their own ambitious sustainability goals and commitments.

The metal packaging industry benefits from the stability of its end use categories, with selective opportunities for attractive growth. Metal packaging represents a proven value proposition for CPG companies and it is a stable technology with minimal substitution risk.

The European food can sector is a large, mature industry with approximately 24 billion food cans produced in 2018, according to Smithers Pira. It is characterized by lightweight three-piece and two-piece cans with easy open or peelable ends that are often decorated with high quality printed graphics and other innovative designs. End use categories served include food, vegetables, fruit, pet food, seafood, ready meals and soups. Despite competition from other packaging formats, this sector is characterized by a high degree of stability, with a significant installed base of customer filling lines dedicated to filling metal packaging. The food metal can packaging industry in Europe has selective growth opportunities resulting from shifts to smaller sizes and single-serve packaging solutions in areas such as pet food and seafood. Demand in the European aerosols metal can industry is principally influenced by consumer spending patterns in the beauty and personal care and household products end use categories and has been stable in Western Europe and growing in Eastern Europe since 2013, according to Smithers Pira. The other metal can industry in Europe encompasses a broad range of end use categories, including the nutrition end use category, where growth is driven by increasing emerging market demand as a result of rising levels of disposable income and a greater awareness of health and wellness.

In North America, we are a significant participant in the food can, aluminum aerosol and aluminum bottle businesses. The North American food can business, incorporating seafood and pet food cans, is a large, mature market, characterized by relatively stable demand, as modest growth in two-piece cans and pet food cans was offset by a decline in three-piece can demand in recent years. Two-piece cans are more prevalent in the United States than in Europe, but tend to be heavier than those produced in Europe. Food cans in North America also typically incorporate fewer convenience-enhancing and value-adding features, such as easy-open ends, than typically found in Europe, creating a growth opportunity for our products and innovations, including lighter-weight cans.

The North American aluminum aerosol market, serving end use categories in beauty and personal care and household products has grown slightly since 2013, reflecting an increase in overall demand and a movement from tinplate steel to aluminum aerosols. This material shift has been driven by ongoing product premiumization and improved functionality for consumers, as well as by increased levels of decoration and differentiation being sought by CPG companies to market their products.

In South America, where we produce aluminum aerosols in Brazil and Argentina, demand growth reflects increased levels of disposable income and increased spending on beauty and personal care products and a shift in material mix from steel aerosols to aluminum aerosols offering improved

functionality to consumers in certain end use categories in the form of rust avoidance, and the potential for increased differentiation and brand promotion.

In the aluminum premium beverage market, the convenience of the package to the consumer in the form of a lightweight, robust, re-closable and recyclable offering is complemented by the opportunity for brand owners to achieve high levels of decoration and differentiation. End use categories served by aluminum premium beverage packaging include a broad range of beverages such as beer, wine, energy drinks and ready-to-drink coffees.

Our Business

We are a leading supplier of innovative, value-added, infinitely-recyclable metal packaging solutions. Our products principally comprise of metal packaging in the form of cans and aerosol containers, and serve a broad range of end use categories, including food, seafood, pet food and nutrition, as well as beauty and personal care and beverage offerings, such as wine, energy, ready-to-drink coffee and premium beer. We also supply the paints and coatings and general household care end use categories.

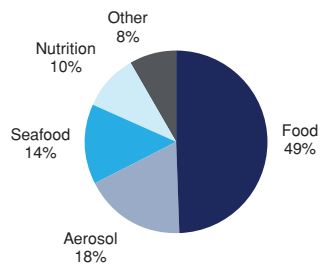
Many of our products feature high-quality printed graphics, customized sizes and shapes or other innovative designs. Our products provide functionality and differentiation and enhance our customers' brands on the shelf. In combination with efficient manufacturing and high service levels, this overall value proposition and best-in-class execution of fundamental business processes enables us to achieve margins that compare well with other large competitors in the sector.

Our pro forma net profit and Adjusted EBITDA for the twelve months ended March 31, 2019 were \$78 million and \$435 million, respectively.

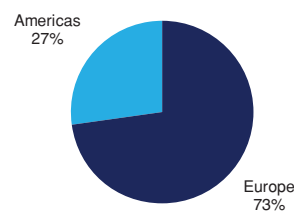
We manage our business in two reporting segments, Europe and Americas. The Europe segment includes the "rest of the world" and accounted for 73% of revenue in 2018. The following table illustrates the breakdown of our pro forma revenue and pro forma Adjusted EBITDA for the twelve months ended March 31, 2019.

The following charts illustrate the breakdown of our revenue by destination and end use category for the year ended December 31, 2018:

Revenue by End Use Category
Based on Company estimates



Revenue by Destination



We have a well-diversified, blue-chip customer base consisting of over 1,300 accounts, comprised of multi-national companies, large national and regional companies and small local businesses. In our target regions of Europe, North America and South America, our customers include a wide variety of CPG companies, which own some of the best known brands in the world. We are a long-standing partner to global blue-chip customers, and approximately 60% of our sales are generated under multi-year contracts, with the remainder largely subject to annual arrangements. A significant portion of our sales volumes are supplied under contracts which include input cost pass-through provisions, which help us reduce margin volatility due to changes in raw material costs. We believe we are one of the leading market players in each

of the food, seafood, nutrition, beauty and personal care and paints and coatings end use categories, across Europe, North America and South America. Specifically, in Europe, we believe that we have the #1 position in nutrition and paint and coatings, as well as in the production of aerosol containers, typically used in the beauty and personal care, household care and food end use categories. We also believe that we have the #2 position in the food and seafood end use categories. In North America, we believe that we have the #2 position in food (including seafood) and beauty and personal care. Further, we believe that we have the #1 position in beauty and personal care in South America.

We operate 57 facilities across 21 countries in Europe (46 including one plant in each of Morocco, South Korea and the Seychelles), North America (7) and South America (4) and employ approximately 7,800 personnel. Our plants in Europe provide a scalable and flexible pan-European manufacturing footprint, and we have extensive component production in lower-cost labor regions. Our plants in North America serve customers nationally, while our integrated slug facility in South America ensures high-quality slug production.

Our end use categories served are characterized by stable-to-growing demand. Examples in food and specialties include growth in single-serve offerings in end use categories such as food, seafood and pet food, as well as increased penetration of lighter-weight two-piece can penetration and easy-open ends, particularly in North America. Growth in demand in the nutrition end use category is driven by rising disposable incomes in emerging markets. In addition, we see a continued favorable growth outlook for aluminum aerosols, driven by growth in disposable incomes and migration from tinplate steel to aluminum in South America, with a favorable growth outlook in North America principally attributable to material migration from tinplate steel to aluminum. Premiumization by brand owners and a desire for increased brand differentiation also represents a favorable driver across most of our businesses. In addition, we have a well-invested asset base, with over \$350 million invested in the past 5 years in new production facilities, and a record of leading industry innovation which is backed by significant in-house research and development expertise.

Organic growth initiatives have also involved expansionary strategic investments in new capacity of over \$350 million in new facilities since 2013. Notable investments in this period have included: (i) two new can-making facilities in Roanoke, Virginia and Reno, Nevada, as well as a significant expansion of our Conklin, New York, ends plant; positioning us to meet substantially all the metal packaging requirements of a major U.S. CPG company pursuant to a long-term contract; (ii) the material enhancement of our South American aerosol production capabilities and capacity to serve growing demand in that region, including the completion of a new state-of-the-art aluminum slug production facility; and (iii) consistent investment in our European business in pursuit of growth opportunities in selected end use categories, including the infant formula/nutrition market, where demand growth is driven by emerging market consumption, and in single-serve pet food formats, where convenience and a trend to premium products is evident. These initiatives, as well as other acquisitions and investments over many years, in both existing and adjacent end use categories, have increased our scale and diversification and provided opportunities to grow our business with existing and new customers.

We are committed to market-leading innovation and product development and our global operations are supported by a dedicated research and development center in France, where we employ 60 research and engineering specialists. Our research and development capabilities allow us to deliver a competitive advantage by providing (i) improved design, consumer convenience and innovation, (ii) cost-reduction, and (iii) food safety compliant products.

Manufacturing and Production

As of December 31, 2018, we would have operated 57 production facilities in 21 countries and had approximately 7,800 employees. Our plants are currently located in 14 European countries, as well as in Argentina, Brazil, Canada, Morocco, the Seychelles, South Korea and the United States.

The following table summarizes our principal production facilities as of December 31, 2018.

| Location | Number of Production Facilities |
|---|--|
| Germany | 6 |
| France | 8 |
| Italy | 8 |
| Netherlands | 5 |
| Other European countries ⁽¹⁾ | 16 |
| United States | 6 |
| South America | 4 |
| Rest of the world ⁽²⁾ | 4 |
| | <u>57</u> |

(1) Czech Republic, Denmark, Hungary, Latvia, Poland, Romania, Russia, Spain, Ukraine and the United Kingdom.

(2) Canada, Morocco, the Seychelles and South Korea.

Customers

We operate worldwide, selling metal packaging for a wide range of consumer products to national and international customers. We supply leading manufacturers in each of the markets we serve, including Akzo Nobel, Alicorp, Bayer, Beiersdorf, ConAgra Brands, COTY, Danone, Friesland Campina, Groupe d'Aucy, Grupo Quercuclor, JM Smucker, Johnson & Johnson, L'Oréal, Mars, Reckitt Benckiser, Mondelez International, Nestlé, O Boticário, Thai Union, The Kraft Heinz Company and Unilever, among others.

Our top ten customers represented approximately 39% (top three 22%, four & five 6%, six through ten 11%) of 2018 pro forma revenues, approximately 60% of which were backed by multi-year supply agreements. These contracts generally provide for the pass-through of metal price fluctuations, and in certain instances provide for pass-through of other input costs. In addition, within multiyear relationships, both parties can work together to streamline the product, service and supply process, potentially leading to cost reductions and improvements in product and service, with benefits arising to both parties. Wherever possible, we seek to enter into multi-year supply agreements with our customers. In other cases, sales are made under commercial supply agreements, typically of one-year's duration, with prices based on expected purchase volumes.

Competitors

Our principal competitors include Ball Corporation, Crown Holdings, Moravia and Silgan Holdings in Europe. In North America our principal competitors include Ball Corporation, Ball Metalpack, CCL Container, Crown Holdings and Silgan Holdings while in South America Impacta and TUBEX Group are our principal competitors.

Energy, Raw Materials and Suppliers

The principal raw materials used in our operations are tinplate steel, aluminum and coatings and lining compounds. Our major tinplate steel suppliers include ArcelorMittal, Baosteel, Dongbu Steel, HBIS Group, Tata Steel, ThyssenKrupp Rasselstein and U.S. Steel. Our major aluminum suppliers include Alcoa, Aluar, Ball Corporation, Copal, Constellium, Elval, Hydro, Novelis, Oddo and Talum.

We continuously seek to minimize the price of raw materials and reduce exposure to price movements in a number of ways, including the following:

- harnessing the scale of our global metal purchasing requirements, to achieve better raw materials pricing than smaller competitors;
- entering into variable-priced pass-through contracts with customers, whereby selling prices are indexed to the price of the underlying raw materials;
- maintaining the focus on down-gauging;
- continuing the process of reducing spoilage and waste in manufacturing;
- rationalizing the number of both specifications and suppliers; and
- in our European operations, hedging the price of aluminum ingot and the related euro/U.S. dollar exposure.

We typically purchase tinplate steel under one-year contracts, with prices that are usually fixed in advance. Agreements are generally renegotiated late in the year for effect from the beginning of the following calendar year. Despite significant reductions in steel production capacity in Europe over the past few years, we believe that adequate quantities of the relevant grades of packaging steel will continue to be available from various producers and that we are not overly dependent upon any single supplier.

The imposition of tariffs on steel and aluminum imports in 2018 resulted in increased costs to both the Ardagh Carve-out Business and Exal operations. In common with our industry, we are in part reliant on imported steel and aluminum to meet our requirements in North America, as domestic U.S. production of the specifications and grades required is insufficient to meet industry requirements. These tariff-related increases were passed on to our customers during the year. See “Risk Factors—Risks Relating to Our Business—Our profitability could be affected by the availability and cost of raw materials including as a result of changes in tariffs and duties.”

In our European operations, aluminum is generally purchased under three-year contracts, with prices that are fixed in advance. In contrast, our Americas operations we typically purchase aluminum spot market index rates. Despite an increase in the level of aluminum production being targeted to new end use applications, including automotive and aerospace, we believe that adequate quantities of the relevant grades of packaging aluminum will continue to be available from various producers and that we are not overly dependent upon any single supplier.

Distribution

We use various freight and haulage contractors to make deliveries to customer sites or warehousing facilities. In some cases, customers make their own delivery arrangements and therefore may purchase from us on an ex-works basis. Warehousing facilities are primarily situated at our manufacturing facilities; however, in some regions, we use networks of externally rented warehouses at strategic third-party locations, close to major customers’ filling operations.

Intellectual Property and Innovation, Development and Engineering

We currently hold and maintain a significant number of patent families, each filed in several countries and covering a range of different products in each jurisdiction.

Our global operations are supported by a dedicated team of 68 professionals engaged in continuous innovation and development activities. These are primarily based at our facility in France, which provides support across our global network of manufacturing facilities. Our focus is on serving the existing and potential needs of customers, including the achievement of cost reductions, particularly metal content

reduction, new product innovation, meeting new and anticipated legislative requirements, including those related to food safety, as well as technology and support services.

Our French facility, for example, played a central role in developing, in conjunction with our suppliers, new BPANIA coatings ahead of regulatory changes in some of our markets and a desire by our customers to migrate to BPANIA coatings. Similarly, it is one of the few facilities that will be able to test pack chrome 6-free products, ahead of new chrome-free requirements to be met by Europe-produced tinplate steel by September 2024.

Liquidity and Capital Resources

Cash Requirements Related to Operations

Our principal sources of cash are cash generated from operations and external financings, including borrowings and other credit facilities. Our principal funding arrangements include borrowings available under the ABL Facility. For further details relating to the debt instruments described above, see “Description of Other Indebtedness.”

The Group believes it has adequate liquidity to satisfy its cash needs for at least the next twelve months. In the twelve months ended March 31, 2019, we had a pro forma operating profit of \$247 million and generated pro forma Adjusted EBITDA of \$435 million.

We believe that our cash balances and future cash flow from operating activities, as well as our credit facilities, will provide sufficient liquidity to fund our purchases of property, plant and equipment, interest payments on our notes and other credit facilities and dividend payments for at least the next twelve months. In addition, we believe that we will be able to fund certain additional investments from our current cash balances, credit facilities and cash flow from operating activities.

Accordingly, we believe that our long-term liquidity needs primarily relate to the servicing of its debt obligations. We expect to satisfy our future long-term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates.

Capital Expenditures

Capital expenditure for the year ended December 31, 2018 increased by \$21 million to \$146 million, compared to \$125 million for the year ended December 31, 2017. The increase was primarily attributable to spending on short payback projects across the Group during the period. In the Ardagh Carve-out Business, capital expenditure was mainly attributable to short payback project spending and to increased capital investment initiatives. In the Exal business, capital expenditure was mainly attributable to new manufacturing lines in South America and manufacturing line upgrades in North America.

Employees

As of December 31, 2018, we would have had approximately 7,800 employees. Approximately 6,800 of these employees were employed by the Ardagh Carve-out Business, while approximately 1,000 of these employees were employed by Exal.

Environmental, Health and Safety and Product Safety Regulation

Our operations and properties are regulated under a wide range of laws, ordinances, regulations and other legal requirements concerning the environment, health and safety and product safety in each jurisdiction in which we operate. We believe that our manufacturing facilities comply, in all material respects, with these laws and regulations.

The principal environmental issues facing us include the impact on air quality through gas and particle emissions, including the emission of greenhouse gases, the environmental impact of the disposal of water used in our production processes, the generation and disposal of waste, the receiving, use and storage of hazardous and non-hazardous materials and the potential contamination and subsequent remediation of land, surface water and groundwater arising from our operations.

Our substantial operations in the E.U. are subject to, among additional requirements, the requirements of the Industrial Emissions Directive (the “IED”), which requires that operators of industrial installations, take into account the whole environmental performance of the installation and obtain and maintain compliance with a permit, which sets emission limit values that are based on best available techniques.

Our E.U. production facilities are also regulated under the E.U. ETS, now in its third phase which runs until 2020. Under this regime, the European Commission sets emission caps for greenhouse gases for all installations covered by the scheme, which are then implemented by Member States. Installations that emit less than their greenhouse gas emission cap can sell emission allowances on the open market and installations that exceed their emission cap are required to buy emission allowances and are penalized if they are unable to surrender the required amount of allowances at the end of each trading year. In addition, the EPA has also begun to regulate certain greenhouse gas emissions under the Clean Air Act.

Furthermore, the E.U. Directive on environmental liability with regard to the prevention and remedying of environmental damage aims to make those who cause damage to the environment (specifically damage to habitats and species protected by E.U. law, damage to water resources and land contamination which presents a threat to human health) financially responsible for its remediation. It requires operators of industrial premises (including those which hold a permit governed by the IED) to take preventive measures to avoid environmental damage, inform the regulators when such damage has or may occur and to remediate contamination.

Our operations are also subject to stringent and complex U.S. federal, state and local laws and regulations relating to environmental protection, including the discharge of materials into the environment, health and safety and product safety including, but not limited to: the U.S. federal Clean Air Act, the U.S. Federal Water Pollution Control Act of 1972, the U.S. federal Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”). These laws and regulations may, among other things (i) require obtaining permits to conduct industrial operations; (ii) restrict the types and quantities and concentration of various substances that can be released into the environment; (iii) result in the suspension or revocation of necessary permits, licenses and authorizations; (iv) require that additional pollution controls be installed; and (v) require remedial measures to mitigate pollution from former and ongoing operations, including related natural resource damages. Specifically, certain U.S. environmental laws, such as CERCLA or Superfund, as well as analogous state laws, provide for strict, and under certain circumstances, joint and several liability for the investigation and remediation of releases or the disposal of regulated materials into the environment including soil and groundwater, as well as for damages to natural resources.

Moreover, restrictions on BPA in coatings for some of our products, which have been proposed or adopted in the E.U. under the REACH legislation and in some of its Member States, have required us to develop substitute materials for our production.

We are also committed to ensuring that safe operating practices are established, implemented and maintained throughout our organization. In addition, we have instituted active health and safety programs throughout our company. See “Risk Factors—Risks Relating to Our Business—We are subject to various environmental and other legal requirements and may be subject to new requirements of this kind in the future that could impose substantial costs upon us.”

Legal Proceedings

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices in Germany of metal packaging manufacturers in the market for paints, coatings and food metal packagers, including the Ardagh Group. In 2018, the European Commission took over this investigation and the German investigation is ended as a result. The European Commission's investigation is ongoing, and there is at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision has been recognized. In the Transaction Agreement, the Ardagh Group has agreed to indemnify us for certain losses in connection with this investigation.

With the exception of the above legal matter, we are involved in certain other legal proceedings arising in the normal course of its business. We believe that none of these proceedings, either individually or in aggregate, are expected to have a material adverse effect on our business, financial condition, results of operations or cash flows.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Issuer

As of the date of this offering memorandum the sole shareholder and director of the Issuer is the Parent Guarantor with its address at Strawinskylaan 3127, eighth floor, 1077 ZX Amsterdam, The Netherlands.

Trivium Packaging B.V.

Trivium Packaging B.V. is the parent company of the Issuer.

Supervisory Board of Directors

As of the date of this offering memorandum the sole shareholder and director of the Parent Guarantor is Element Netherlands Coöperatief U.A. The Shareholders Agreement will provide for a nine person supervisory board (including up to five members to be designated or nominated by Element and up to four members to be designated or nominated by the Ardagh Group). As of the date of this offering memorandum two directors have been identified by the Ardagh Group who will be appointed to the supervisory board following completion.

Paul Coulson

Paul Coulson graduated from Trinity College Dublin with a business degree in 1973. He spent five years with Price Waterhouse in London and Dublin and qualified as a Chartered Accountant in 1978. He then established his own accounting firm before setting up Yeoman International in 1980 and developing it into a significant leasing and structured finance business. In 1998 he became Chairman of the Ardagh Group and initiated the transformation of Ardagh from a small, single plant operation into a leading global packaging company. Over the last 30 years he has been involved in the creation and development of a number of businesses apart from Yeoman and Ardagh. These include Fanad Fisheries, a leading Irish salmon farming company, and Sterile Technologies. Prior to its sale to Stericycle, Inc. in 2006, Sterile Technologies had been developed into the leading medical waste management company in the United Kingdom and Ireland.

David Matthews

David Matthews was appointed Chief Financial Officer and director of the Ardagh Group in 2014. Prior to joining Ardagh, Mr. Matthews held various senior finance positions at DS Smith plc and Bunzl plc. Mr. Matthews qualified as a Chartered Accountant in 1989 with Price Waterhouse in London and holds an engineering degree from the University of Southampton.

Number and Election of Directors

See “The Combination—Shareholders Agreement.”

Senior Management of the Group

As of the date of this offering memorandum the below members of senior management have been identified, who will take up their roles following the Completion Date.

Michael Mapes

Michael Mapes joined Exal as CEO in 2016. He has spent nearly 15 years leading rigids and flexibles packaging businesses globally. Prior to Exal, Mr Mapes held senior leadership roles and led various international businesses at Greif. Previously, he was a management consultant with McKinsey & Company

as well as with Mercer Management Consulting (now Oliver Wyman). Mr Mapes is a graduate of Northwestern University where he received his B.S. in Industrial Engineering. He received his executive education at Harvard Business School (GMP) and at London Business School (SEP). Mr Mapes is a member of Young President's Organization (YPO).

Stefan C. Siebert

Stefan C. Siebert was appointed Chief Financial Officer of Ardagh Metal Packaging in 2015, having served as Chief Financial Officer of the Metal Europe division since 2011. In 2016, he played a lead role in the Beverage Can acquisition and its transformation within Ardagh Metal Packaging. Prior to that, Mr Siebert held a variety of finance roles in the company, including Division Controller for the Specialities business between 2001 and 2011. Mr Siebert joined Schmalbach-Lubeca in 1984. Mr Siebert has a diploma in Business Administration (University of Applied Sciences), Rendsburg/Germany.

Robert Huffman

Mr Huffman joined Exal in 2016 and helped architect the Exal Business System approach to drive transformational change while also resetting Exal's strategy to better align with its competitive advantages. Currently, Mr. Huffman is Exal's Chief Commercial Officer where he leads all commercial, innovation and strategy efforts. Robert has almost eight years of experience in the packaging industry, including through his prior role as Vice President of Transformation and Director of Project Management Officer at Greif. Prior to Greif, Mr. Huffman spent seven years as a strategy consultant for McKinsey & Company where he architected and led company-wide strategic and operational improvement initiatives. He holds a MBA from Northwestern University in addition to a Master in Accountancy and BSBA from The Ohio State University.

Jens Irion

Jens Irion was appointed Chief Commercial Officer of Ardagh Metal Packaging North America in 2018, after holding a number of business development and strategy roles at the Ardagh Group and Rexam, Plc. Previously, he was a Senior Principal at Boston Consulting Group (BCG), where he focused on clients in the industrial goods sector. Mr. Irion holds an MBA from MIT Sloan School of Management (Cambridge, MA, USA) and a master's degree in Industrial Engineering from Karlsruhe Institute of Technology (Germany).

Woep Möller

Woep Möller was appointed Chief Executive Officer of Ardagh Metal Food & Specialty Europe in 2015. Before that, after the integration of Impress into Ardagh in 2011, he served as Chief Commercial Officer of Ardagh's Metal and Glass divisions. He has 36 years of experience in the packaging industry, holding a variety of commercial and managing director roles in various predecessor companies or Ardagh Metal Food & Specialty, including Thomassen & Drijver, Schmalbach-Lubeca and Impress. Mr. Möller studied Finance and Economics.

Board Committees

The Shareholders Agreement will provide that the Parent Guarantor will have an audit committee and a compensation committee. Each committee of the Parent Guarantor will be comprised of an equal number of members designated by Ardagh and Element, with the chairperson of the audit committee designated by Element for so long as it is entitled to appoint or nominate directors to the supervisory board of the Parent Guarantor.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Issuer

As of the date of this Offering Memorandum, the issued share capital of Trivium Packaging Finance B.V., the Issuer of the Notes, consisted of €1. The Issuer's sole shareholder is Trivium Packaging B.V.

Trivium Packaging B.V.

Trivium Packaging B.V. is a wholly owned subsidiary of Element Netherlands Holding Coöperatief U.A. Following the Completion Date, Trivium Packaging B.V.'s shareholders will be, subject to a customary post-closing adjustment to reflect changes in our net debt, cash and net working capital between execution of the Transaction Agreement and the Completion Date:

- Element Holdings II L.P. an entity controlled by the Ontario Teachers' Pension Plan, which will own 57% of the equity of the Parent Guarantor, has approximately \$140 billion of assets under management. Element will be entitled to designate or nominate up to five directors to the supervisory board of the Parent Guarantor, including the chief executive officer. Ontario Teachers' Pension Plan is the largest single-profession pension plan in Canada, managing C\$191 billion in net assets as at December 31, 2018. It is an independent organization responsible for investing the pension fund's assets and administering the pensions of Ontario's 323,000 active and retired teachers. Ontario Teachers' Pension Plan has offices in Toronto, New York, London and Hong Kong. Ontario Teachers' Pension Plan Private Capital ("PC") is the private equity investment arm of Ontario Teachers' Pension Plan, having deployed more than C\$40 billion in capital since inception in 1991. PC has invested in more than 500 companies and funds.
- The Ardagh Group, which will own the remaining 43% of the equity of the Parent Guarantor and will be entitled to designate or nominate four directors to the supervisory board of the Parent Guarantor, including the chairman. Paul Coulson, chairman and chief executive officer of the Ardagh Group, will be the initial chairman of the Parent Guarantor. The Ardagh Group is a leading global packaging solutions provider with annual revenues of over \$9 billion in 2018.

Related Party Transactions

Mutual Services Agreement

At the Completion Date, the Parent Guarantor and Ardagh Group will enter into the MSA, pursuant to which Ardagh Group S.A and its affiliates (the "Ardagh Business Entities") and Trivium will provide services to each other, and in certain cases, the Ardagh Business Entities will provide services to Exal in connection with Trivium's business (the "Services"). The Services will generally relate to the following:

- With respect to Trivium's treasury functions, Ardagh Business Entities, will provide Trivium and, in certain cases, Exal, with support for the execution of commodity and foreign exchange derivatives and cash management activities; administrative support for banking platforms; access to treasury-related IT systems; reporting and business partnering support for liquidity positions and cash flow forecasts and requirements; and management of debt, asset-backed lending, factoring, supply chain finance and other receivables facilities.
- The Ardagh Business Entities will support Trivium's tax reporting activities in accordance with Ardagh Business Entities' current policies, including support for transfer pricing activities; local direct tax compliance and accounting for certain entities of the Ardagh Carve-out Business and certain Brazilian subsidiaries of Exal; and tax audits as they arise.

- Ardagh Business Entities will support Trivium's functions with respect to operational financing and other finance-related activities based on the needs of Trivium in various jurisdictions, including support for the processing of cash applications; the monitoring and adjusting of customers' accounts; the minimization of exposure to bad debt; and the processing of invoices, payments, vendor add/change requests and employee data, payrolls, payroll taxes and expenses.
- Ardagh Business Entities will support Trivium and, in certain cases Exal, with IT services, including certain IT infrastructure and support for IT management; connectivity to and from data centers; and security and compliance for Ardagh Business Entities-supported applications and infrastructure.
- Ardagh Business Entities will provide R&D and product development support services to Trivium based on the needs of Trivium in various jurisdictions, including certain services using lab facilities in Bonn, Germany, and Exal Grove, Illinois.
- Ardagh Business Entities will provide support services to Trivium and, in certain cases Exal, relating to procurement and logistics, including support for relationship management with third-party suppliers; logistics management; and the negotiation of new supply agreements on behalf of Exal where contracts may expire in certain jurisdictions.
- Ardagh Business Entities will provide Trivium with manufacturing software support; access to certain Ardagh Business Entities' sites; equipment maintenance support through Advanced Technical Centre resources in Illinois; and support functions in respect of investor relations and business partnerships, health, safety and environmental compliance, pensions and human resources.
- Trivium will provide Ardagh Business Entities with certain IT support services, including maintenance, security and compliance support for Exal-supported applications and IT infrastructure; user access and active directory support for certain Exal system; and maintenance and support for certain plants.
- Trivium will provide Ardagh Business Entities with tax support in Europe; R&D support in Europe, including patent management and application support; training support with respect to certain maintenance software for operations in the United States; and legal, finance and human resources-related support services based on the Ardagh Business Entities' needs in certain European jurisdictions.

The MSA will also provide for the sharing of certain facilities leased by Ardagh Business Entities in connection with the provision of Services, with appropriate segregations in place between Ardagh Business Entities, on the one hand, and Trivium, on the other hand. The parties to the MSA will also use commercially reasonable efforts to obtain all consents necessary for the Services (including any consents for pass-through supply arrangements and/or licenses to be provided by third parties), with good faith discussions regarding alternative arrangements to follow if such consents are not obtained. Each party will retain all rights, title and interest in the intellectual property for the Service it provides, provided that data or other intellectual property will be the property of the party receiving such Service to the extent it is exclusively used in the receiving party's business, and subject to certain exceptions, the parties will license to one another, on a non-exclusive basis, the intellectual property needed to satisfy their obligations under the MSA.

With certain exceptions, the Services will be provided by the parties at full cost (i.e., employment costs, plus any relevant overhead costs) applying consistent costing methodologies, including the pass-through of third-party costs and no mark-ups to the cost of Services. For Services invoiced at a fixed price but for which volumes to be provided are variable, the parties will negotiate in good faith to adjust prices if the monthly volume for any such Service varies by over twenty percent (20%) from such volume in the prior month.

The MSA will terminate on the date on which all Services have expired, or either the MSA or all Services to be provided are terminated in accordance with the terms of the MSA. The MSA provides for the potential extension of any Service for up to six (6) months, provided that the party providing such service receives timely written notice of, and consents to, such extension. Any Service may be terminated by the party receiving such Service by providing a written notice of termination in a timely manner and subject to applicable law.

IP Cross-License Agreement

At the Completion Date, the Parent Guarantor and the Ardagh Group will enter into an Intellectual Property Cross License Agreement (the “IP Cross License Agreement”). Under the IP Cross-License Agreement, each of the Ardagh Group and the Parent Guarantor will license, on behalf of itself and its respective subsidiaries, to the other party and its respective subsidiaries, all of the intellectual property controlled (whether directly or indirectly) by the licensing party as of the Completion Date that is used, contemplated to be used or capable of being used in the development or manufacture of aluminum bottles as of the Completion Date for the licensee party’s use in connection with developing and commercializing aluminum bottles. The licenses will be granted on a perpetual, non-exclusive, irrevocable, royalty-free, fully paid-up and worldwide basis, and each licensee party may sublicense to its third party service providers (but solely for use by such services providers for the benefit of the licensee party).

Either party as a licensee party to the IP Cross License Agreement may request from the licensor party delivery of written or electronic materials or other media embodying the intellectual property being licensed to such licensee party and, upon such request, such licensor party shall provide to such licensee party any such materials or other media that are in its, or its subsidiaries’, possession or control and, with respect to certain such materials and media, that are reasonably accessible. The IP Cross License Agreement will not be assignable by either party without consent of the other party except in connection with a corporate reorganization of the assigning party or to a successor to all or substantially all of the business or assets to which the agreement relates.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements, which may not be in place on the Issue Date. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements, which may not be in place on the Issue Date. We recommend that you refer to the actual agreements for further details to the extent that they are in place as of the date of this Offering Memorandum.

ABL Facility

Overview

We anticipate that Trivium Packaging B.V. and certain of its subsidiaries (such subsidiaries, the “Borrowers”) will enter into (i) an up to \$240 million senior secured asset-based multicurrency revolving credit facility (the “General Facility”) available to the Borrowers (other than Borrowers organized under the laws of France (the “French Borrowers”)) and (ii) a \$10 million senior secured asset-based revolving credit facility available to the French Borrowers (the “French Facility,” and together with the General Facility, the “ABL Facility”). We anticipate that the ABL Facility will be provided by a syndicate of financial institutions (collectively, the “ABL Lenders”), with Citibank, N.A. (or an affiliate thereof) as administrative agent for the purpose of, among other things, paying costs, fees and expenses related to the Combination, financing ongoing working capital and general corporate purposes of the Borrowers and the other subsidiaries of Trivium Packaging B.V. Under the General Facility, the Borrowers may request to increase the commitments thereunder by up to \$60 million (or in the case of the French Facility, \$20 million) subject to certain conditions. We anticipate that the ABL Facility will be guaranteed by Trivium Packaging B.V., and certain of the Borrowers (with respect to the obligations of certain other Borrowers), and, no later than 90 days following the Completion Date, certain other subsidiaries of Trivium Packaging B.V. after giving effect to the Combination (and no person shall guarantee the Notes unless such person also guarantees the ABL Facility) (the “ABL Post-Completion Date Guarantors” and, together with Trivium Packaging B.V. and the Borrowers, the “ABL Loan Parties”). We anticipate that the ABL Facility will be secured by assets of the ABL Loan Parties, with a first priority lien on the ABL Collateral (as defined below) and a junior lien on the Fixed Asset Collateral, subject to the terms of the Intercreditor Agreement and subject to certain exclusions. We anticipate that the collateral securing the ABL Facility will also secure liabilities under bank products (including credit card transactions and cash management services) and hedging obligations owed to the ABL Lenders or their affiliates.

Final Maturity and Amortization

We anticipate that the ABL Facility will mature on the earlier of (i) the fifth anniversary of the closing and (ii) at any time, the date that is 91 calendar days prior to the earliest scheduled maturity date under documents in respect of indebtedness of Trivium Packaging B.V. or any restricted subsidiary with an aggregate outstanding principal amount (including undrawn commitments in respect thereof) in excess of a specified amount, in each case in effect at such time, unless the indebtedness under such other documents has been repaid in full or refinanced to have a scheduled maturity date that is at least 91 calendar days after the date in clause (i) above subject to certain exceptions that will be set forth in the ABL Facility.

Borrowings

We anticipate that borrowings under the ABL Facility will be made available in U.S. dollars, British pound and euro. We anticipate that a portion of the ABL Facility will be available for issuing letters of credit and for making swingline loans. We anticipate that the borrowings under the ABL Facility may be prepaid without premium or penalty. We anticipate that the ABL Facility will contain customary mandatory prepayment requirements if the outstandings thereunder exceed the availability.

We anticipate that borrowings by each Borrower will be limited by the borrowing base applicable to such Borrower as set forth in the ABL Facility.

Covenants

We anticipate that the ABL Facility will be subject to a springing financial covenant that will require Trivium Packaging B.V. to maintain a 1.0 to 1.0 fixed charge coverage ratio, tested quarterly, if global borrowing availability is less than 10% of the lesser of (i) the commitments as of such date and (ii) the global borrowing base as of such date. We anticipate that such financial covenant will be subject to customary equity cure provisions. We anticipate that, if such availability level is subsequently exceeded for a period of thirty consecutive calendar days, the testing of such financial covenant would be suspended.

The ABL Facility will also include representations, warranties and covenants that are generally of a nature customary for a facility of this type offered to similar borrowers.

Events of Default

We anticipate that the ABL Facility will contain provisions governing certain events of default customary for a facility of this type offered to similar borrowers. The occurrence of an event of default could result in the acceleration of payment obligations under the ABL Facility.

There are no guarantees that Trivium Packaging B.V. and the Borrowers will be able to enter into the ABL Facility or that the terms reflected in this description will be reflected in the final ABL documentation.

Intercreditor Agreement

Unless the context otherwise requires, terms defined below in this description of the Intercreditor Agreement apply only to this section.

Overview

In connection with entering into the ABL Facility, at the time of the completion of the Acquisitions, the Issuer, the Guarantors, the administrative agent (the “ABL Agent”) under the credit agreement which provides for the ABL Facility (the “ABL Credit Agreement”), Citibank, N.A., London Branch, as the trustee for the Secured Notes (for purposes of this section, the “First Lien Notes Trustee”), Citibank, N.A., London Branch, as the trustee for the Senior Notes (for purposes of this section, the “Unsecured Notes Trustee”), the security agent (the “ABL Security Agent”) in respect of the ABL Documents (as defined below) and Citibank, N.A., London Branch as the security agent (the “Fixed Asset Security Agent”, together with the ABL Security Agent, the “Security Agents”) in respect of the Fixed Asset Documents (as defined below) will enter into the Intercreditor Agreement to govern the relationships and relative priorities among, amongst others: (a) the ABL Creditors (as defined below); (b) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements; (c) the holders of the Secured Notes; (d) the holders of the Senior Notes; (e) any persons that accede to the Intercreditor Agreement as counterparties to certain cash management agreements; (f) any persons who accede to the Intercreditor Agreement as additional First Lien Creditors (as defined below), Second Lien Creditors (as defined below) or Unsecured Creditors (as defined below); (g) the Security Agents; (h) the Representatives (as defined below); and (i) certain Intra-Group Lenders (as defined below) and debtors.

The Company and each of the Company’s restricted subsidiaries that incurs any liability or provides any guarantee or security in respect of obligations under any of the ABL Credit Agreement, the Secured Indenture, the Senior Indenture or any other agreement whose Representative accedes to the Intercreditor Agreement are each referred to in this description as a “Debtor” and are referred to, collectively, as the “Debtors.”

The Intercreditor Agreement will, among other things, set out:

- (a) the relative lien priorities of the Secured Creditors in respect of any assets that constitute ABL Collateral and Fixed Asset Collateral (each as defined below);
- (b) when payments can be made in respect of certain indebtedness of the Debtors;
- (c) when enforcement actions can be taken in respect of that indebtedness and who controls enforcement actions in respect of Collateral (as defined below);
- (d) the terms pursuant to which certain intercompany and shareholder indebtedness will be subordinated upon the occurrence of certain insolvency events;
- (e) turnover provisions; and
- (f) when guarantees and security in respect of any assets that constitute Collateral may be released, including to permit a sale of such assets or any merger, consolidation, amalgamation, reorganization or combination of the foregoing which relates to (by disposal or otherwise) any asset which is subject to the Security Documents (as defined below) and is permitted or not prohibited under the Indenture and the other relevant Debt Documents (as defined below).

The Intercreditor Agreement will contain provisions relating to future indebtedness that may be incurred by the Debtors that is permitted by the Debt Documents:

- (a) to be secured on a super priority basis by the Fixed Asset Collateral, subject to the terms of the Intercreditor Agreement (such future indebtedness being “Super Senior RCF Debt,” the creditors of such future indebtedness being “Super Senior RCF Creditors” and the obligations thereunder being “Super Senior RCF Obligations”);
- (b) to be secured on a first lien basis by the Fixed Asset Collateral, subject to the terms of the Intercreditor Agreement (such future indebtedness being “Additional First Lien Debt,” the creditors of such future indebtedness, together with the First Lien Notes Trustee, the holders of the Secured Notes and any other creditor that benefits from such a lien, being “First Lien Creditors” and the obligations thereunder, together with the First Lien Notes Obligations (as defined below), being “First Lien Obligations”);
- (c) to be secured on a second lien basis by the Fixed Asset Collateral, subject to the terms of the Intercreditor Agreement (such future indebtedness being “Second Lien Debt,” the creditors of such future indebtedness being “Second Lien Creditors” and the obligations thereunder being “Second Lien Obligations”);
- (d) to be incurred on an unsecured basis and required by the terms of one or more of the Debt Documents to accede to the Intercreditor Agreement (such future indebtedness being “Unsecured Debt,” the creditors of such future indebtedness, together with the Unsecured Notes Trustee, the holders of the Senior Notes and any other such unsecured creditor, being “Unsecured Creditors” and the obligations thereunder, together with the obligations under the Senior Indenture, being “Unsecured Obligations”);
- (e) to hedge counterparties under hedging agreements (such agreements, collectively, the “Hedge Agreements” and such persons, collectively, the “Hedge Counterparties”) which may be secured (i) on a first lien basis on the ABL Collateral (the “ABL Hedge Agreements” and such persons, collectively, the “ABL Hedge Counterparties”) and/or (ii) (A) on a super senior basis on the Fixed Asset Collateral (the “Super Senior Hedge Agreements” and such persons, collectively, the “Super Senior Hedge Counterparties”) or (B) on a first lien basis on the Fixed Asset Collateral (the “First Lien Hedge Agreements” and such persons, collectively, the “First Lien Hedge Counterparties”); and

- (f) to cash management providers under cash management arrangements (such arrangements, collectively, the “Cash Management Arrangements” and such persons, collectively, the “Cash Management Providers”) which may be secured (i) on a first lien basis on the ABL Collateral (the “ABL Cash Management Arrangements” and such persons, collectively, the “ABL Cash Management Providers”) and/or (ii) (A) on a super senior basis on the Fixed Asset Collateral (the “Super Senior Cash Management Arrangements” and such persons, collectively, the “Super Senior Cash Management Providers”) or (B) on a first lien basis on the Fixed Asset Collateral (the “First Lien Cash Management Arrangements” and such persons, collectively, the “First Lien Cash Management Providers”).

For purposes of this description, “Company” has the meaning provided to such term under “Description of the Notes—Certain Definitions” and “Group” means the Company and each of its restricted subsidiaries from time to time. In addition, the following terms have the meanings provided below:

“ABL Collateral” means all of the assets that secure the ABL Obligations on a first-priority basis including, in any event but subject to limited exceptions, (i) all accounts (including accounts receivable), inventory, payment intangibles and instruments, (ii) all general intangibles, documents, chattel paper, letter of credit rights, supporting obligations, and commercial tort claims evidencing, governing, securing, providing credit support for, arising from or substituted for any of the foregoing, (iii) all deposit accounts, securities accounts, and commodity accounts, (iv) certain related assets, and (v) all proceeds (including, without limitation, insurance proceeds) of any of the foregoing.

“ABL Creditors” means the creditors in respect of the ABL Obligations.

“ABL Documents” means the ABL Security Documents, the ABL Credit Agreement, the agreements related to the ABL Cash Management Arrangements, the ABL Hedge Agreements and each of the other agreements, documents and instruments executed pursuant thereto or in connection therewith.

“ABL Obligations” means the Obligations of the Debtors under the ABL Documents.

“ABL Security Documents” means any agreement, document, or instrument pursuant to which a lien is granted (or purported to be granted) securing any ABL Obligation or under which rights or remedies with respect to such liens are governed.

“Collateral” means all of the assets of each and every Debtor, whether real, personal or mixed, constituting ABL Collateral or Fixed Asset Collateral.

“Creditor” means the Primary Creditors, the Intra-Group Lenders and the Subordinated Creditors

“Debt Documents” means the Intercreditor Agreement, the ABL Documents, the Fixed Asset Documents, the Unsecured Documents and any documents evidencing the terms of the Intra-Group Obligations, and any documents evidencing the terms of any Subordinated Debt.

“Discharge Date” when used with respect to any Obligations (other than contingent indemnification obligations for which no claim has been made), means, except as otherwise provided in the Intercreditor Agreement, the first date on which all of such Obligations have been discharged in cash or cash collateralized to the satisfaction of the applicable Representative (as defined below) and there are no further obligations to provide financial accommodation thereunder to any Debtor.

“Fixed Asset Collateral” means all assets, other than the ABL Collateral, that secure the obligations of the Debtors under our First Lien Debt. See “Description of the Senior Secured Notes—Security”.

“Fixed Asset Creditors” means the creditors in respect of the Fixed Asset Obligations.

“Fixed Asset Documents” means Secured Indenture, the agreements under which any other First Lien Obligations and Super Senior Obligations are provided to the Debtors (including, without limitation,

the Super Senior Hedge Agreements) and each of the other agreements, documents and instruments executed pursuant thereto or in connection therewith.

“Fixed Asset Obligations” means the Super Senior Obligations, the First Lien Obligations, the Second Lien Obligations and the Obligations of the Debtors under the Super Senior Hedge Agreements, the First Lien Hedge Agreements, Super Senior Cash Management Arrangements and the First Lien Cash Management Arrangements.

“Fixed Asset Security Documents” means any agreement, document, or instrument pursuant to which a lien is granted (or purported to be granted) securing any Fixed Asset Obligation or under which rights or remedies with respect to such liens are governed.

“Majority First Lien Creditors” means, at any time, those First Lien Creditors whose aggregate first lien credit participations represent more 50% of the aggregate first lien credit participations of all such Creditors.

“Majority Second Lien Creditors” means, those Second Lien Creditors whose aggregate second lien credit participations represent more than 66⅔% (or if there is at any time there is any Second Lien Debt not in the form of loans outstanding, 50%) of the aggregate second lien credit participations of all such Creditors.

“Majority Super Senior Creditors” means, at any time, those Super Senior Creditors whose aggregate super senior credit participations represent more 66⅔% of the aggregate super senior credit participations of all such Creditors.

“Majority Unsecured Creditors” means, at any time, those Unsecured Creditors whose Unsecured Obligations at that time aggregate more than 50% of the total Unsecured Obligations outstanding at that time.

“Obligations” means all present and future liabilities and obligations at any time of any member of the Group to any Creditor under the Debt Documents, both actual and contingent and whether direct or indirect, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, incurred solely or jointly or as principal or surety or in any other capacity, together with any of the following matters relating to or arising in respect of those liabilities and obligations: (a) any refinancing, novation, deferral or extension, (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition, (c) any claim for damages or restitution, (d) any claim as a result of any recovery by any Debtor or any grantor of Collateral of a payment on the grounds of preference or otherwise and (e) any amounts accruing or that would have accrued or become due which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or liquidation proceeding or other proceedings and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such insolvency or liquidation proceeding or other proceeding, and in the case of all of the foregoing, including all principal, premium, interest, fees, attorneys’ fees, costs, charges, expenses, reimbursement obligations, obligations with respect to loans and letters of credit, obligations in respect of Hedge Agreements, obligations in respect of Cash Management Arrangements, obligations to provide cash collateral or other collateral in respect of letters of credit, obligations in respect of Hedge Agreements or obligations in respect of Cash Management Arrangements or indemnities in respect thereof, any other indemnities or guarantees, and all other amounts payable under or secured by any Debt Document.

“Primary Creditors” means the creditors in respect of the Secured Obligations and the Unsecured Obligations.

“Primary Obligations” means the Secured Obligations and the Unsecured Obligations.

“Representative” means the ABL Agent, the First Lien Notes Trustee, the Unsecured Notes Trustee and any creditor representative in respect of any obligations who becomes a party to the Intercreditor Agreement in its capacity as a representative of the associated creditors.

“Secured Documents” means, collectively, the ABL Documents and the Fixed Asset Documents.

“Security Documents” means, collectively, the ABL Security Documents and the Fixed Asset Security Documents.

“Super Senior Creditors” means the Super Senior RCF Creditors, the Super Senior Hedge Counterparties and the Super Senior Cash Management Providers.

“Super Senior Obligations” means the Super Senior RCF Obligations together with all Obligations owed to the Super Senior Hedge Counterparties under the Super Senior Hedge Agreements and the Super Senior Cash Management Providers under the Super Senior Cash Management Arrangements.

“Unsecured Documents” means the Senior Indenture, the agreements under which any other Unsecured Obligations are provided to the Debtors and each of the other agreements, documents and instruments executed pursuant thereto or in connection therewith.

The Obligations of the Debtors to the First Lien Notes Trustee and the holders of the Secured Notes (the “First Lien Notes Obligations”), together with the ABL Obligations, the Obligations of the Debtors to the Super Senior Creditors (the “Super Senior Obligations”), the First Lien Obligations, the Obligations of the Debtors under the Hedge Agreements (the “Hedging Obligations”), the Obligations of the Debtors under the Cash Management Arrangements (the “Cash Management Obligations”), the Second Lien Obligations, all Obligations of the Debtors to the Security Agents (the “Security Agent Obligations”), the Obligations of the Debtors to the Representatives, in their capacities as such (the “Representative Amounts”), the Obligations of the Debtors to the agent under any Super Senior RCF Debt (the “Super Senior Agent Obligations”) and Obligations of the Debtors to the ABL Agent (the “ABL Agent Obligations” and, together with the Super Senior Agent Obligations, the “Agent Obligations”), are the “Secured Obligations” and the associated debt the “Secured Debt”. The ABL Creditors and the Fixed Asset Creditors are the “Secured Creditors.”

Ranking and Priority

Secured Obligations—Fixed Asset Collateral

The Intercreditor Agreement will provide that Fixed Asset Collateral will rank and secure, the Secured Obligations in the following order:

- (a) first, the Security Agent Obligations (other than such amounts in respect of the ABL Security Agent), the Super Senior Agent Obligations and the Representative Amounts (other than such amounts in respect of the ABL Agent or the ABL Security Agent), *pari passu* and without any preference between them;
- (b) second, the Super Senior Obligations, *pari passu* and without any preference between them
- (c) third, the First Lien Obligations and any Obligations in respect of the First Lien Hedging Arrangements *pari passu* and without any preference between them;
- (d) fourth, the Second Lien Obligations, *pari passu* between themselves and without any preference between them; and
- (e) fifth, the ABL Obligations.

Secured Obligations—ABL Collateral

The Intercreditor Agreement will provide that the ABL Collateral will rank and secure, the Secured Obligations in the following order:

- (a) first, the Security Agent Obligations (other than such amounts in respect of the Fixed Asset Security Agent) and the ABL Agent Obligations, *pari passu* and without any preference between them;
- (b) second, the ABL Obligations;
- (c) third, the First Lien Obligations, the Super Senior Obligations, the Security Agent Obligations (other than such amounts in respect of the ABL Security Agent), the Super Senior Agent Obligations and the Representative Amounts (other than such amounts in respect of the ABL Agent), *pari passu* between themselves and without any preference between them; and
- (d) fourth, the Second Lien Obligations, *pari passu* between themselves and without any preference between them.

Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any liens securing or purporting to secure the Secured Obligations granted on the Collateral (including, in each case, notwithstanding whether any such lien is granted (or secures indebtedness relating to the period) before or after the commencement of any insolvency or liquidation proceeding), and notwithstanding any provision of the Uniform Commercial Code as in effect from time to time in the State of New York (or any other state of the United States the laws of which are required to be applied, the “UCC”) or any other applicable law or the Debt Documents or any defect or deficiencies in, or failure to attach or perfect, the liens securing or purporting to secure the Secured Obligations, the possession or control of the Collateral by any Secured Creditor, or any other circumstance whatsoever: (a) any lien on the ABL Collateral securing or purporting to secure the ABL Obligations, whether now or subsequently held by or on behalf of, or created for the benefit of, the ABL Security Agent, any other ABL Creditor or any agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all liens on the ABL Collateral securing or purporting to secure any Fixed Asset Obligations; and (b) any lien on the Fixed Asset Collateral securing or purporting to secure the Fixed Asset Obligations, whether now or subsequently held by or on behalf of, or created for the benefit of, the Fixed Asset Security Agent, any other Fixed Asset Creditor or any agent or trustee therefor, regardless of how and when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all liens on the Fixed Asset Collateral securing or purporting to secure any ABL Obligations.

Secured and Unsecured Obligations—Unsecured Claims

The Intercreditor Agreement does not purport to rank any of the Secured Obligations or the Unsecured Obligations as between themselves.

Intra-Group Obligations and Subordinated Obligations

For purposes of this description:

“Intra-Group Obligations” means the Obligations owed by any Debtor to any member of the Group which makes a loan to, grants any credit to, or makes any other financial arrangement having a similar effect with a Debtor and which becomes a party to the Intercreditor Agreement (such member of the Group, an “Intra-Group Lender”).

“Subordinated Creditor” means any direct or indirect shareholder of the Company (or any affiliate of such shareholder other than a member of the Group) which has made a loan, granted any credit or made any other financial accommodation to the Company or another member of the Group in each case

constituting “Subordinated Shareholder Funding” (as defined in the Indentures) and which becomes a party to the Intercreditor Agreement as a Subordinated Creditor.

“Subordinated Obligations” means all Obligations owed by any Debtor to any Subordinated Creditor under any “Subordinated Shareholder Funding” (as defined in the Indentures).

The Intercreditor Agreement will provide that the Subordinated Obligations and the Intra-Group Obligations are postponed and subordinated to the Obligations owed by the Debtors to the Primary Creditors. The Intercreditor Agreement does not purport to rank any of such Obligations as between themselves. For the avoidance of doubt, Unsecured Obligations do not include the Intra-Group Obligations or the Subordinated Obligations.

Limitations on Enforcement

For the purpose of this paragraph:

“Enforcement Action” means (a) in relation to any Obligations (i) the acceleration of any Primary Obligations or the making of any declaration that any Primary Obligations are prematurely due and payable (other than as a result of it becoming unlawful for a Primary Creditor to perform its obligations under, or of any voluntary or mandatory prepayment or redemption arising under, the Debt Documents), (ii) the making of any declaration that any Obligations are payable on demand (except in respect of any Intra-Group Obligations, other than when a Distress Event (as defined below under “—Proceeds of Disposals”) has occurred and is continuing), (iii) the making of a demand in relation to an Obligation that is payable on demand (except in respect of any Intra-Group Obligations, other than when a Distress Event has occurred and is continuing), (iv) the making of any demand against any Debtor in relation to any guarantee Obligations of that Debtor (except in respect of any Intra-Group Obligations, other than when a Distress Event has occurred and is continuing), (v) the exercise of any right to require any member of the Group to acquire any Obligation (including exercising any put or call option against any member of the Group for the redemption or purchase of any Obligation) (it being understood that open market purchases or debt buybacks or voluntary prepayments or tender or exchange offers or similar or equivalent arrangements by any member of the Group of Secured Obligations or Unsecured Obligations permitted under the Debt Documents shall not constitute the exercise of a right to require any member of the Group to acquire any Obligation) other than in connection with any mandatory offer arising on or as a result of a change of control or asset sale (however described) as set out in any Secured Document or the Unsecured Documents by any member of the Group, (vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Obligations other than the exercise of any such right (A) as close-out netting by a Hedge Counterparty, (B) as payment netting by a Hedge Counterparty, (C) as inter-hedging netting by a Hedge Counterparty, (D) which is otherwise permitted under the Secured Documents or the Unsecured Documents, in each case, to the extent that the exercise of that right gives effect to a payment permitted pursuant to the Intercreditor Agreement to be made in respect of the Obligations or (E) in respect of any Intra-Group Obligations prior to the occurrence of a Distress Event, and (vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Obligations; (b) the premature termination or close-out of any hedging transaction under any Hedge Agreement or any cash management arrangement under any Cash Management Arrangement, except as and to the extent permitted under the Intercreditor Agreement; (c) the taking of any steps to enforce or require the enforcement of any Fixed Asset Collateral or the ABL Collateral (including the crystallization of any floating charge forming part of the Fixed Asset Collateral or the ABL Collateral) (other than, for the avoidance of doubt, any consultation between Secured Creditors prior to the taking of any steps to enforce or require the enforcement of any Fixed Asset Collateral; *provided* that any such steps shall be subject to the terms described in the section “—Enforcement of security—Manner of enforcement—Fixed Asset Collateral”); (d) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Obligations, or has given any lien, guarantee or indemnity or other assurance against loss in respect of the

Obligations (other than (A) any action permitted under the Intercreditor Agreement (it being understood that open market purchases or voluntary prepayments or tender or exchange offers by any member of the Group of Secured Obligations or Unsecured Obligations permitted under the Debt Documents shall not constitute the exercise of a right to require any member of the Group to acquire any Obligation), (B) any consensual amendments to or waivers of the Debt Documents agreed between members of the Group and the relevant creditors where that amendment or waiver does not constitute a Default under any Secured Document or any Unsecured Document which is not the subject of that amendment or waiver or (C) any such action constituting an acquisition of Intra-Group Obligations which is permitted under the Intercreditor Agreement); or (e) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up (other than on a solvent basis by a member of the Group (not taken at the direction of a Security Agent in connection with the exercise of remedies) and solely to the extent permitted by the Debt Documents), suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganization of any member of the Group which owes any Obligations, or has given any lien, guarantee, indemnity or other assurance against loss in respect of any of the Obligations, or any such member of the assets or any suspension of payments or moratorium of any indebtedness of such member of the Group or any analogous procedure in any jurisdiction; *provided* that the following shall not constitute Enforcement Action: (i) the taking of any action falling within (a)(ii), (iii), (iv) and (vii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Obligations, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; (ii) any Primary Creditor bringing legal proceedings against any person solely for the purpose of (A) obtaining injunctive relief (or any analogous remedy) to restrain any actual or putative breach of any Debt Document to which it is party, (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages, or (C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages; (iii) any Intra-Group Obligations or Subordinated Obligations of a member of the Group being released or discharged in consideration for the issue of shares in that member of the Group (other than the Company) prior to an acceleration event in respect of the Secured Obligations; (iv) to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; (v) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations; (vi) allegations of material misstatements or omissions made in connection with the offering materials relating to the Notes or any other Secured Debt or Unsecured Debt in the form of notes or debt securities or in reports furnished to the holders thereof in respect thereof or any exchange on which the Notes or any other Secured Debt or Unsecured Debt are listed by a member of the Group pursuant to the information and reporting requirements under the associated Debt Documents; (vii) the imposition of a default rate or a late fee, (viii) the filing of a proof of claim in any insolvency or liquidation proceeding or the seeking of adequate protection in accordance with the terms of the Intercreditor Agreement; (ix) the exercise of cash dominion with respect to any deposit account, securities account or commodity account under the ABL Documents; (x) the implementation of reserves against borrowing availability under the ABL Documents; (xi) the reduction of advance rates in, or other adjustments to, any borrowing base or eligibility criteria under the ABL Documents; or (xii) the exercise by any Cash Management Provider of any right of offset with respect to the Obligations under their Cash Management Arrangements.

Creditors

Secured Creditors and Unsecured Creditors: Intercreditor Matters

The Intercreditor Agreement will not restrict the entry into of other intercreditor and subordination agreements (including agreements establishing additional first and second lien tranches) by, between and/or among any Secured Creditors and Unsecured Creditors, to the extent the terms of such agreement address (i) matters relating to the payment priority as between such parties (or their representatives), (ii) the ability to exercise any rights granted under the Intercreditor Agreement to such creditors, (iii) other matters customary for intercreditor agreements of such type and (iv) any other matters related thereto; provided, that such agreement shall not conflict with the terms of the Intercreditor Agreement.

Secured Creditors: Permitted Payments

The Intercreditor Agreement will provide that the Debtors may make payments in respect of the Secured Obligations at any time in accordance with the provisions of the applicable Secured Documents.

Secured Creditors: Collateral and Guarantees

The Intercreditor Agreement will provide that no class of Secured Creditors may take, accept or receive the benefit of, and no Debtor shall grant or permit to exist, (a) any lien from any member of the Group in respect of that class of Secured Obligations, in addition to the Fixed Asset Collateral and the ABL Collateral, provided that, to the extent legally possible and subject to the guarantee and security principles contained in the applicable Debt Document (the “Agreed Security Principles”), at the same time such lien is also offered either (i) to the applicable Security Agent as trustee or agent for its benefit and the benefit of all other classes of Secured Creditors; or (ii) in the case of any jurisdiction in which an effective lien cannot be granted in favor of such Security Agent(s) as trustee or agent for such Secured Creditors: (A) to such Secured Creditors in respect of their Obligations or (B) to the applicable Security Agent(s) under a parallel debt structure for their benefit and the benefit of such Secured Creditors, and in each case, ranks in the same order of priority as provided for in the section “—Ranking and priority”; and (b) any guarantee, indemnity or other assurance against loss from any member of the Group in respect of their Secured Obligations in addition to (i) those in the Intercreditor Agreement; (ii) any such guarantee, indemnity or assurance that is given to all the Secured Creditors in respect of the Secured Obligations owed to them by any member of the Group; or (iii) those in the original ABL Credit Agreement or in any Super Senior Credit Agreement; *provided* that, in each case, to the extent legally possible and subject to the Agreed Security Principles, at the same time such guarantee, indemnity or other assurance against loss is also offered to all other classes of Secured Creditors in respect of their Secured Obligations and ranks in the same order of priority as described in the section “—Ranking and priority;” *provided, further*, that this paragraph will not be violated with respect to any lien securing any Secured Obligations, or any such guarantee, indemnity or other assurance against loss, if the applicable Security Agent(s) in respect of all other classes of Secured Obligations are given a reasonable opportunity to accept a lien on such asset or such guarantee, indemnity or assurance, and such Security Agent(s) expressly declines to accept a lien on such asset or such guarantee, indemnity or assurance in respect of one or more classes of Secured Obligations. This paragraph will also not apply with respect to cash and cash equivalents, and deposit accounts and securities accounts containing solely cash and cash equivalents, that (i) cash collateralize letters of credit issued under the ABL Documents or the Super Senior Credit Agreement, (ii) cash collateralize defaulting lender participations in letters of credit, swingline loans or protective advances under the ABL Documents or the Super Senior Credit Agreement, or (iii) returned or charged-back items under the ABL Documents.

The Intercreditor Agreement will not purport to restrict any Secured Creditor taking, accepting or receiving the benefit of any lien, guarantee, indemnity or other assurance against loss from any person which is not a member of the Group in respect of the Secured Obligations.

Secured Creditors: Limitations on Enforcement

The Intercreditor Agreement will provide that no Secured Creditor may take any Enforcement Action under clause (c) of the definition thereof or (to the extent such action is directly related to the enforcement of Collateral) under clause (e) of the definition thereof other than as permitted under the Intercreditor Agreement. However, after the occurrence of an insolvency event in relation to a Debtor, each Secured Creditor may, to the extent it is able to do so under the relevant documents governing the Secured Obligations, take Enforcement Action under clause (e) of the definition thereof or claim in the winding up, dissolution, administration, reorganization or similar insolvency event of that Debtor for Secured Obligations owing to it (but, for the avoidance of doubt, may not direct any Security Agent to enforce the Collateral granted in common in respect of the Secured Obligations in any manner not permitted by the Intercreditor Agreement).

Unsecured Creditors: Permitted Payments

The Intercreditor Agreement will provide that the Debtors may make payments in respect of the Unsecured Obligations at any time in accordance with the provisions of the applicable Unsecured Documents. To the extent that any Unsecured Document includes provisions subordinating the related Unsecured Obligations to any other Obligations of the Debtors, the provisions regarding rights of payment, enforcement and subordination, together with any related restrictions on amendments of those provisions, will be incorporated into the Intercreditor Agreement.

Unsecured Creditors: Guarantees

The Intercreditor Agreement will provide that the Unsecured Creditors may only take, accept or receive the benefit of any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Unsecured Obligations in addition to (a) those in the Intercreditor Agreement; and (b) any such guarantee, indemnity or assurance that is given to all the Secured Creditors in respect of the Obligations owed to them by any member of the Group, provided that, in each case, to the extent legally possible and subject to the Agreed Security Principles, at the same time such guarantee, indemnity or other assurance against loss is also offered to the other Primary Creditors in respect of their Obligations with the rank in the same relative order of priority.

The Intercreditor Agreement will not purport to restrict any Unsecured Creditor taking, accepting or receiving the benefit of any lien, guarantee, indemnity or other assurance against loss from any person which is not a member of the Group in respect of the Unsecured Obligations.

Intra-Group Obligations: Restrictions on Payment and Dealings

Prior to the last Discharge Date to occur in respect of any of the Primary Obligations (the “Final Discharge Date”), the Debtors shall not, and shall procure that no other member of the Group will, make any payments of the Intra-Group Obligations at any time unless that payment is otherwise permitted by the Intercreditor Agreement. The Debtors and members of the Group may make payments in respect of the Intra-Group Obligations (whether of principal, interest or otherwise) from time to time, except that payments may not be made if, at the time of such payment, an acceleration event with respect to any of the Secured Obligations or Unsecured Obligations has occurred and is continuing, unless: (i) to the extent such payment would result in a breach of any Debt Document, the relevant Representatives, as applicable, have consented to such payment; (ii) that payment is made solely to facilitate the payment of the Primary Obligations or (iii) any director or officer of any Debtor is required by mandatory law to make or demand payment of the relevant Intra-Group Obligations in order to avoid personal or criminal liability.

Subordinated Obligations: Restrictions on Payment and Dealings

Prior to the Final Discharge Date, the Debtors shall not, and the Company shall procure that no other member of the Group will, make, and no Subordinated Creditor will accept, any payments of the Subordinated Obligations at any time unless that payment is otherwise permitted by the Intercreditor Agreement. Members of the Group may make payments in respect of the Subordinated Obligations if that payment is, prior to the Final Discharge Date, either (a) permitted by the outstanding Debt Documents or (b) consented to by the relevant Representatives under any Debt Documents pursuant to which such payment would result in a breach.

Effect of Insolvency Event

General

The Intercreditor Agreement will provide that, until the last Discharge Date to occur in respect of any of the Secured Obligations (the “Secured Debt Discharge Date”) in the event that any member of the Group becomes subject to an insolvency event, including under Title 11 of the United States Code entitled “Bankruptcy,” as now or hereafter in effect, or any successor statute (the “U.S. Bankruptcy Code”), the Representatives and each other Primary Creditor agree not to take any action under the applicable insolvency or liquidation proceeding that would be inconsistent with its agreements in the Intercreditor Agreement without the consent of the ABL Agent and, before the last Discharge Date in respect of the First Lien Obligations (the “First Lien Discharge Date”), the Majority First Lien Creditors (as defined below) and, thereafter, the Majority Second Lien Creditors (as defined below). See “—Enforcement of Security—Manner of Enforcement—Fixed Asset Collateral”. If any member of the Group commences an insolvency or liquidation proceeding, then the Intercreditor Agreement, which the parties expressly acknowledge is a “subordination agreement” under section 510(a) of the U.S. Bankruptcy Code, will be effective during such insolvency or liquidation proceeding of any such Debtor and the relative rights as to the Fixed Asset Collateral, the ABL Collateral and proceeds thereof and shall continue after any Debtor commences such insolvency or liquidation proceeding on the same basis as prior to the date of the petition.

Payment of Distributions

The Intercreditor Agreement will provide that, subject to certain exceptions in respect of Intra-Group Obligations owed by a member of the Group that is not a Debtor, after the occurrence of an insolvency event in relation to any member of the Group, any party entitled to receive a distribution out of the assets of such member of the Group (in the case of holders of Secured Notes and Senior Notes or any Primary Creditor whose Obligations are in the form of notes or other debt securities outstanding, only to the extent that such amount constitutes enforcement proceeds of Collateral) in respect of Obligations owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of such member of the Group to pay that distribution to the applicable Security Agent until the Secured Debt Discharge Date. The Security Agents shall apply distributions paid to them in accordance with the terms of the Intercreditor Agreement (see “—Application of proceeds”).

Set-off

The Intercreditor Agreement will provide that, subject to certain exceptions in respect of Intra-Group Obligations owed by a member of the Group that is not a Debtor, to the extent that any member of the Group’s Obligations are discharged by way of set-off (mandatory or otherwise) after the occurrence of an insolvency event in relation to that member of the Group (in the case of a set-off (mandatory or otherwise) received by holders of Secured Notes and Senior Notes or any Primary Creditor whose Obligations are in the form of notes or other debt securities outstanding, only to the extent that such amount constitutes enforcement proceeds of Collateral), any creditor that benefited from that set-off shall, to the extent legally permissible, pay an amount equal to the amount of the Obligations owed to it which are discharged by that set-off to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement (see “—Application of Proceeds”). The set-off provisions in the Intercreditor Agreement do not apply to certain netting by a Hedge Counterparty or any set-off which gives effect to a payment permitted to Intra-Group Lenders.

Non-cash Distributions

The Intercreditor Agreement will provide that, if either Security Agent or any other Primary Creditor receives a distribution in a form other than in cash in respect of any of the Obligations, the Obligations will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the Obligations.

Filing of Claims

The Intercreditor Agreement will provide that, after the occurrence of an insolvency event in relation to any member of the Group, each Secured Creditor (including holders of Secured Notes) irrevocably authorizes the Fixed Asset Security Agent, on its behalf, to: (a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement and the relevant Debt Documents of such creditor) against such Group member in respect of the Fixed Asset Obligations; (b) demand, sue, prove and give receipt for any or all of such Group member's Fixed Asset Obligations; (c) collect and receive all distributions on, or on account of, any or all of such Group member's Fixed Asset Obligations; and (d) file claims, take proceedings and do all other things the Fixed Asset Security Agent considers reasonably necessary to recover such Group member's Fixed Asset Obligations.

The Intercreditor Agreement will provide that, after the occurrence of an insolvency event in relation to any member of the Group, each Secured Creditor (including holders of Secured Notes) irrevocably authorizes the ABL Security Agent, on its behalf, to: (a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement and the relevant Debt Documents of such creditor) against such Group member in respect of the ABL Obligations; (b) demand, sue, prove and give receipt for any or all of such Group member's ABL Obligations; (c) collect and receive all distributions on, or on account of, any or all of such Group member's ABL Obligations; and (d) file claims, take proceedings and do all other things the ABL Security Agent considers reasonably necessary to recover such Group member's ABL Obligations.

Further Assurance; Insolvency Event

The Intercreditor Agreement will provide that each Secured Creditor (including holders of Secured Notes) will (a) do all things that each of the Security Agents reasonably requests in order to give effect to the provisions described in this “—Effect of insolvency event” section and (b) if the Security Agents are not entitled to take any of the actions contemplated by the “—Effect of insolvency event” provisions of the Intercreditor Agreement or if the applicable Security Agent reasonably requests that a Secured Creditor take that action, undertake such action in accordance with the instructions of such Security Agent or grant a power of attorney to such Security Agent (on such terms as such Security Agent may reasonably require) to enable such Security Agent to take such action; *provided* that nothing in paragraph will permit any Security Agent to request any action which would contravene any other provision of the Intercreditor Agreement or to allow a Security Agent to exercise, or cause any Secured Creditor to exercise, any Enforcement Action in respect of any Collateral to the extent that Security Agent was not permitted to undertake such Enforcement Action under another provision of the Intercreditor Agreement.

Financing Matters

Until the Discharge Date in respect of the ABL Obligations (the “ABL Discharge Date”), if any Debtor becomes subject to an insolvency or liquidation proceeding and the ABL Security Agent shall desire to permit the use of “cash collateral” (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting ABL Collateral on which the ABL Security Agent or any other creditor has a lien or to permit any Debtor to obtain financing, whether from any ABL Creditor or any other person under Section 364 of the U.S. Bankruptcy Code or any similar provision of any other applicable bankruptcy law (“DIP Financing”) that is secured at least in part by the ABL Collateral, then, the Fixed Asset Security

Agent, on behalf of itself and the Fixed Asset Creditors, agrees that it will raise no objection to such use of cash collateral or DIP Financing provided such use of cash collateral or DIP Financing meets the following requirement: the terms of the use of cash collateral or DIP Financing (A) do not compel the applicable Debtor to seek confirmation of a specific plan of reorganization or similar dispositive restructuring plan for which all or substantially all of the material terms are set forth in the order authorizing such use of cash collateral, DIP Financing documentation or a related document, (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or the order authorizing the use of cash collateral, and (C) do not require that any lien of the Fixed Asset Security Agent on the Fixed Asset Collateral be subordinated to or rank *pari passu* with any lien on the Fixed Asset Collateral securing such DIP Financing. To the extent the liens securing the ABL Obligations are subordinated to or *pari passu* with the liens securing such DIP Financing which meets the requirement in the immediately preceding sentence, the Fixed Asset Security Agent will subordinate its liens on the ABL Collateral to the liens thereon securing such DIP Financing (and all obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the ABL Security Agent or to the extent permitted in the manner set forth below). If, in connection with any cash collateral use or DIP Financing, any liens on the ABL Collateral held by the ABL Creditors are subject to a surcharge or are subordinated to an administrative priority claim, a professional fee “carve-out,” or fees owed to the United States Trustee, then the liens on the ABL Collateral of the Fixed Asset Creditors shall also be subordinated to such interest or claim and shall remain subordinated to the liens on the ABL Collateral of the ABL Creditors consistent with the other terms of the Intercreditor Agreement.

The ABL Security Agent and the holders of ABL Obligations will agree to similar limitations with respect to their right to object to any use of cash collateral constituting Fixed Asset Collateral or to any DIP Financing to be secured at least in part by the Fixed Asset Collateral that has been consented to by the Fixed Asset Security Agent (acting on behalf of the Majority First Lien Creditors prior to the First Lien Discharge Date, and, thereafter, the Majority Second Lien Creditors) that meets comparable requirements as set forth above in this paragraph.

In an insolvency or liquidation proceeding in the U.S., the provision of any DIP Financing that is secured by liens on Fixed Asset Collateral senior to or *pari passu* with the liens securing the First Lien Obligations or any consent to the use of cash collateral constituting Fixed Asset Collateral under section 363 of the U.S. Bankruptcy Code shall require only the consent of, prior to the First Lien Discharge Date, the Majority First Lien Creditors.

Automatic Stay

Until the ABL Discharge Date, the Fixed Asset Security Agent, on behalf of itself and the Fixed Asset Creditors, agrees that none of them shall seek (or support any other person seeking) relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of the ABL Collateral, without the prior written consent of the ABL Security Agent. The ABL Security Agent and the ABL Creditors will agree to similar limitations with respect to their right to seek relief from the automatic stay in respect of any Fixed Asset Collateral.

Sales

Subject to certain other provisions of the Intercreditor Agreement, the Fixed Asset Security Agent will consent and will not object or oppose, or support any party in objecting to or opposing, a motion to dispose of any ABL Collateral free and clear of any liens or other claims under Section 363 of the U.S. Bankruptcy Code (or any similar provision of any other applicable bankruptcy law), or any related motion to establish bidding procedures for such a sale or disposition, if (i) the ABL Security Agent and the requisite ABL Creditors shall have consented to such sale or disposition of such ABL Collateral, (ii) such motion does not impair, subject to the priorities set forth in the Intercreditor Agreement, the rights of the

Fixed Asset Security Agent and the other Fixed Asset Creditors under Section 363(k) of the U.S. Bankruptcy Code (or any similar provision of any applicable bankruptcy law) (provided that the right of any Fixed Asset Creditor to offset its claim against the purchase price for any ABL Collateral exists only after the ABL Discharge Date), and (iii) the terms of any proposed order approving such transaction provide for the liens of the Fixed Asset Security Agent and the other Fixed Asset Creditors on the ABL Collateral to attach to the proceeds of the ABL Collateral that is the subject of such disposition, subject to the lien priorities and the other terms and conditions of the Intercreditor Agreement. The ABL Security Agent and the other ABL Creditors will agree to similar limitations with respect to their right to object to a sale or other disposition of any Fixed Asset Collateral (or any portion thereof).

Adequate Protection

None of the Fixed Asset Security Agent nor the other Fixed Asset Creditors shall contest (or support any other person contesting) in any insolvency or liquidation proceeding (1) any request by the ABL Security Agent or the other ABL Creditors for adequate protection with respect to the ABL Collateral, provided (A) until last Discharge Date to occur in respect of any of the Fixed Asset Obligations (the “Fixed Asset Discharge Date”) such request for adequate protection shall not seek the creation of any lien over additional assets or property of any Debtor other than with respect to assets or property that constitute ABL Collateral and (B) if such additional assets or property shall also constitute Fixed Asset Collateral, (i) a lien shall have been created in favor of the Fixed Asset Security Agent in respect of such Collateral and (ii) the lien thereon in favor of the ABL Creditors shall be subordinated to the extent set forth in the Intercreditor Agreement, or (2) any objection by the ABL Security Agent or other ABL Creditor to any motion, relief, action or proceeding based on the ABL Security Agent or other ABL Creditors claiming a lack of adequate protection; *provided* that if the ABL Security Agent is granted adequate protection in the form of a lien on additional or replacement collateral, the Fixed Asset Security Agent and the other Fixed Asset Creditors may seek or request adequate protection in the form of lien on such additional or replacement collateral; it being understood and agreed that (1) if such additional or replacement collateral shall also constitute Fixed Asset Collateral, the lien on such additional or replacement collateral in favor of the ABL Security Agent shall be subordinate to all liens on such additional or replacement collateral in favor of the Fixed Asset Security Agent and (2) if such additional or replacement collateral shall also constitute ABL Collateral, the lien on such additional or replacement collateral in favor of the ABL Security Agent shall be senior to all liens on such additional or replacement collateral in favor of the Fixed Asset Security Agent. The ABL Security Agent and the other ABL Creditors will agree to similar limitations with respect to their right to contest any request of the Fixed Asset Security Agent or the other Fixed Asset Creditors for adequate protection or any objection of the Fixed Asset Security Agent or the other Fixed Asset Creditors to any motion, relief, action or proceeding for lack of adequate protection.

Except as otherwise expressly set forth in the Intercreditor Agreement or in connection with the exercise of remedies with respect to (i) the ABL Collateral, nothing in the Intercreditor Agreement shall limit the rights of the Fixed Asset Security Agent or the other Fixed Asset Creditors from seeking adequate protection with respect to their rights in the Fixed Asset Collateral in any insolvency or liquidation proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from proceeds of the ABL Collateral) or (ii) the Fixed Asset Collateral, nothing in the Intercreditor Agreement shall limit the rights of the ABL Security Agent or the other ABL Creditors from seeking adequate protection with respect to their rights in the ABL Collateral in any insolvency or liquidation proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from proceeds of the Fixed Asset Collateral).

Post-petition Interest

No Fixed Asset Security Agent nor any other Fixed Asset Creditor shall oppose or seek to challenge any claim by the ABL Security Agent or any other ABL Creditor for allowance in any insolvency or liquidation proceeding of ABL Obligations consisting of interest, fees, expenses and other charges that, pursuant to the ABL Documents, continue to accrue after the commencement of any insolvency or liquidation proceeding, whether or not such interest, fees, expenses and other charges are allowed or allowable under the U.S. Bankruptcy Code (or any other applicable bankruptcy law) or in any such insolvency or liquidation proceeding, to the extent of the value of the lien securing any ABL Creditor's claim, without regard to the existence of the lien of the Fixed Asset Security Agent on behalf of the Fixed Asset Creditors on the Collateral. The ABL Security Agent and the other ABL Creditors will agree to similar limitations with respect to their right to oppose or seek to challenge any comparable claim by the Fixed Asset Security Agent or any other Fixed Asset Creditor for post-petition interest, fees, expenses and other charges to the extent of the value of the lien securing any such Fixed Asset Creditor's claim.

Certain Waivers

The Intercreditor Agreement will provide that the Fixed Asset Security Agent, for itself and on behalf of the other Fixed Asset Creditors, (i) waives any claim and objection it may have against any ABL Creditor arising out of the election of any ABL Creditor of the application of Section 1111(b)(2) of the U.S. Bankruptcy Code (or any similar provision of any other applicable bankruptcy law) or out of any grant of a security interest in connection with the ABL Collateral in any insolvency or liquidation proceeding (provided that any such grant of a security interest comports with the provisions of the Intercreditor Agreement, including the provisions governing grant of security interests described under the headings “—Financing Matters” and “—Adequate Protection” above); (ii) agrees that it will not assert or enforce any claim under Section 506(c) of the U.S. Bankruptcy Code (or any similar provision of any other applicable bankruptcy law) senior to or on parity with the Liens on the ABL Collateral securing the ABL Obligations; and (iii) agrees that it will not assert or enforce any claim against any ABL Creditor under the “equities of the case” exception of Section 552(b) of the U.S. Bankruptcy Code (or any similar provision of any other applicable bankruptcy law). The ABL Security Agent and the ABL Creditors will agree to waive similar claims and objections with respect to the actions of any of the Fixed Asset Security Agent and any other Fixed Asset Creditors with respect to the Fixed Asset Collateral.

Separate Grants of Security and Separate Classification

The Fixed Asset Security Agent, for itself and on behalf of the other Fixed Asset Creditors, and the ABL Security Agent, for itself and on behalf of the other ABL Creditors, will acknowledge and agree that the grants of liens pursuant to the ABL Security Documents, the Fixed Asset Security Documents in respect of the First Lien Obligations and any future Fixed Asset Security Documents in respect of the Second Lien Obligations constitute separate and distinct grants of liens, and because of, among other things, their differing rights in the Collateral, the First Lien Obligations, the Second Lien Obligations and the ABL Obligations are fundamentally different and must be separately classified in any plan of reorganization or similar dispositive restructuring plan proposed, confirmed, or adopted in an insolvency or liquidation proceeding. In furtherance of the foregoing, the Fixed Asset Security Agent, for itself and on behalf of the other Fixed Asset Creditors, and the ABL Security Agent, for itself and on behalf of the other ABL Creditors, each agrees that the First Lien Creditors, the Second Lien Creditors and the ABL Creditors will vote as separate classes in connection with any plan of reorganization or similar dispositive restructuring plan in any insolvency or liquidation proceeding and that no Security Agent nor any Creditor will seek to vote with a Creditor of another class as a single class in connection with any plan of reorganization or similar dispositive restructuring plan in any insolvency or liquidation proceeding. To further effectuate the intent of the parties as provided in this paragraph, if it is held that the claims of the First Lien Creditors, the Second Lien Creditors and the ABL Creditors in respect of the Collateral

constitute only one secured claim (rather than separate classes of secured claims subject to the relative lien priorities set forth in the Intercreditor Agreement), then the Fixed Asset Security Agent, for itself and on behalf of the Fixed Asset Creditors and the ABL Security Agent, for itself and on behalf of the ABL Creditors, will acknowledge and agree that, subject to certain other provisions of the Intercreditor Agreement, all distributions from the ABL Collateral shall be made as if there were separate classes of senior and junior secured claims against the Debtors in respect of the ABL Collateral (with the effect being that, to the extent that the aggregate value of the ABL Collateral is sufficient (for this purpose ignoring all claims held by the Fixed Asset Creditors), the ABL Creditors shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, expenses and other charges, including any additional interest payable pursuant to the ABL Documents, arising from or related to a default, whether or not a claim therefor is allowed as a claim in any insolvency or liquidation proceeding) before any distribution from the ABL Collateral is made in respect of the claims held by the Fixed Asset Creditors, with each Fixed Asset Security Agent, for itself and on behalf of the applicable Fixed Asset Creditors, acknowledging and agreeing to turn over to the ABL Security Agent, for itself and on behalf of the ABL Creditors, amounts otherwise received or receivable by them from the ABL Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Fixed Asset Creditors). The ABL Security Agent and the ABL Creditors will agree to similar turnover provisions with respect to the Fixed Asset Collateral.

The Fixed Asset Security Agent and the other Fixed Asset Creditors, on the one hand, and the ABL Security Agent and the ABL Creditors, on the other hand, shall retain the right to vote and otherwise act in any insolvency or liquidation proceeding (including the right to vote to accept or reject any plan of reorganization or similar dispositive restructuring plan) to the extent not inconsistent with the provisions of the Intercreditor Agreement.

Turnover of Receipts

The Intercreditor Agreement will provide that, subject to certain exceptions, 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 of the Obligations which is not either (i) a payment permitted under the Intercreditor Agreement or (ii) made in accordance with the applicable proceeds waterfall (as described in the section “—Application of Proceeds”); (b) other than where set-off applies (in accordance with the Intercreditor Agreement), any amount by way of set-off in respect of any of the Obligations owed to it which does not give effect to a payment permitted under the Intercreditor Agreement; (c) notwithstanding clauses (a) and (b) above, and other than where set-off applies, any amount: (i) on account of, or in relation to, any of the Obligations: (A) during the continuation of a Distress Event or (B) as a result of any other litigation or proceedings against a member of the Group (other than during the continuation of an insolvency event in respect of such member of the Group); or (ii) by way of set-off in respect of any of the Obligations owed to it during the continuation of a Distress Event; (d) the proceeds of any enforcement of any Fixed Asset Collateral or ABL Collateral or the proceeds of any Distressed Disposal, in each case, except in accordance with the applicable proceeds waterfall (as described in the section “—Application of Proceeds”); or (e) other than where set-off applies, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the Obligations owed by any member of the Group which is not in accordance with the applicable proceeds waterfall (as described in the section “—Application of Proceeds”) and which is made as a result of, or after the occurrence of, an insolvency event in respect of such member of the Group (provided that, in the case of receipt or recovery by holders of Secured Notes and Senior Notes or any Primary Creditor whose Obligations are in the form of notes or other debt securities outstanding, clauses (c), (d) and (e) shall only apply to the extent that such distribution constitutes enforcement proceeds from Collateral), that Creditor will (i) in relation to receipts and recoveries not received or recovered by way of set-off (A) hold an amount of that receipt or recovery equal to the relevant Obligations (or if less, the amount received or recovered) on trust for (x) the ABL Security

Agent (in the case of ABL Obligations, ABL Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the ABL Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—ABL Collateral,” or (y) the Fixed Asset Security Agent (in the case of Fixed Asset Obligations, Fixed Asset Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the Fixed Asset Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral,” and (B) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant Obligations to (x) the ABL Security Agent (in the case of ABL Obligations, ABL Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the ABL Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—ABL Collateral,” or (y) the Fixed Asset Security Agent (in the case of Fixed Asset Obligations, Fixed Asset Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the Fixed Asset Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral,” and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery or receipt to (x) the ABL Security Agent (in the case of ABL Obligations, ABL Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the ABL Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—ABL Collateral,” or (y) the Fixed Asset Security Agent (in the case of Fixed Asset Obligations, Fixed Asset Collateral, or amounts attributable to any of the foregoing) and promptly pay that amount to the Fixed Asset Security Agent for application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral.”

The Intercreditor Agreement will also include certain customary loss sharing provisions.

Deferral of Subrogation

Under the Intercreditor Agreement:

- (a) Subject to (c) below, if the Secured Obligations of any Creditor are wholly or partly paid out of any proceeds received in respect of or on account of any Secured Obligations owing to one or more other Creditors, that other Creditor will, to that extent, be subrogated to the Secured Obligations so paid (and all securities and guarantees for those Secured Obligations).
- (b) Subject to clause (c) below, to the extent that any Creditor (each a “**Subrogated Creditor**”) is entitled to exercise rights of subrogation under clause (a) above, each other Creditor (subject in each case to it being indemnified, secured or prefunded to its satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights to be so exercised as such Subrogated Creditor may reasonably request.
- (c) No Creditor or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities as described in the section “—Ranking and priority” until such time as all of the Obligations owing to each prior ranking Creditor (or, in the case of any Debtor prior to the Final Discharge Date) have been irrevocably paid in full or, as it relates to the ABL Obligations, the ABL Discharge Date has occurred.
- (d) Subject to certain exceptions, no Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until the Final Discharge Date.

Enforcement of Security

Manner of Enforcement—Fixed Asset Collateral

Prior to the Super Senior Discharge Date the Fixed Asset Security Agent will (subject as further set out below and other than in certain limited circumstances specified in the Intercreditor Agreement where the Fixed Asset Security Agent will act on the instructions of the Majority Second Lien Creditors) act on the instructions of (i) the Majority Super Senior Creditors and (ii) to the extent the relevant matter is prohibited under the Debt Documents related to the First Lien Obligations, the Majority First Lien Creditors, in each case subject to the consultation period referred to below and provided that such instructions are consistent with the security enforcement principles set forth below. Following the Super Senior Discharge Date but prior to the First Lien Discharge Date, the Fixed Asset Security Agent will act on the instructions of the Majority First Lien Creditors (other than in certain limited circumstances specified in the Intercreditor Agreement where the Fixed Asset Security Agent will act on the instructions of the Majority Second Lien Creditors). Following the First Lien Discharge Date but prior to the last Discharge Date in respect of the Second Lien Obligations (the “Second Lien Discharge Date”), the Fixed Asset Security Agent will act on the instructions of the Majority Second Lien Creditors. Following the Fixed Asset Discharge Date in the event the ABL Discharge Date has not occurred, the Fixed Asset Security Agent will act on the instructions of the ABL Agent or the ABL Security Agent. In each of the scenarios outlined in this paragraph, the relevant parties giving instructions to the Fixed Asset Security Agent shall be the “Instructing Group.”

Consultation

Prior to the Super Senior Discharge Date and prior to giving any instructions to the Fixed Asset Security Agent to commence enforcement of all or part of the Fixed Asset Collateral and/or the requesting of a distressed disposal and/or the release or disposal of claims or Fixed Asset Collateral on a distressed disposal, and the taking of any other actions consequential on (or necessary to effect) the enforcement of the Fixed Asset Collateral (“Enforcement”), the Representative of the largest aggregate principal amount of the First Lien Obligations (or, to the extent that the Second Lien Creditors are permitted to do so, the Representative of the largest aggregate principal amount of the Second Lien Obligations) or the agent under any Super Senior RCF Debt (or if there is no Super Senior RCF Debt, the Super Senior Hedge Counterparty with the largest exposure), as the case may be, shall notify the Fixed Asset Security Agent, the ABL Agent and each other Representatives of the Fixed Asset Obligations that the applicable Fixed Asset Collateral has become enforceable. As soon as reasonably practicable after receipt of such a notice instructing the Fixed Asset Security Agent to solicit instructions to enforce Fixed Asset Collateral or take other Enforcement Action given by the Majority Super Senior Creditors and/or the Majority First Lien Creditors and/or Majority Second Lien Creditors (as applicable), the Fixed Asset Security Agent, shall distribute such notice to the relevant addressees promptly upon receipt, following which, the Super Senior RCF Debt (or if there is no Super Senior RCF Debt, the Super Senior Hedge Counterparty with the largest exposure) (acting on the instructions of the Majority Super Senior Creditors), the First Lien Notes Trustee and the Representative(s) of any other First Lien Debt will consult in good faith with each other and the Fixed Asset Security Agent for a period of 15 days from the date such notice is received by such persons (or such shorter period as the relevant parties may agree) with a view to coordinating the instructions to be given by an Instructing Group and agreeing an enforcement strategy (the “Consultation Period”).

No such consultation shall be required (and an Instructing Group shall be entitled to give any instructions to the Fixed Asset Security Agent to enforce the Fixed Asset Collateral or take any other Enforcement Action prior to the end of the Consultation Period, in each case provided such instructions comply with the Security Enforcement Principles set forth below (“Qualifying Instructions”)) where:

- (a) any of the Fixed Asset Collateral has become enforceable as a result of an insolvency event affecting any Debtor; or

- (b) the Instructing Group or, as applicable, the Majority Super Senior Creditors or the Majority First Lien Creditors determine in good faith (and notifies each other Representative of the other Secured Creditors and the Fixed Asset Security Agent) that any delay caused by such consultation could reasonably be expected (A) to reduce the amount likely to be realized to a level such that (following application in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral”) the payments then due and payable to the Super Senior Creditors would not be discharged in full or (B) to have a material adverse effect on the ability to effect an Enforcement or a Distressed Disposal and, in each case any instructions will be limited to those necessary to protect or preserve the interests of the Creditors, on behalf of which the relevant Instructing Group is acting and the Fixed Asset Security Agent shall act in accordance with the instructions first received.

If following the Consultation Period, the Majority Super Senior Creditors and/or the Majority First Lien Creditors have agreed on an enforcement strategy, the Fixed Asset Security Agent, shall be instructed to implement the same.

Subject to the paragraph below, in the event that conflicting instructions (and for these purposes silence is deemed to be a conflicting instruction) are received from either Instructing Group by the end of the Consultation Period (which have not be resolved), the Fixed Asset Security Agent shall enforce the Fixed Asset Collateral and/or refrain from enforcing the Fixed Asset Collateral and/or take the relevant other Enforcement Action in accordance with the instructions provided by the Majority First Lien Creditors, in each case provided such instructions are Qualifying Instructions and the terms of all instructions received by the Majority First Lien Creditors during the Consultation Period shall be deemed revoked.

If prior to the Super Senior Discharge Date:

- (a) the Super Senior Obligations have not been repaid in full in cash within six months of the end of the Consultation Period (or within six months of the event of default giving rise to the right to commence an Enforcement if no such Consultation Period is required);
- (b) the Fixed Asset Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within three months of the end of the Consultation Period (or within three months of the event of default giving rise to the right to commence an Enforcement if no such Consultation Period is required); or
- (c) an insolvency event has occurred with respect to a Debtor and the Fixed Asset Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action at that time with respect to such Debtor,

then the Fixed Asset Security Agent shall thereafter follow any instructions that are subsequently given by the Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions and the Fixed Asset Security Agent shall be entitled to assume that any instructions for enforcement given to it are Qualifying Instructions) to the exclusion of those given by the Majority First Lien Creditors (to the extent conflicting with any instructions previously given by the Majority First Lien Creditors).

Security Enforcement Principles

Unless otherwise provided in the Intercreditor Agreement, until the Fixed Asset Discharge Date enforcement of the Fixed Asset Collateral must be conducted in accordance with the “Security Enforcement Principles,” which are summarized as follows:

- (a) It shall be the priority and overriding aim of any enforcement of the Fixed Asset Collateral to maximize, so far as is consistent with a prompt and expeditious realization of value from

enforcement of the Fixed Asset Collateral, and in a manner consistent with the Intercreditor Agreement, the recovery by the Fixed Asset Creditors (the “Security Enforcement Objective”) subject to applicable law.

- (b) The Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors, the First Lien Notes Trustee and any other Representative of First Lien Obligations and (to the extent relating to the definition of “Security Enforcement Objective” or paragraph (a) above) the Majority Second Lien Creditors.
- (c) Without prejudice to the Security Enforcement Objective, the Fixed Asset Collateral will, subject to applicable law, be enforced and other action as to Enforcement will be taken such that either (1) all proceeds of Enforcement are received by the Fixed Asset Security Agent in cash (or substantially all cash) for distribution in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral”; or (2) sufficient proceeds of Enforcement will be received by the Fixed Asset Security Agent in cash to ensure that when the proceeds are applied in accordance with the application of proceeds waterfall described in the section “—Application of proceeds—Fixed Asset Collateral,” the Super Senior Obligations are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise).
- (d) On (i) a proposed Enforcement of any of the Fixed Asset Collateral other than shares in a member of the Group, where the aggregate book value of such assets exceeds a threshold (or its equivalent); or (ii) a proposed Enforcement of any Fixed Asset Collateral consisting of some or all of the shares in a member of the Group, the Fixed Asset Security Agent shall (unless such enforcement or sale is made pursuant to a public auction, a public offering or process supervised by a court of law which makes a determination as to value) obtain an opinion from a reputable internationally recognized investment bank or international accounting firm or other reputable, third-party professional firm that is regularly engaged in providing valuations of businesses or assets similar or comparable to such Fixed Asset Collateral to be enforced (a “Financial Advisor”) to opine as expert (A) on the optimal method of enforcing the Fixed Asset Collateral so as to achieve the Security Enforcement Objective and maximize recovery, (B) that the proceeds received from enforcement is fair from a financial point of view after taking into account all relevant circumstances, and (C) that such sale is otherwise in accordance with the Security Enforcement Principles, provided that the provider of such opinion may limit its liability in respect of such opinion to the amount of its fees in respect of such engagement.
- (e) The Fixed Asset Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement.

Enforcement Through Fixed Asset Security Agent Only

Under the Intercreditor Agreement, until the Fixed Asset Discharge Date the Secured Creditors shall have no independent power to enforce, or have recourse to, any of the Fixed Asset Collateral or to exercise any right, power, authority or discretion arising under the Fixed Asset Security Documents except through the Fixed Asset Security Agent.

Alternative Enforcement Actions

After the Fixed Asset Security Agent has commenced enforcement, it shall not accept any subsequent instructions as to enforcement from anyone other than the relevant Instructing Group regarding any other enforcement of the Fixed Asset Collateral over or relating to shares or assets directly or indirectly the subject of the Enforcement of the Fixed Asset Collateral which has been commenced.

Manner of Enforcement—ABL Collateral

The Intercreditor Agreement will provide that, until the ABL Discharge Date, the ABL Security Agent and the ABL Creditors shall have the right to enforce rights, exercise remedies (including setoff, recoupment and the right to credit bid their debt) and, in connection therewith (including voluntary dispositions of ABL Collateral by the respective Debtor after an event of default under the ABL Credit Agreement), make determinations regarding the release, disposition, or restrictions with respect to the ABL Collateral (including, without limitation, exercising remedies under any control agreements and dominion accounts), without any consultation with or the consent of the Fixed Asset Security Agent or any Fixed Asset Creditor; *provided, however*, that the liens securing Fixed Asset Obligations (x) shall remain on the proceeds (other than any proceeds properly applied to the ABL Obligations) of any ABL Collateral released or disposed of, subject to the relative priorities set forth in the Intercreditor Agreement and (y) shall be released in the case of any release of liens by the ABL Security Agent on ABL Collateral in accordance with the terms under the heading “—Release of Liens” below.

The Intercreditor Agreement will also provide that until the ABL Discharge Date, whether or not any insolvency or liquidation proceeding has been commenced by or against any Debtor neither the Fixed Asset Security Agent or any other Fixed Asset Creditor will (a) exercise or seek to exercise (and instead shall be deemed to have irrevocably, absolutely and unconditionally waived, but solely to the extent necessary to further the purpose of this section) any rights, powers or remedies with respect to the ABL Collateral, or (b) commence or join with any person (in each case other than the ABL Agent and the ABL Security Agent) in commencing, or filing a petition for, any insolvency or liquidation proceeding against any Debtor, in the case of clauses (a) and (b), at any time prior to the passage of a period of at least 180 days has elapsed (subject to the tolling of such period as described in clause (x) below) since the later of: (A) the date on which the Fixed Asset Security Agent declared the existence of an event of default under any Debt Document governing Fixed Asset Obligations and demanded the repayment of all of the principal amount of any Fixed Asset Obligations and (B) the date on which the ABL Security Agent received notice from the Fixed Asset Security Agent of such declaration of such a default and such demand for repayment (the “Fixed Asset Standstill Period”); (x) if any of the ABL Security Agent or the other ABL Creditors are stayed or otherwise prohibited from commencing and continuing to exercise any Enforcement Action or to liquidate or sell any ABL Collateral by operation of law, court order or otherwise, then the 180-day period shall be tolled during the pendency of such stay or other prohibition, plus an additional number of days such that the Fixed Asset Standstill Period extends at least 45 days after the applicable stay or other prohibition on enforcement are no longer in effect; and (y) notwithstanding anything in the Intercreditor Agreement to the contrary, in no event will the Fixed Asset Security Agent or any other Fixed Asset Creditor exercise any rights or remedies with respect to the ABL Collateral if, notwithstanding the expiration of the Fixed Asset Standstill Period, the ABL Security Agent or any ABL Creditor shall have commenced and are diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of the ABL Collateral (prompt notice of such exercise to be given to the Fixed Asset Security Agent).

On or promptly following the ABL Discharge Date, to the extent permitted by applicable law (unless any other person has made a demand therefor and is lawfully entitled thereto or unless a court of competent jurisdiction otherwise directs), the ABL Security Agent shall, without recourse or warranty, take commercially reasonable steps to deliver to the Fixed Asset Security Agent any Collateral and proceeds of Collateral held by it as a result of the exercise of remedies in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Fixed Asset Security Agent to the Fixed Asset Obligations; it being understood that any security interest in deposit accounts, securities accounts or commodities accounts in favor of the Fixed Asset Obligations may no longer exist upon the ABL Discharge Date, and the ABL Security Agent shall not be required to take any action in connection with such accounts or any assets deposited therein or credited

thereto. Similar terms shall apply, following the Fixed Asset Discharge Date, to the Fixed Asset Security Agent.

Permitted Actions

Notwithstanding the provisions described in this section “—Enforcement of security” or any restrictions on Creditors undertaking any Enforcement Action, either Security Agent and any Creditor of any class may (i) file a claim or statement of interest with respect to the Obligations of such class, provided that an insolvency or liquidation proceeding has been commenced by or against any Debtor, (ii) take any action in order to create, perfect, preserve or protect its lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of the Intercreditor Agreement and shall not be adverse to the priority status of the liens of the Security Agents on the Collateral, or the rights of the Security Agents or the other Creditors to exercise remedies in respect thereof as permitted by the Intercreditor Agreement, (iii) file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of its claims or liens, in each case in accordance with the Intercreditor Agreement, (iv) file any pleadings, objections, motions or agreements that assert rights or interests available to unsecured creditors of any Debtor arising under either any insolvency or liquidation proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of the Intercreditor Agreement, (v) vote on any plan of reorganization or similar dispositive restructuring plan, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of the Intercreditor Agreement (subject to the proviso in clause (ii) above), or (vi) exercise any of its other rights or remedies with respect to any of the Collateral to the extent permitted by the Intercreditor Agreement.

Entry Upon Premises by ABL Security Agent and ABL Creditors

If the Fixed Asset Security Agent, or any agent, representative or affiliate of the Fixed Asset Security Agent, any Fixed Asset Creditor or any receiver, shall obtain possession or physical control of any real properties subject to a Fixed Asset Security Document that constitute Fixed Asset Collateral or any material portion of the tangible Fixed Asset Collateral located on any premises other than real properties subject to a Fixed Asset Security Document, the Fixed Asset Security Agent shall promptly notify the ABL Security Agent in writing of that fact (such notice, a “Notice of Occupancy”) and the ABL Security Agent shall, within thirty (30) days thereafter, notify the Fixed Asset Security Agent in writing if and when the ABL Security Agent desires to exercise its access rights as outlined in this section (such rights, the “ABL Access Rights”). Upon delivery of such notice by the ABL Security Agent to the Fixed Asset Security Agent, the parties shall confer in good faith to coordinate with respect to the ABL Security Agent’s exercise of such access rights; *provided*, that it is understood and agreed that the Fixed Asset Security Agent shall obtain possession or physical control of such real properties in the manner provided in the applicable Fixed Asset Security Documents and in the manner provided in the Intercreditor Agreement. Access rights may apply to differing parcels of real property at differing times, in which case, a differing Access Period may apply to each such property. “Access Period” means the period, with respect to any Fixed Asset Collateral, which begins on the day that the ABL Security Agent provides the Fixed Asset Security Agent with the notice of its election to exercise its ABL Access Rights with respect to such Fixed Asset Collateral and ends on the earliest of (i) the 180th day after the date that the ABL Security Agent obtains the ability to use, take physical possession of, remove or otherwise control the use or access to such Fixed Asset Collateral plus such number of days, if any, after the ABL Security Agent obtains access to such Collateral that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Collateral located on such property such that such Access Period extends at least 45 days after the applicable stay or other prohibition on enforcement are no longer in effect, (ii) the date on which all or substantially all of the ABL Collateral located on such property is sold, collected or liquidated, (iii) the ABL Discharge Date and (iv) the date on which the event of default that gave rise to such enforcement actions by ABL Security Agent has been cured or waived.

During any such Access Period, the ABL Security Agent and its employees, agents, advisors, representatives and designees (and persons employed on their respective behalves), may continue to operate, service, maintain, process and sell the ABL Collateral, including by public auction, private sale or a “store closing”, going out of business sale or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented inventory of the same type sold in any Debtor’s business. The ABL Security Agent shall take proper care of any Fixed Asset Collateral that is used by the ABL Security Agent during the Access Period and, subject to the protections and immunities of the ABL Security Agent contained in the Intercreditor Agreement, shall procure the repair and replacement of any damage (ordinary wear-and-tear excepted) to the Fixed Asset Collateral directly caused by the ABL Security Agent or its employees, agents, advisors, representatives or designees and the ABL Security Agent shall comply in all material respects with all applicable laws (and the ABL Security Agent may rely on advice received by legal counsel in connection therewith) in connection with its use or occupancy of the Fixed Asset Collateral. The ABL Security Agent and the other ABL Creditors shall (only and solely to the extent that there are sufficient available proceeds of ABL Collateral, that ABL Creditors (other than the ABL Security Agent and the ABL Agent) have or are entitled to receive, for the purposes of paying such indemnity) indemnify and hold harmless the Fixed Asset Security Agent and the other Fixed Asset Creditors for any injury or damage to persons or property (ordinary wear-and-tear excepted) caused by the acts or omissions of the ABL Security Agent or its employees, agents, advisors, representatives or designees; provided that the ABL Security Agent and the other ABL Creditors shall not be liable for any diminution in the value of the Fixed Asset Collateral caused by the absence or removal of the ABL Collateral therefrom. In no event shall the ABL Creditors or the ABL Security Agent have any liability to the Fixed Asset Creditors and/or to the Fixed Asset Security Agent as a result of (i) any environmental condition, claim, damage, loss or liability existing prior to or after the date of exercise by the ABL Security Agent of its ABL Access Rights with respect to that Fixed Asset Collateral, except as may be directly caused by the ABL Security Agent, or (ii) any condition, claim, damage, loss or liability on or with respect to the Fixed Asset Collateral (x) existing prior to the date of the exercise by the ABL Security Agent of its ABL Access Rights with respect to such Fixed Asset Collateral or (y) not directly caused by or resulting from the actions taken or not taken by the ABL Security Agent. The ABL Security Agent and the Fixed Asset Security Agent shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Fixed Asset Security Agent to show the Fixed Asset Collateral to prospective purchasers and to ready the Fixed Asset Collateral for sale. Notwithstanding the foregoing, in no circumstance whatsoever in connection with the ABL Security Agent’s activities as described above shall the ABL Security Agent (i) be required to expend its own funds in indemnifying any party or repairing or replacing (or the procurement thereof) of any damage to any Fixed Asset Collateral, or (ii) be liable to any party for any repair, condition, claim, damage, loss or injury in respect of the Fixed Asset Collateral; provided the ABL Security Agent is acting without gross negligence or willful misconduct.

In the event that the ABL Security Agent elects to exercise its access rights as provided in the Intercreditor Agreement, the Fixed Asset Security Agent agrees, for itself and on behalf of the other Fixed Asset Creditors, that in the event that the Fixed Asset Security Agent exercises its rights to sell or otherwise dispose of any real property, whether before or after the delivery of a Notice of Occupancy to the ABL Security Agent, the Fixed Asset Security Agent shall (i) provide access rights to the ABL Security Agent for the duration of the Access Period in accordance with the Intercreditor Agreement and (ii) if such a sale or other disposition occurs prior to the ABL Security Agent delivering its notice of its desire to exercise its ABL Access Rights during the time period provided therefor, or if applicable, the expiration of the applicable Access Period, shall ensure that the purchaser or other transferee of such real property provides the ABL Security Agent the opportunity to exercise its access rights, and upon delivery of such a notice to such purchaser or transferee, continued access rights to the ABL Collateral for the duration of the applicable Access Period, in the manner and to the extent required by the Intercreditor Agreement.

No Interference; Reinstatement; Tracing of Proceeds

Each Fixed Asset Creditor agrees that, prior to the ABL Discharge Date, whether or not any insolvency or liquidation proceeding has been commenced by or against any Debtor:

- (i) it will not (and it hereby waives, to the fullest extent permitted by law, any right to), directly or indirectly (including by joining or directing any other Person to), contest, or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the extent, attachment, perfection, priority, validity or enforceability of a lien held, or allowability of any claims asserted, by or on behalf of any of the ABL Creditors in the Collateral (or the extent, attachment, perfection, priority, validity, enforceability or allowability of any ABL Security Document or any ABL Obligations secured thereby or purported to be secured thereby), or the provisions or enforceability of the Intercreditor Agreement; *provided* that nothing in the Intercreditor Agreement will be construed to prevent or impair the rights of the Fixed Asset Security Agent to enforce the Intercreditor Agreement;
- (ii) it will not (and it hereby waives, to the fullest extent permitted by law, any right to), directly or indirectly (including by joining or directing any other Person to), contest, protest or object to, or otherwise interfere with, any foreclosure proceeding or action brought by the ABL Security Agent or any other ABL Creditor or any other exercise by the ABL Security Agent or any other ABL Creditor of any rights and remedies relating to the ABL Collateral, whether under the ABL Documents or otherwise;
- (iii) it will not (and it hereby waives, to the fullest extent permitted by law, any right to), directly or indirectly (including by joining or directing any other Person to), object to the forbearance by the ABL Security Agent or any other ABL Creditor from bringing or pursuing any collateral enforcement action or any other proceeding, action, or the exercise of any right or remedy relating to the ABL Collateral; and
- (iv) it will not assert, and it waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Collateral or any other similar rights a junior secured creditor or unsecured creditor may have under applicable law.

The ABL Security Agent, on its behalf and on behalf of the other ABL Creditors will agree to similar limitations to those described in clauses (i) through (iv) above with respect to their rights in the Fixed Asset Collateral and their ability to bring a suit against the Fixed Asset Security Agent or the other Fixed Asset Creditors.

To the extent any payment with respect to any ABL Obligation is rescinded for any reason whatsoever or declared to be or avoided as a fraudulent conveyance, fraudulent transfer, or a preference in any respect, set aside or required to be turned over or otherwise paid to a debtor in possession or trustee in bankruptcy (a "Recovery"), any Fixed Asset Creditor, receiver or similar person, whether in connection with any insolvency or liquidation proceeding or otherwise, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of the Intercreditor Agreement and the rights and obligations of the ABL Creditors and the Fixed Asset Creditors, be deemed to be reinstated and outstanding as if such payment had not occurred. If the Intercreditor Agreement is terminated prior to such Recovery, the Intercreditor Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties thereto from such date of reinstatement. To the extent that any interest, fees, expenses or other charges (including, without limitation, post-petition interest and all amounts accruing on or after the commencement of any insolvency or liquidation proceeding relating to any Debtor, or that would have accrued or become due under the terms of the ABL Documents but for the effect of the insolvency or

liquidation proceeding) to be paid pursuant to the ABL Documents are disallowed by order of any court, such interest, fees, expenses and charges shall, as between the ABL Creditors and the Fixed Asset Creditors, be deemed to continue to accrue and be added to the amount to be calculated as the “ABL Obligations.” The ABL Creditors will be subject to similar limitations with respect to the Fixed Asset Collateral and any proceeds or payments in respect of any Fixed Asset Collateral.

The Intercreditor Agreement will also provide that prior to an issuance of a notice of enforcement of remedies by a Security Agent or any other Secured Creditor, (i) all funds deposited in an account subject to a control agreement or dominion account that constitutes ABL Collateral and then applied to the ABL Obligations shall be treated as ABL Collateral and, unless the ABL Security Agent has actual knowledge to the contrary, any claim that payments made to the ABL Security Agent through the deposit accounts and securities accounts that are subject to such control agreements or dominion accounts, respectively are proceeds of or otherwise constitute Fixed Asset Collateral are waived by the Fixed Asset Creditors, (ii) all funds deposited in any account not forming a part of the ABL Collateral and then applied to the Fixed Asset Obligations shall be treated as Fixed Asset Collateral and, unless the Fixed Asset Security Agent has actual knowledge to the contrary, any claim that payments made to the Fixed Asset Security Agent through such account are proceeds of or otherwise constitute ABL Collateral are waived by the ABL Creditors, and (iii) any proceeds of Collateral, whether or not deposited in an account subject to a control agreement or a securities account control agreement, shall not (as between the Security Agents, the ABL Creditors and the Fixed Asset Creditors) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral.

The ABL Creditors agree that the Fixed Asset Creditors and the Fixed Asset Security Agent have no duty to the ABL Creditors in respect of the maintenance or preservation of the Fixed Asset Collateral, the ABL Collateral, the Fixed Asset Obligations, or otherwise. The Fixed Asset Creditors agree that the ABL Creditors and the ABL Security Agent have no duty to the Fixed Asset Creditors in respect of the maintenance or preservation of the ABL Collateral, Fixed Asset Collateral, the ABL Obligations, or otherwise.

Consent to License to Use Property

Without limiting any rights any of the ABL Creditors may otherwise have under applicable law or by agreement and whether or not the Fixed Asset Security Agent has commenced and is continuing to undertake any Enforcement Action or is otherwise exercising any rights, powers or remedies with respect to the Collateral, the Fixed Asset Security Agent and the Debtors will grant under the Intercreditor Agreement (to the full extent of their respective rights and interests) to the ABL Security Agent an irrevocable, non-exclusive worldwide right to have access to, and a worldwide, royalty-free (and also free of any other obligation of payment), non-exclusive license (or, as applicable, sublicense, to the extent permitted without requiring payment to any third party or obtaining any consent or waiver of any third party) and right to use the Fixed Asset Collateral, including, without limitation, intellectual property, intellectual property rights, general intangibles and real property and equipment, processors, computers and other machinery related to the storage or processing of records, documents or files, (i) to access the ABL Collateral and (ii) to assemble, inspect, copy or download information stored on, take actions to perfect its lien on, process raw materials or work-in-process into finished inventory, take possession of, move, package, prepare and advertise for sale or disposition, sell (by public auction, private sale or a “going out of business” or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented inventory of the same type sold in Debtors’ business), store, collect, take reasonable actions to protect, secure and otherwise enforce the rights of ABL Security Agent in and to the ABL Collateral, or otherwise deal with the ABL Collateral, in each case without the involvement of or interference by any of the Fixed Asset Creditors, including in connection with any Enforcement Action commenced by, or the exercising of any rights, powers or remedies with respect to the ABL Collateral by, the ABL Security Agent, or in connection with the sale or other

disposition of, or collection on, such ABL Collateral during the continuance of an event of default under the ABL Documents that is consented to in writing by the ABL Security Agent.

Release of Liens

If in connection with a Disposition (as defined below) of ABL Collateral pursuant to the terms of the ABL Documents, the exercise of the ABL Security Agent's remedies in respect of any ABL Collateral, or in connection with the sale or other disposition of, or collection on, such ABL Collateral during the continuance of an event of default under the ABL Documents that is consented to in writing by the ABL Security Agent, the ABL Security Agent, for itself or on behalf of any ABL Creditor releases any of its liens on any part of the ABL Collateral, then the liens, if any, of the Fixed Asset Security Agent, for itself or for the benefit of the other Fixed Asset Creditors, on the ABL Collateral Disposed of in connection with such exercise, will be automatically, unconditionally and simultaneously released. The ABL Security Agent and the other ABL Creditors will agree to a similar release of their liens on the Fixed Asset Collateral under comparable circumstances provided that, in the case of any such transaction directly or indirectly involving a member of the Group a portion of whose assets consist of ABL Collateral, (i) the Debtors shall have complied with the terms of the ABL Documents prior to such release, including the repayment (or assumption by another borrower) of any ABL Obligations required to be paid (or assumed) under the ABL Documents as a result of such transaction and (ii) such release shall be in accordance with terms set forth below the heading “—Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral.”

Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral

Notwithstanding anything contained in this description or the Intercreditor Agreement to the contrary:

- (a) in the event that any proceeds of Collateral received in connection with any (w) Enforcement Action, (x) Distressed Disposal, (y) Non-Distressed Disposal, or (z) other sale, transfer or disposition by or on behalf or at the direction of the Fixed Asset Security Agent or any other Fixed Asset Creditor (any such event under clauses (x) through (z), a “Disposition”) involving a Debtor involves a combination of ABL Collateral and Fixed Asset Collateral or any Enforcement Action or Disposition involving equity interests of a person that is, or directly or indirectly owns, a member of the Group a portion of whose assets consist of ABL Collateral (whether or not other Fixed Asset Collateral or ABL Collateral is directly involved in such Enforcement Action or Disposition), then, for the purposes of the Intercreditor Agreement and unless otherwise expressly agreed to by the ABL Agent and the Instructing Group in writing with respect to the applicable Enforcement Action or Disposition, (x) a portion of such proceeds shall first be allocated to the ABL Collateral in an amount equal to the sum of (i) the book value, as determined in accordance with IFRS (but not less than cost), of any ABL Collateral consisting of inventory that is directly or indirectly the subject of such Enforcement Action or Disposition (including any inventory owned by a Person the equity interests of which are directly or indirectly the subject of such Enforcement Action or Disposition), determined as of the date of such Enforcement Action or Disposition, (ii) the book value, as determined in accordance with IFRS, of any ABL Collateral consisting of accounts or other accounts receivables that are the subject of the Enforcement Action or Disposition (including any accounts or other accounts receivables owned by a Person the equity interests of which are directly or indirectly the subject of such Enforcement Action or Disposition) which results in such proceeds, determined as of the date of such Enforcement Action or Disposition, and (iii) the fair market value, as determined in accordance with IFRS, of all other ABL Collateral that is the subject of such Enforcement Action or Disposition (including any other ABL Collateral owned by a person the equity interests of

which are directly or indirectly the subject of such Enforcement Action or Disposition), determined as of the date of such Enforcement Action or Disposition, and (y) any proceeds not allocated under clause (x) to the ABL Collateral shall be allocated to the Fixed Asset Collateral; and

- (b) the liens and security interests granted to the ABL Creditors in respect of the Collateral subject to any transaction described in clause (a) above shall not be, and shall not be required to be, released by the ABL Creditors unless the Debtors shall have complied with the terms of the ABL Documents prior to such release and (other than any Non-Distressed Disposal) the proceeds of such transaction attributable to ABL Collateral in accordance with clause (a) above have been (or will substantially simultaneously be) paid over to the ABL Security Agent for application to the ABL Obligations in accordance with the terms of the Intercreditor Agreement and the ABL Documents.

Waiver of Rights, etc.

The Intercreditor Agreement will provide that, to the extent permitted by applicable law and subject to the sections “—Enforcement of security,” “—Application of proceeds” and “—Proceeds of disposals—Distressed Disposals,” each of the Secured Creditors, the Debtors and other grantors of Fixed Asset Collateral and the ABL Collateral waives all rights it may otherwise have to require that the Fixed Asset Collateral or the ABL Collateral be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Fixed Asset Collateral, ABL Collateral or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied. No Security Agent or any Primary Creditor shall be responsible to any Intra-Group Lender, Subordinated Creditor, Debtor or other grantor of Collateral for any enforcement or failure to enforce or maximize the proceeds of any enforcement of the Debt Documents, to an extent greater than as provided under any applicable governing law of a Debt Document.

Proceeds of Disposals

In this section:

“Distress Event” means an acceleration event or the enforcement of any Fixed Asset Collateral in accordance with the Fixed Asset Security Documents.

“Distressed Disposal” means a disposal of equity interests of a member of the Group or any asset (not constituting ABL Collateral) of a member of the Group, in each case, which is being effected (a) at the request of the relevant Instructing Group in circumstances where the Fixed Asset Collateral has become enforceable, (b) by enforcement, or simultaneous with the enforcement, of the Fixed Asset Collateral (including the disposal of any property of a member of the Group, the shares of which have been subject to an appropriation which is expressly permitted by the terms of the relevant Fixed Asset Security Documents) or (c) after the occurrence of a Distress Event, by or on behalf of a Debtor to a person or persons which is, or are, not a member, or members, of the Group.

Non-Distressed Disposals of Fixed Asset Collateral

The Intercreditor Agreement will contain certain provisions governing the disposal of an asset which is the subject of Fixed Asset Collateral and which is subject to receipt of instructions by the Fixed Asset Security Agent in accordance with the terms of the Intercreditor Agreement and the provisions described under “—Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral.”

If, in respect of a disposal, sale or transfer other than a Distressed Disposal of an asset which is or constitutes Fixed Asset Collateral by a Debtor, or any other transaction involving Fixed Asset Collateral, (i) the Company certifies for the benefit of each Security Agent that that disposal, sale or transfer or other transaction is permitted under the Debt Documents relating to the Primary Obligations (the “Primary Debt Documents”); or (ii) each relevant Representative authorizes the release in accordance with the terms of the applicable Primary Debt Documents, then the Fixed Asset Security Agent will be irrevocably authorized and obliged (A) to release its lien on such Fixed Asset Collateral or any other claim (relating to a Primary Debt Document) over the Fixed Asset Collateral; (B) where that asset consists of shares in the capital of a Debtor, to release its lien on such Fixed Asset Collateral or any other claim (relating to a Primary Debt Document) over that Debtor’s assets consisting of Fixed Asset Collateral and, to the extent that they are at such time being disposed of, sold or otherwise transferred in accordance with this paragraph, the release its lien on assets consisting of Fixed Asset Collateral of any subsidiary of that Debtor and, to the extent that they are at such time being disposed of, sold or otherwise transferred in accordance with this paragraph, the release its lien on assets of such subsidiaries of that Debtor consisting of Fixed Asset Collateral; and (C) to execute and deliver or enter into any release of the Fixed Asset Collateral or any claim described in clause (A) above necessary or desirable (each such disposal, sale, transfer or other transaction, a “Non-Distressed Disposal”).

The above provisions of the Intercreditor Agreement shall not be construed to impose any condition to the release of Fixed Asset Collateral that, by the terms of each applicable Debt Documents is automatically and unconditionally released and discharged upon the disposal, sale or transfer of the applicable asset or consummation of the applicable transaction (including upon the release of a guarantor’s guarantee of the Unsecured Obligations).

The Intercreditor Agreement will provide that if the proceeds of a Non-Distressed Disposal are required to be applied in mandatory prepayment of any of the Obligations or to be offered to any parties pursuant to the terms of the relevant Debt Documents, then such proceeds shall, subject to any restriction on the making of payments set out in the Intercreditor Agreement or the Debt Documents, be applied in or towards payment of such Obligations or shall be offered to the relevant parties in accordance with the terms of the relevant Debt Documents.

Distressed Disposals

Subject to certain specified provisions of the Intercreditor Agreement (including, without limitation, those described under “—*Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral*”) and receipt by the Fixed Asset Security Agent of instructions pursuant to the Intercreditor Agreement, if a Distressed Disposal is being effected, the Intercreditor Agreement will provide that the Fixed Asset Security Agent is irrevocably authorized and without any consent, sanction, authority or further confirmation:

- (a) to release the liens on the Fixed Asset Collateral or any other claim over the asset subject to the Distressed Disposal (other than any ABL Collateral or any Obligations or claims which constitute ABL Obligations) and to execute and deliver or enter into any release of liens over that Fixed Asset Collateral or claim (other than any ABL Collateral or any Obligations or claims which constitute ABL Obligations) and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Fixed Asset Security Agent, be considered necessary or desirable;
- (b) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor, to release: (A) that Debtor and any subsidiary of that Debtor from all or any part of: (I) its borrower Obligations; (II) its guarantee Obligations; and (III) its other Obligations; (B) any liens granted over any assets (other than ABL Collateral) by (I) that Debtor or any subsidiary of that Debtor or (II) the direct holding company over the shares in the capital of that Debtor; and (C) any other

claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor or other grantor of Fixed Asset Collateral over that Debtor's assets or over the assets of any subsidiary of that Debtor not constituting ABL Collateral, on behalf of the relevant Creditors, Debtors, other grantors of Collateral and the Representatives in each case other than any Obligations or claims which constitute ABL Obligations;

- (c) if the asset subject to the Distressed Disposal consists of shares in the capital of any holding company of a Debtor, to release: (A) that holding company and any subsidiary of that holding company from all or any part of: (I) its borrower Obligations; (II) its guarantee Obligations; (III) its other Obligations; (B) any liens granted over any assets (other than ABL Collateral) by that holding company and any subsidiary of that holding company; and (C) any other claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor or other grantor of Collateral over the assets of that holding company and any subsidiary of that holding company not constituting ABL Collateral, on behalf of the relevant creditors, Debtors, other grantors of Collateral and the Representatives in each case other than any Obligations or claims which constitute ABL Obligations;
- (d) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Debtor and the Fixed Asset Security Agent decides to dispose of all or any part of: (A) the Obligations (other than the Agent Obligations and the ABL Obligations) or (B) the Obligations (other than the Agent Obligations and the ABL Obligations) owed by that Debtor or holding company or any subsidiary of that Debtor or holding company then: (I) if the Fixed Asset Security Agent does not intend that any transferee of those Obligations or that Debtor's Obligations (the "Transferee") will be treated as a Primary Creditor or a Secured Creditor under the Intercreditor Agreement, to enter into any agreement to dispose of all or part of those Obligations or that Debtor's Obligations; *provided*, that notwithstanding any other provision of any Debt Document, the Transferee is not treated as a Primary Creditor or a Secured Creditor for the purposes of the Intercreditor Agreement and (II) if the Fixed Asset Security Agent does intend that any Transferee will be treated as a Primary Creditor or a Secured Creditor for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of: (1) all (and not part only) of the Obligations (other than the Agent Obligations and the ABL Obligations) owed to the Primary Creditors; and (2) all or part of any other Obligations (other than the Agent Obligations and the ABL Obligations) and the Debtor Obligations, on behalf of, in each case, the relevant creditors and Debtors; and
- (e) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Fixed Asset Security Agent decides to transfer (to the extent permitted by applicable law) to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of: the Intra-Group Obligations, any Obligations owed to other Debtors or members of the Group ("Debtor Obligations"), the Subordinated Obligations; to execute and deliver and enter into any agreement to: (I) agree to the transfer of all or part of the obligations in respect of those Intra-Group Obligations, Debtor Obligations or Subordinated Obligations on behalf of the relevant Intra-Group Lenders, Debtors or, as the case may be, the Subordinated Creditors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and (II) to accept the transfer of all or part of the obligations in respect of those Intra-Group Obligations, Debtor Obligations or Subordinated Obligations on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Obligations, Debtor Obligations or Subordinated Obligations, as the case may be, are to be transferred.

The Intercreditor Agreement will require that the net proceeds of each Distressed Disposal (and the net proceeds of any disposal of Obligations), in each case effected pursuant to clauses (a) through

(e) above shall be paid to either the Fixed Asset Security Agent or, as required under the provisions described under “—*Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral*,” the applicable Security Agent, in each case for application in accordance with the payment waterfall, as described below in the section “—*Application of Proceeds*.”

Release of Unrestricted Subsidiaries

The Intercreditor Agreement will provide that if a member of the Group is designated as an Unrestricted Subsidiary (as that term is defined in the Indentures) in accordance with the terms of each of the Primary Debt Documents, each Security Agent is irrevocably authorized and obliged, at the cost of the Company: (i) to release the Collateral or any other claim (relating to a Debt Document) over that member of the Group’s assets and its shares granted to such Security Agent and (ii) to execute and deliver or enter into any release of the Collateral or any claim described in clause (i) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of such Security Agent, be considered necessary or desirable or as requested by the Company.

Application of Proceeds

Fixed Asset Collateral

The Intercreditor Agreement will provide that, subject to certain exceptions (including, without limitation, those described under “—*Application of Proceeds and Releases Involving a Combination of ABL Collateral and Fixed Asset Collateral*”), whether or not any insolvency or liquidation proceeding has been commenced by or against any Debtor, amounts from time to time received or recovered by the Fixed Asset Security Agent, including all amounts recovered by either Security Agent in connection with the realization or enforcement of all or any part of the Fixed Asset Collateral or a transaction in lieu of enforcement of Fixed Asset Collateral, the proceeds of any Distressed Disposal and all amounts otherwise paid to the Fixed Asset Security Agent shall be applied in the following order of priority:

- (a) first, in payment or distribution to: (i) the Fixed Asset Security Agent, any receiver or any delegate for application towards the discharge of any sums owing to any of them from any party (save for parallel debt obligations); (ii) the Super Senior Agent on its own behalf and on behalf of the other agent parties for application towards the discharge of the Super Senior Agent Obligations; (iii) the First Lien Notes Trustee on its own behalf for application towards the discharge of the amounts owed to the First Lien Notes Trustee (in its capacity as such); and (iv) each other Representative of any Fixed Asset Obligations on its own behalf, for application towards the discharge of the amounts owed to such Representative (in its capacity as such), on a pro rata basis and ranking *pari passu* between them;
- (b) second, in payment or distribution to: (i) the Super Senior Agent on behalf of the lenders under the Super Senior Credit Agreement; (ii) each Super Senior Hedge Counterparty in respect of its Super Senior Hedge Agreement; and (iii) each Super Senior Cash Management Provider on account of its Super Senior Cash Management Arrangements for application towards the Super Senior Obligations on a pro rata basis and ranking *pari passu* between such Super Senior Obligations;
- (c) third, in payment or distribution to: (i) the First Lien Notes Trustee on its own behalf and on behalf of the First Lien Notes Creditors; (ii) each other Representative on behalf of the First Lien Creditors it represents; (iii) each First Lien Hedge Counterparty in respect of its First Lien Hedge Agreement; and (iv) each First Lien Cash Management Provider on account of its First Lien Cash Management Arrangements for application towards the First Lien Obligations on a pro rata basis and ranking *pari passu* between such the First Lien Obligations;

- (d) fourth, in payment or distribution to each Representative on behalf of the Second Lien Creditors it represents, for application towards the discharge of the Second Lien Obligations, on a pro rata basis and *pari passu* between such Second Lien Obligations;
- (e) fifth, in payment or distribution to the ABL Security Agent for application towards the discharge of the amounts owed to it (in its capacity as such) and on behalf of the ABL Creditors, for application towards the discharge of the ABL Obligations in accordance with the ABL Documents; and
- (f) sixth, the balance, if any, in payment or distribution to the relevant Debtor or other person entitled to it.

ABL Collateral

The Intercreditor Agreement will provide that, subject to certain exceptions, whether or not any insolvency or liquidation proceeding has been commenced by or against any Debtor, all ABL Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, the ABL Collateral during cash dominion, or in connection with the sale or other disposition of, or collection on, the ABL Collateral during the continuance of an event of default under the ABL Documents that is consented to in writing by the ABL Security Agent, or any ABL Collateral or proceeds thereof (or amounts distributed on account of a lien on the ABL Collateral or the proceeds thereof) received in connection with any insolvency or liquidation proceeding involving a Debtor, in each case shall be applied in the following order of priority:

- (a) first, in payment or distribution to the ABL Security Agent on its own behalf on behalf of the ABL Creditors, for application towards the discharge of the ABL Obligations in accordance with the ABL Documents;
- (b) second, in payment or distribution to: (i) the Super Senior Agent on its own behalf and for application towards the discharge of the amounts owed to it (in its capacity as such) and on behalf of the lenders under the Super Senior Credit Agreement; (ii) the First Lien Notes Trustee on its own behalf for application towards the discharge of the amounts owed to it (in its capacity as such) and on behalf of the First Lien Notes Creditors; (iii) each Representative on its own behalf for application towards the discharge of the amounts owed to it (in its capacity as such) and on behalf of the First Lien Creditors it represents; (iv) each Hedge Counterparty in respect of its Super Senior Hedging Obligations or First Lien Hedging Obligations; and (v) each Cash Management Provider on account of its Super Senior Cash Management Arrangements or First Lien Cash Management Arrangements for application towards the Fixed Asset Obligations (other than the Second Lien Obligations) on a pro rata basis and ranking *pari passu* between such Fixed Asset Obligations;
- (c) third, in payment or distribution to each Representative on behalf of the Second Lien Creditors it represents, for application towards the discharge of the Second Lien Obligations, on a pro rata basis and *pari passu* between such Second Lien Obligations; and
- (d) fourth, the balance, if any, in payment or distribution to the relevant Debtor or other person entitled to it.

Amendments

The Intercreditor Agreement will provide that it may be amended, restated, supplemented, modified or waived, subject to certain exceptions as set out therein, only with the consent of the Company, the ABL Agent, the Super Senior Agent, the Majority First Lien Creditors (acting through their relevant Representatives), the Majority Second Lien Creditors (acting through their relevant Representatives), the Majority Unsecured Creditors (acting through their relevant Representatives) and the Security Agents,

unless it is an amendment, restatement, supplement, modification, waiver or consent that has the effect of changing or relates to: (a) the redistribution provisions, the application of proceeds provisions, the instruction provisions or the consents, amendments and override provisions or (b) the order of priority or subordination under the Intercreditor Agreement, which, in each case, shall not be made without the consent of: (i) the Representatives; (ii) the Hedge Counterparties (to the extent that the amendment, restatement, supplement, modification, waiver or consent would adversely affect such Hedge Counterparties); (iii) the Cash Management Providers (to the extent that the amendment, restatement, supplement, modification, waiver or consent would adversely affect such Cash Management Providers); (iv) the Security Agents and (v) the Company.

The Intercreditor Agreement will further provide that an amendment, restatement, supplement, modification, waiver or consent that relates to (a) the provisions described under “—Enforcement of security—Manner of Enforcement—Fixed Asset Collateral” may be made by the Company, the Super Senior Agent, the ABL Agent and the Security Agents together with the Majority First Lien Creditors and the Majority Second Lien Creditors (acting through the relevant Representative) or (b) the provisions described under “—Enforcement of security—Manner of Enforcement—ABL Collateral” may be made by the Company, the ABL Agent and the Security Agents together with the Majority First Lien Creditors and the Majority Second Lien Creditors (acting through the relevant Representative).

Subject to certain exceptions, with respect to any Fixed Asset Security Documents, the Intercreditor Agreement will provide that (unless expressly provided for otherwise in the relevant Debt Document) the Fixed Asset Security Agent may, if authorized by each Representative of the Secured Creditors, and if the Company consents, amend, restate, supplement, modify, waive or grant consent under, any of the Fixed Asset Security Documents, which shall be binding on each party to the Intercreditor Agreement. Subject to certain exceptions, with respect to any ABL Security Documents, the Intercreditor Agreement provides that (unless expressly provided for otherwise in the relevant Debt Document) the ABL Security Agent may, if authorized by the ABL Creditors, and if the Company consents, amend, restate, supplement, modify, waive or grant consent under, any of the ABL Security Documents, which shall be binding on each party to the Intercreditor Agreement. Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents to the contrary.

Insurance

Unless and until the ABL Discharge Date, (i) as between the ABL Security Agent, on the one hand, and the Fixed Asset Security Agent and the other Fixed Asset Creditors, as the case may be, on the other hand, only the ABL Security Agent will have the sole and exclusive right (subject to the rights of the Debtors under the ABL Documents) to adjust or settle any insurance policy or claim covering or constituting ABL Collateral in the event of any loss thereunder and to approve any award granted in any condemnation (or any deed in lieu of condemnation) or similar proceeding affecting the ABL Collateral; and (ii) all proceeds of any such insurance policy or claim and any such award (or any payments with respect to a deed in lieu of condemnation) shall be paid, subject to the rights of the Debtors under the ABL Documents, in accordance with the priorities set forth under the heading “—Application of proceeds—ABL Collateral.” If any of the Fixed Asset Creditors shall, at any time, receive any proceeds of any insurance policy or any such award or payment in contravention of the first sentence of this paragraph, it shall pay such proceeds over to the ABL Security Agent in accordance with the terms described below the headings “—Turnover of receipts.” Unless and until the Fixed Asset Discharge Date, (x) as between the ABL Security Agent and the ABL Creditors, on the one hand, and the Fixed Asset Security Agent, on the other hand, only the Fixed Asset Security Agent will have the sole and exclusive right (subject to the rights of the Debtors under the Fixed Asset Documents) to adjust or settle any insurance policy or claim covering or constituting Fixed Asset Collateral in the event of any loss thereunder and to approve any award granted in any condemnation (or any deed in lieu of condemnation) or similar proceeding solely affecting the Fixed Asset Collateral; and (y) all proceeds of any such insurance policy or claim and any

such award (or any payments with respect to a deed in lieu of condemnation) shall be paid, subject to the rights of the Debtors under the Fixed Asset Documents, in accordance with the priorities set forth under the heading “—Application of proceeds—Fixed Asset Collateral.” If any of the ABL Creditors shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of the immediately preceding sentence, it shall pay such proceeds over to the Fixed Asset Security Agent in accordance with the terms described below the headings “—Turnover of receipts.”

Option to Purchase

Subject to certain conditions, First Lien Creditors holding at least a majority of the principal amount of the then-outstanding First Lien Obligations may, after a Distress Event, after having given all other First Lien Creditors the opportunity to participate in such purchase, by giving not less than 30 days’ notice to the Security Agents, require the transfer to them (or to a nominee or nominees) of all, but not less than all, of the rights, benefits and obligations in respect of the Super Senior Obligations and the ABL Obligations. Subject to certain additional requirements, such First Lien Creditors shall also require the transfer of all Super Senior Hedging Obligations and the ABL Hedging Obligations to them in connection with exercising the above-mentioned option to purchase or following the discharge of all other Super Senior Obligations and ABL Obligations.

Subject to certain conditions, Second Lien Creditors holding at least a majority of the principal amount of the then-outstanding Second Lien Obligations may, after a Distress Event, after having given all other Second Lien Creditors the opportunity to participate in such purchase, by giving not less than 30 days’ notice to the Fixed Asset Security Agents, require the transfer to them (or to a nominee or nominees) of all, but not less than all, of the rights, benefits and obligations in respect of the Super Senior Obligations, the ABL Obligations and the First Lien Obligations (other than any Hedging Obligations). Subject to certain additional requirements, such Second Lien Creditors shall also require the transfer of all Super Senior Hedging Obligations, the ABL Hedging Obligations and First Lien Hedging Obligations to them in connection with exercising the above-mentioned option to purchase or following the discharge of all other Super Senior Obligations, ABL Obligations and First Lien Obligations.

Subject to certain conditions, Unsecured Creditors holding at least a majority of the principal amount of the then-outstanding Unsecured Obligations may, after a Distress Event, after having given all other Unsecured Creditors the opportunity to participate in such purchase, by giving not less than 30 days’ notice to the Security Agents, require the transfer to them (or to a nominee or nominees) of all, but not less than all, of the rights, benefits and obligations in respect of the Secured Obligations (other than any Hedging Obligations). Subject to certain additional requirements, such Unsecured Creditors shall also require the transfer of all Hedging Obligations to them in connection with exercising the above-mentioned option to purchase or following the discharge of all other Secured Obligations.

Refinancings of the ABL Documents and the Fixed Asset Documents

The ABL Documents and the Fixed Asset Documents may be amended, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the ABL Obligations and the Fixed Asset Obligations may be refinanced, in whole or in part, in each case, without the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under the Debt Documents, including the Indentures) of any Fixed Asset Security Agent, any other Fixed Asset Creditor, the ABL Security Agent or any other ABL Creditor, as applicable, all without affecting the lien priorities and rights in respect of the Collateral provided for in the Intercreditor Agreement; subject to the compliance with the requirements of the Intercreditor Agreement for designation of any such refinancing or replacement debt and in connection therewith, the ABL Discharge Date or the Fixed Asset Discharge Date, as applicable, shall be deemed not to have occurred for all purposes of the Intercreditor Agreement.

Governing Law

The Intercreditor Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

DESCRIPTION OF THE SENIOR SECURED NOTES

The following is a description of the \$2,150.0 million (equivalent) in aggregate principal amount of (a) € million % senior secured fixed rate notes due 2026 (the “*Senior Secured Euro Fixed Rate Notes*”) and € million % senior secured floating rate notes due 2026 (the “*Senior Secured Euro Floating Rate Notes*”) and together with the Senior Secured Euro Fixed Rate Notes, the “*Senior Secured Euro Notes*”) and (b) \$900.0 million % senior secured fixed rate notes due 2026 (the “*Senior Secured Dollar Notes*”) and together with the Senior Secured Euro Fixed Rate Notes, the “*Senior Secured Fixed Rate Notes*”). The Senior Secured Euro Fixed Rate Notes, the Senior Secured Euro Floating Rate Notes and the Senior Secured Dollar Notes each constitute a separate series of Senior Secured Notes (as defined below). For the purposes of this “*Description of the Senior Secured Notes*,” the Senior Secured Euro Notes and the Senior Secured Dollar Notes are together the “*Senior Secured Notes*.”

The Senior Secured Notes will be issued by Trivium Packaging Finance B.V. (the “*Issuer*”), a private limited liability company incorporated under the laws of the Netherlands. You will find definitions of certain capitalized terms used in this “*Description of the Senior Secured Notes*” under the heading “*Certain Definitions*” below. For purposes of this “*Description of the Senior Secured Notes*,” references to the “*Issuer*,” “*we*,” “*our*,” and “*us*” refer only to Trivium Packaging Finance B.V. and not to any of its Subsidiaries. The term the “*Company*” refers to Trivium Packaging B.V.

The Issuer will issue the Senior Secured Notes under an indenture to be dated on or about the Issue Date (the “*Indenture*”), between, *inter alios*, the Issuer, the Company as guarantor, Citibank, N.A., London Branch, as trustee (in such capacity, the “*Trustee*”) and as security agent (in such capacity, the “*Security Agent*”) and Citibank, N.A., London Branch as paying agent, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not be qualified under, incorporate by reference or include, or be subject to, any of the provisions of the Trust Indenture Act, including Section 316(b) thereof. Consequently, the Holders will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under a qualified indenture, including among other things, those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the Holders of certain relationships between it and us.

Upon satisfaction of the conditions set forth in the Escrow Agreement and release of the Escrowed Property from the Escrow Accounts (each as defined below), the proceeds from the offering of the Senior Secured Notes sold on the Issue Date will be used by the Issuer, together with the proceeds from the offering of the Senior Notes, to fund the cash portion of the consideration payable for the Combination and pay the fees and expenses incurred in connection with the Transactions, including estimated fees and expenses incurred in connection with the offering of the Senior Secured Notes, as set forth in this Offering Memorandum under the captions “*Use of Proceeds*” and “*The Transactions*.”

Pending the satisfaction of certain other conditions as described under the caption “*Escrow of Proceeds; Special Mandatory Redemption*,” the Initial Purchasers (as defined in this Offering Memorandum) will, concurrently with the closing of the offering of the Senior Secured Notes on the Issue Date, deposit (i) the gross proceeds of the Senior Secured Euro Fixed Rate Notes and the Senior Secured Euro Floating Rate Notes sold on the Issue Date into a Euro-denominated escrow account and (ii) the gross proceeds of the Senior Secured Dollar Notes sold on the Issue Date into a U.S. Dollar-denominated escrow account ((i) and (ii) together, the “*Escrow Accounts*”), in each case, pursuant to the terms of an escrow agreement (the “*Escrow Agreement*”) dated as of the Issue Date, among the Company, the Trustee and Citibank, N.A., London Branch, as the escrow agent (the “*Escrow Agent*”). If the conditions to the release of the Escrowed Property (as defined below), as more fully described below under the caption “*Escrow of Proceeds; Special Mandatory Redemption*,” have not been satisfied on the Business Day following April 14, 2020 (the “*Escrow Longstop Date*”), or upon the occurrence of certain other events, each tranche of Senior Secured Notes will be redeemed at a price equal to 100% of the issue price of such tranche of Senior Secured Notes plus accrued and unpaid interest from the Issue Date to, but excluding,

the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any. See “*Escrow of Proceeds; Special Mandatory Redemption.*”

Upon the initial issuance of the Senior Secured Notes on the Issue Date, the Senior Secured Notes will only be obligations of the Company and the Issuer and will not be guaranteed by the Ardagh Carve-out Business or Exal or any of their respective Subsidiaries. Subject to the Agreed Security Principles and the occurrence of the Completion Date, Ardagh MP Holdings UK Limited, Ardagh Metal Packaging UK Limited, Ardagh Germany MP GmbH, Ardagh Metal Packaging Germany GmbH, Ardagh MP Group Netherlands B.V., Ardagh Metal Packaging Netherlands B.V., Ardagh Aluminium Packaging Netherlands B.V., Ardagh Metal Packaging Hjørring A/S, Ardagh Metal Packaging Canada Limited, Ardagh Metal Packaging Hungary Kft, Ardagh Metal Packaging Poland sp. z o.o., Ardagh Metal Packaging Iberica, S.A., Ardagh Metal Packaging USA Inc., Element US Holding Company and Exal Corporation, and certain holding companies in each of Germany, Spain, Italy, the United Kingdom and France (the “*Post-Completion Date Guarantors*”) will enter into one or more supplemental indentures to become a party to the Indenture and guarantee the Senior Secured Notes on a senior secured basis within 90 days from the Completion Date.

Prior to the Completion Date, the Company will not be able to cause the Ardagh Carve-out Business or Exal to comply with the covenants described in this “*Description of the Senior Secured Notes*” or other agreements under the Indenture. As such, we cannot assure you that prior to the Completion Date, the Ardagh Carve-out Business or Exal will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants or other agreements been applicable to such entities as of the Issue Date, and any such non-compliance will not constitute a default or Event of Default under the Indenture. See “*Risk Factors—Risks Relating to the Combination—Trivium may have liabilities that we are unaware of.*”

The Indenture will be unlimited in aggregate principal amount, of which \$2,150.0 million (equivalent) in aggregate principal amount of Senior Secured Notes will be issued in this offering. We may, subject to applicable law and the terms of the Indenture, issue an unlimited principal amount of additional Senior Secured Euro Fixed Rate Notes (the “*Additional Senior Secured Euro Fixed Rate Notes*”), additional Senior Secured Euro Floating Rate Notes (the “*Additional Senior Secured Euro Floating Rate Notes*”) and additional Senior Secured Dollar Notes (the “*Additional Senior Secured Dollar Notes*” and, together with the Additional Senior Secured Euro Fixed Rate Notes and the Additional Senior Secured Euro Floating Rate Notes, the “*Additional Senior Secured Notes*”); *provided* that if any of the Additional Senior Secured Euro Fixed Rate Notes, the Additional Senior Secured Euro Floating Rate Notes or the Additional Senior Secured Dollar Notes are not fungible for U.S. federal income tax purposes with the respective Senior Secured Euro Fixed Rate Notes, the Senior Secured Euro Floating Rate Notes or the Senior Secured Dollar Notes, as applicable, such Additional Senior Secured Euro Fixed Rate Notes, Additional Senior Secured Euro Floating Rate Notes or Additional Senior Secured Dollar Notes will be issued with a separate ISIN code, CUSIP and/or common code, as applicable from the respective Senior Secured Notes originally issued. We will only be permitted to issue Additional Senior Secured Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens. See “*Certain Covenants—Limitation on Indebtedness*” and “*Certain Covenants—Limitation on Liens.*” Except as otherwise provided for in the Indenture, the Senior Secured Notes, and if issued, Additional Senior Secured 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 Senior Secured Notes,*” references to the “*Senior Secured Notes*” include the Senior Secured Notes and any Additional Senior Secured Notes that are actually issued under the Indenture.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below) and in the case of certain conflicts between the terms of the Indenture and the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail. The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness

and security, the ability to make payments in respect of the indebtedness, the procedures for undertaking enforcement action, the subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See “*Description of Other Indebtedness—Intercreditor Agreement*” for a description of certain terms of the Intercreditor Agreement.

This “*Description of the Senior Secured Notes*” is intended to be an overview of the material provisions of the Senior Secured Notes and the Indenture and refers to the Intercreditor Agreement, the Escrow Agreement, the Escrow Charge and the Security Documents. Since this description of the terms of the Senior Secured Notes is only a summary, you should refer to the Senior Secured Notes, the Indenture, the Intercreditor Agreement, the Escrow Agreement, the Escrow Charge and the Security Documents for complete descriptions of the obligations of the Company and your rights. Copies of such documents will be made available from us upon request on and after the Issue Date.

The registered Holder of a Senior Secured Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Secured Notes have not been, and will not be, registered under the Securities Act and will be subject to certain transfer restrictions.

General

The Senior Secured Notes

The Senior Secured Notes will:

- be general senior obligations of the Issuer;
- 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 Senior Secured Notes (including the ABL Obligations 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 Senior Secured Notes;
- be effectively senior to the Issuer’s obligations under the ABL Facility, to the extent of the value of the Fixed Assets Collateral (as defined below);
- be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property or assets that do not secure the Senior Secured Notes or that secure the Senior Secured Notes on a junior basis, to the extent of the value of the property and assets securing such obligation or indebtedness (including the obligations under the ABL Facility (as described under “*Description of Other Indebtedness—ABL Facility*”), to the extent of the value of the ABL Collateral (as defined below));
- be effectively subordinated to obligations under the ABL Facility, to the extent of the value of the ABL Collateral (as defined below);
- be structurally subordinated to any existing or future indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to their trade creditors;
- be (i) guaranteed by the Company on a senior secured basis on the Issue Date and (ii) subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, within 90 days from the Completion Date, guaranteed by the Post-Completion Date Guarantors, in each case, on a senior secured basis, secured as set forth under “*Security*”; and

- be represented by one or more registered Senior Secured Notes in global form, but in certain circumstances may be represented by Definitive Registered Senior Secured Notes (as defined below). See “*Book-entry; Delivery and Form.*”

Under the terms of the Intercreditor Agreement, the Holders will receive proceeds from the enforcement of the Collateral (as defined below) on a *pari passu* basis with all indebtedness of the Company that is not subordinated in right of payment to the Senior Secured Notes (except that, in the case of the certain Hedging Obligations and other future indebtedness, the creditors of such obligations may receive all or a portion of the proceeds from the enforcement of security over the Collateral prior to the Holders receiving any amounts under the Collateral) and the Holders will receive proceeds from the enforcement of Collateral only after any indebtedness with a prior-ranking Lien on such Collateral is repaid in full, including the obligations under the ABL Facility, in the case of the ABL Collateral.

The Issuer is a finance subsidiary with no business operations and has no revenue-generating operations of its own. The Issuer will be dependent upon payments from the Company to meet its obligations, including its obligations under the Senior Secured Notes. The payments to the Issuer will depend on the profitability and cash flows of the Company and its other Subsidiaries. The Senior Secured Notes will be structurally subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company’s Subsidiaries that are not Guarantors.

As of the Issue Date, the Issuer will be a “*Restricted Subsidiary*” for the purposes of the Indenture, and as of the Completion Date, we expect that all subsidiaries of the Company will be Restricted Subsidiaries for the purposes of the Indenture. However, under the circumstances described below under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries,*” we will be permitted to designate certain of our Subsidiaries as “Unrestricted Subsidiaries.” Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Senior Secured Notes.

On a *pro forma* basis, after giving effect to the Transactions (as defined in this Offering Memorandum), we would have had total debt of \$2,853 million (including \$2,150.0 million (equivalent) in aggregate principal amount of Senior Secured Notes, the \$600.0 million in aggregate principal amount of Senior Notes and the new ABL Facility which is anticipated to provide for commitments of up to \$250.0 million with availability subject to conditions typical for asset based revolving credit facilities) of which \$2,246 million would have been secured.

The Senior Secured Notes Guarantees

On the Issue Date, the Senior Secured Notes will be guaranteed by the Company on a senior secured basis. Subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, the Senior Secured Notes will be guaranteed on a senior secured basis by the Post-Completion Date Guarantors by the earlier of (x) 90 days from the Completion Date or (y) the date on which such Post-Completion Date Guarantors guarantee the obligations under the ABL Facility. In addition, if required by the covenant described under “*Certain Covenants—Additional Guarantees,*” certain other Restricted Subsidiaries may provide a Senior Secured Notes Guarantee (as defined below) in the future.

Once granted, the Senior Secured Notes Guarantee of each of the Guarantors will:

- be a general senior secured obligation of that Guarantor;
- 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 Senior Secured Notes Guarantee of that Guarantor (including obligations under the ABL Facility, and certain Hedging Obligations);

- rank senior in right of payment to any existing and future indebtedness of that Guarantor that is subordinated in right of payment to its Senior Secured Notes Guarantee (including the Senior Notes Guarantees);
- be effectively senior to the that Guarantor's obligations under the ABL, to the extent of the value of the Fixed Assets Collateral;
- be effectively subordinated to any existing or future indebtedness or obligation of that Guarantor and its subsidiaries that is secured by property or assets that do not secure the Senior Secured Notes or the Senior Secured Notes Guarantees, to the extent of the value of the property and assets securing such indebtedness or securing the Senior Secured Notes on a junior basis (including the obligations under the ABL Facility, to the extent of the value of the ABL Collateral);
- be effectively subordinated to that Guarantor's obligations under the ABL Facility, to the extent of the value of the ABL Collateral; and
- be structurally subordinated to any existing or future indebtedness of the Subsidiaries of that Guarantor that do not guarantee the Senior Secured Notes, including their obligations to trade creditors.

Principal, Maturity and Interest

The Senior Secured Euro Fixed Rate Notes will mature on August 15, 2026, the Senior Secured Euro Floating Rate Notes will mature on August 15, 2026 and the Senior Secured Dollar Notes will mature on August 15, 2026, unless redeemed prior thereof as described herein. On the Issue Date, the Issuer will issue \$2,150 million (equivalent) in aggregate principal amount of Senior Secured Notes, consisting of:

- (i) € million aggregate principal amount of Senior Secured Euro Fixed Rate Notes;
- (ii) € million aggregate principal amount of Senior Secured Euro Floating Rate Notes; and
- (iii) \$900.0 million aggregate principal amount of Senior Secured Dollar Notes.

The Senior Secured Euro Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof and the Senior Secured Dollar Notes will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

The Senior Secured Notes (together with any Additional Senior Secured 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 and any other action by the Holders hereunder, except as otherwise provided in the Indenture.

Interest on overdue principal and interest on the Senior Secured Notes will accrue at a rate that is 1% higher than the interest rate on the overdue principal or interest.

Interest on the Senior Secured Notes

(a) Senior Secured Euro Fixed Rate Notes

Interest on the Senior Secured Euro Fixed Rate Notes will accrue at the rate of % per annum. Interest on the Senior Secured Euro Fixed Rate Notes will be payable on December 15, 2019 and thereafter semi-annually in arrears on August 15 and February 15. Interest on the Senior Secured Euro Fixed Rate Notes will be payable to the holder of record of such Senior Secured Euro Fixed Rate Notes on the Business Day immediately preceding the related interest payment date.

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

The rights of Holders to receive the payments of interest on the Senior Secured Euro Fixed Rate Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Senior Secured Euro Fixed Rate Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

If the Issuer redeems any Senior Secured Euro Fixed Rate Notes on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Senior Secured Euro Fixed Rate Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Secured Euro Fixed Rate Notes will be subject to redemption by the Issuer.

The right of holders of beneficial interests in the Senior Secured Euro Fixed Rate Notes to receive the payment on such Senior Secured Euro Fixed Rate Notes will be subject to the applicable procedures of Euroclear and Clearstream, as applicable.

(b) Senior Secured Dollar Notes

Interest on the Senior Secured Dollar Notes will accrue at the rate of _____ % per annum. Interest on the Senior Secured Dollar Notes will be payable on December 15, 2019 and thereafter semi-annually in arrears on August 15 and February 15. Interest on the Senior Secured Dollar Notes will be payable to the holder of record of such Senior Secured Dollar Notes on the Business Day immediately preceding the related interest payment date.

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

The rights of Holders to receive the payments of interest on the Senior Secured Dollar Notes are subject to applicable procedures of DTC. If the due date for any payment in respect of any Senior Secured Dollar Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

If the Issuer redeems any Senior Secured Dollar Notes on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Senior Secured Dollar Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Secured Dollar Notes will be subject to redemption by the Issuer.

The right of holders of beneficial interests in the Senior Secured Dollar Notes to receive the payment on such Senior Secured Dollar Notes will be subject to the applicable procedures of DTC.

(c) Senior Secured Euro Floating Rate Notes

Interest on the Senior Secured Euro Floating Rate Notes will accrue at a rate per annum, reset quarterly, equal to the sum of (i) EURIBOR plus (ii) _____ % as determined by the Calculation Agent (as defined below). Interest on the Senior Secured Euro Floating Rate Notes will be payable in cash quarterly in arrears on August 15, November 15, February 15 and May 15, commencing on November 15, 2019.

Interest on the Senior Secured Euro Floating Rate Notes will be payable to the holder of record of the such Senior Secured Euro Floating Rate Notes on the Business Day immediately preceding the related

interest payment date. If a particular interest payment date is not a Business Day, then the payment date will move to the next Business Day at the place at which such payment is to be made.

Interest on the Senior Secured Euro Floating Rate Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 365-day year and the actual number of days elapsed in the Interest Period (as defined below). Interest on overdue principal and interest on the Senior Secured Euro Floating Rate Notes, including Additional Amounts (as defined below), if any, will accrue at a rate that is 1.0% higher than the interest rate on the Senior Secured Euro Floating Rate Notes. In no event will the rate of interest on the Senior Secured Euro Floating Rate Notes be higher than the maximum rate permitted by applicable law.

Set forth below is a summary of certain provisions from the Indenture relating to the calculation of interest on the Senior Secured Euro Floating Rate Notes:

“*Calculation Agent*” means a financial institution appointed by the Issuer to calculate the interest rate payable on the Senior Secured Euro Floating Rate Notes in respect of each Interest Period, which shall initially be Citibank N.A., London Branch.

“*EURIBOR*” means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in Euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date that appears on Reuters page EURIBOR01 as of 11:00 a.m. (Brussels time) on the Interest Calculation Date; *provided, however*, that EURIBOR shall never be less than 0%. If Reuters Page EURIBOR01 does not include such a rate or is unavailable on an Interest Calculation Date, the Issuer will request the principal office of each of four major banks in the euro zone inter-bank market, as selected by the Issuer in consultation with the Calculation Agent, to provide such bank’s offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m. (Brussels time) on such Interest Calculation Date, to prime banks in the euro zone inter-bank market for deposits in a Representative Amount in Euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date. If at least two such offered quotations are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request each of three major banks in London, as selected by the Issuer, in consultation with the Calculation Agent, to provide such bank’s rate (expressed as a percentage per annum), as of approximately 11:00 a.m. (London time) on such Interest Calculation Date, for loans in a Representative Amount in Euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date. If at least two such rates are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then EURIBOR in respect of such Interest Period will be the EURIBOR in effect with respect to the immediately preceding Interest Period.

In the event that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, the alternative basis for determining the rate of interest on the Senior Secured Euro Floating Rate Notes will be any successor rate generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of Euro-denominated securities, as identified by the Issuer in good faith; *provided* that, in the event that there is no generally accepted successor rate to EURIBOR in the good faith judgment of the Issuer, the Issuer, in consultation with an independent financial advisor, shall determine a reasonably appropriate alternative basis for determining the rate of interest (and any applicable adjustment spread to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of EURIBOR) on the Senior Secured Euro Floating Rate Notes; *provided, further*, that any such alternative basis adopted pursuant to this paragraph shall in all cases never be less than 0%. Following the adoption of an alternative basis pursuant to this paragraph, all references to “EURIBOR” in the Indenture shall be deemed to refer to such alternative basis. The Issuer shall promptly thereafter notify the

holders of the Senior Secured Euro Floating Rate Notes and (via an Officer's Certificate) the Calculation Agent of the new rate replacing EURIBOR, and the Calculation Agent shall be entitled to rely on such (without liability to any Person) as sufficient evidence thereof.

"euro-zone" means the region comprised of the member states of the European Union that at such time use the euro as their official currency.

"Interest Calculation Date" means the day that is two TARGET Settlement Days preceding the first day of such Interest Period in respect of the relevant Interest Period.

"Interest Period" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on, and include, the Issue Date and end on, and exclude , 2019.

"Representative Amount" means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"Reuters Page EURIBOR01" means the display page so designated on Reuters (or such other page as may replace that page on that service, or, if no such page is available, Bloomberg page "EBF" or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in Euro.

Methods of Receiving Payments on the Senior Secured Notes

Principal, interest and premium and Additional Amounts, if any, on the Senior Secured Notes will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (initially being the common depositary or its nominee for Euroclear and Clearstream for the Senior Secured Euro Notes or DTC in the case of the Senior Secured Dollar Notes).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("*Definitive Registered Senior Secured Notes*") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in London, United Kingdom. In addition, interest on the Definitive Registered Senior Secured Notes may be paid, at the option of the Issuer, by check mailed by the Issuer to the address of the Holder entitled thereto as shown on the register of Holders for the Definitive Registered Senior Secured Notes. See "*Paying Agent and Registrar for the Senior Secured Notes*" below.

Paying Agent and Registrar for the Senior Secured Notes

The Issuer will maintain one or more Paying Agents for the Senior Secured Notes. The initial Paying Agent will be Citibank, N.A., London Branch (the "*Paying Agent*").

The Issuer will also maintain one or more registrars (each, a "*Registrar*") and one or more transfer agents (each, the "*Transfer Agent*"). The initial Registrar will be Citigroup Global Markets Europe AG for the Senior Secured Notes. The initial Transfer Agent will be Citibank, N.A., London Branch.

The Registrar and the Transfer Agent will maintain a register for the Senior Secured Notes reflecting ownership of the Senior Secured Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Senior Secured Notes on behalf of the Issuer.

A register of the Holders shall be left at the registered office of the Issuer. In case of inconsistency between the register of Senior Secured Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Registrar shall prevail.

Upon written notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent for the Senior Secured Notes without prior notice to the Holders of such Senior Secured Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Senior Secured Notes.

Senior Secured Notes Guarantees

General

Upon the initial issuance of the Senior Secured Notes on the Issue Date, the Senior Secured Notes will be guaranteed on a senior secured basis by the Company. Subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, the Post-Completion Date Guarantors will guarantee, jointly and severally, on a senior secured basis (each (including the Guarantee of the Senior Secured Notes by the Company), a “*Senior Secured Notes Guarantee*” and together (including the Guarantee of the Senior Secured Notes by the Company), the “*Senior Secured Notes Guarantees*”) the obligations of the Company pursuant to the Senior Secured Notes, including any payment obligation resulting from a Change of Control, by the earlier of (x) 90 days from the Completion Date or (y) the date on which such Post-Completion Date Guarantors guarantee the obligations under the ABL Facility.

Subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, the Post-Completion Date Guarantors will be Ardagh MP Holdings UK Limited, Ardagh Metal Packaging UK Limited, Ardagh Germany MP GmbH, Ardagh Metal Packaging Germany GmbH, Ardagh MP Group Netherlands B.V., Ardagh Metal Packaging Netherlands B.V., Ardagh Aluminium Packaging Netherlands B.V., Ardagh Metal Packaging Hjørring A/S, Ardagh Metal Packaging Canada Limited, Ardagh Metal Packaging Hungary Kft., Ardagh Aluminium Packing Hungary Kft, Ardagh Metal Packaging Poland sp. z o.o., Ardagh Metal Packaging Iberica, S.A., Ardagh Metal Packaging USA Inc., Element US Holding Company, Exal Corporation, and certain holding companies in each of Germany, Spain, Italy, the United Kingdom and France (the “*Post-Completion Date Guarantors*”).

The Post-Completion Date Guarantors would have accounted for more than 61% of the aggregate pro forma total assets, and 61% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions.

Although the Indenture will limit the Incurrence of Indebtedness and the issuance of Disqualified Stock of the Company and the Restricted Subsidiaries, and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by the Company or the Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “*Certain Covenants—Limitation on Indebtedness*” and “*Certain Definitions—Indebtedness*.”

In addition, as described under “*Certain Covenants—Additional Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, certain Subsidiaries of the Issuer that guarantee the ABL Facility or the Senior Secured Notes in the future or any other Credit Facility or Public Debt, in each case, of the Issuer or a Guarantor, shall also enter into a supplemental senior secured notes indenture as a Guarantor and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Secured Notes and the Senior Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, “thin capitalization” rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee would be disproportionate to the benefit accruing to the Holders. See “*Security—The Collateral*”

Each Senior Secured 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 Senior Secured Notes Guarantee could be significantly less than amounts payable with respect to the Senior Secured Notes, or a Guarantor may have effectively no obligation under its Senior Secured Notes Guarantee. See "*Risk Factors—Risks Relating to Our Debt, the Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests*" and "*—The insolvency laws of the Netherlands and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar.*"

A portion of the operations of the Company will be conducted through Subsidiaries that are not expected to become Guarantors. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders. The Senior Secured Notes and each Senior Secured Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of the Company's Restricted Subsidiaries (other than the Guarantors) and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any). See "*Risk Factors—Risks Relating to the Combination—Trivium may have liabilities that we are unaware of.*" As of March 31, 2019, on a pro forma basis, after giving effect to the Transactions, the Company would have had, on a consolidated basis, total debt of \$2,853 million and total retirement benefit obligations of \$312 million.

Senior Secured Notes Guarantee Release

The Senior Secured Notes Guarantee of a Guarantor will automatically terminate and be released:

- (1) upon a sale, exchange, transfer or other disposition (including by way of consolidation, merger, or amalgamation) of any Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor) as a result of which such Guarantor would no longer be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case if such sale, exchange, transfer or other disposition does not violate the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (2) upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- (3) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes in accordance with the Indenture, as provided in "*Defeasance*" and "*Satisfaction and Discharge*," respectively;
- (4) upon the release of the Guarantor's Guarantee of any Indebtedness that triggered such Guarantor's obligation to guarantee the Senior Secured Notes under the covenant described in "*Certain Covenants—Additional Guarantees*"; provided that no other Indebtedness is at that time Guaranteed by the Guarantor that would result in the requirement that the Guarantor provide a Senior Secured Notes Guarantee pursuant to the covenant described under the caption "*Certain Covenants—Additional Guarantees*";
- (5) pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

- (6) as described under “*Amendments and Waivers*”;
- (7) in connection with a Permitted Reorganization; *provided* that the resulting, surviving or transferee Person is or becomes a Guarantor substantially concurrently with such Permitted Reorganization;
- (8) upon payment in full of principal and interest and all other obligations on the Senior Secured Notes; or
- (9) as a result of a transaction permitted by “*Merger and Consolidation*.”

The Senior Secured Notes Guarantee of the Company will automatically terminate and be released only upon the circumstances described in clauses (3), (5), (6), (7), (8) and (9) set forth above.

The Trustee shall, subject to receipt of certain documentation requested pursuant to the Indenture, take all necessary actions at the reasonable request and cost of the Company, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Senior Secured 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 the Holders and will not require any other action or consent on the part of the Trustee. Neither the Trustee nor the Company will be required to make a notation on the Senior Secured Notes to reflect any such release, termination or discharge.

Security

The Collateral

On the Issue Date, the Senior Secured Notes of the Issuer will be secured on a first-priority basis by Security Interests over the Escrowed Property deposited in the Escrow Accounts (the “*Escrow Collateral*”) (the “*Issue Date Collateral*”). The Escrowed Property that is deposited in the Escrow Accounts will not be charged to secure any obligations other than the Company’s obligations under the Senior Secured Notes and the Indenture. Upon the definitive release of the Escrowed Property, the first-priority Security Interests over the Escrowed Property will be released.

Subject to the Agreed Security Principles, by the earlier of (x) 90 days from the Completion Date or (y) the date on which equivalent security is provided in respect of the obligations under the ABL Facility, the Senior Secured Notes will be secured, subject to the Intercreditor Agreement and certain perfection requirements, by security interests and pledges granted on:

- (i) an equal and ratable first-ranking/first-priority basis over the following property, rights and assets:
 - (a) all assets (other than real property and the ABL Collateral) of Post-Completion Date Guarantors incorporated in each of England & Wales and the United States; and
 - (b) certain shares of Post-Completion Date Guarantors incorporated in each of Canada (British Columbia), Denmark, England & Wales, France, Hungary, Germany, The Netherlands, Poland, Spain and the United States.
- (collectively, the “*Fixed Assets Collateral*”); and

- (ii) a junior basis over all of the assets that secure among other things, the obligations under the ABL Facility on a first-ranking/first priority basis, including in any event but subject to limited exceptions, including that the assets of the French Borrowers (as defined in the ABL Facility) who are not Post-Completion Date Guarantors will not secure the Senior Secured Notes:
 - (a) all accounts (including accounts receivable), inventory, payment intangibles, and instruments;
 - (b) all general intangibles, documents, chattel paper, letter of credit rights, supporting obligations, and commercial tort claims evidencing, governing, securing, providing credit support for, arising from or substituted for any of the foregoing;
 - (c) all deposit accounts, securities accounts, and commodity accounts;
 - (d) certain related assets; and
 - (e) all proceeds (including, without limitation, insurance proceeds) of any of the foregoing, of the Post-Completion Date Guarantors in each of England & Wales, France, Germany, the Netherlands and the United States.

(collectively, the “*ABL Collateral*” and, together with the Fixed Assets Collateral and the Issue Date Collateral, the “*Collateral*”); and

The Security Interests in the Collateral will be granted to the Security Agent on behalf of and for the benefit of the Holders pursuant to the Security Documents. The Collateral may also secure certain future Indebtedness, including certain Hedging Obligations and other future indebtedness; *provided* that, in the case of certain Hedging Obligations and other future indebtedness, the creditors of such obligations may receive all or a portion of the proceeds from the enforcement of security over the Collateral prior to the Holders receiving any amounts under the Collateral. The Fixed Assets Collateral will also secure the obligations under the ABL Facility, on a junior priority basis as provided in the Intercreditor Agreement. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the Holders.

Subject to certain conditions, including compliance with the covenants described under “*Certain Covenants—Impairment of Security Interest*” and “*Certain Covenants—Limitation on Liens*,” the Company and the 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, subject to certain requirements described herein, Additional Senior Secured Notes, as permitted under the Indenture and the Intercreditor Agreement.

The Collateral will be pledged pursuant to the Security Documents to the Security Agent on behalf of the Holders and holders of certain 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 Senior Secured Notes, any Senior Secured Notes Guarantees and the Indenture would also constitute “*Collateral*.” All Collateral pledged pursuant to the Security Documents will be subject to the limitations that are applicable to Senior Secured Notes Guarantees granted by the same entity, the operation of the Agreed Security Principles, the Intercreditor Agreement and any Permitted Collateral Liens.

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing and the provisions of the covenant described below under “*Certain Covenants—Limitation on Liens*,” the Indenture will provide that 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 non-exhaustive summary of certain terms of the Agreed Security Principles as they apply to the ABL Facility, and which will apply to the Senior Secured Notes, *mutatis mutandis*, see “*Description of Other Indebtedness—ABL Facility.*”

No appraisals of the Collateral have been made in connection with the offering of the Senior Secured 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 Relating to the Secured Notes—The value of the Collateral securing the Secured Notes and the Secured Notes Guarantees may not be sufficient to satisfy our obligations under the Secured Notes and the Collateral securing the Secured Notes may be reduced or diluted under certain circumstances.*”

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (such security interests, and, as applicable, the security interests in the Escrow Collateral, the “*Security Interests*” and each, a “*Security Interest*”) as between (a) the lenders under the ABL Facility, as described under “*Description of Other Indebtedness—ABL Facility*” (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent and the Holders under the Indenture and (d) the creditors of certain other Indebtedness (including Indebtedness that may be Incurred in the future) permitted to be secured by such Collateral, respectively, will be established by the terms of the Intercreditor Agreement, which will provide, among other things, that with respect to the Collateral, (i) the obligations under the ABL Facility, will be secured by senior priority liens on the ABL Collateral and by junior priority liens on the Fixed Assets Collateral, (ii) the Senior Secured Notes and the Senior Secured Notes Guarantees will be secured by senior priority liens on the Fixed Assets Collateral and junior priority liens on the ABL Collateral and (iii) certain Hedging Obligations and certain other indebtedness may receive all or portion of the proceeds from the enforcement of security over the Collateral prior to the Holders receiving any amounts under the Collateral. See “*Description of Other Indebtedness—Intercreditor Agreement*” and “*Certain Definitions—Permitted Collateral Liens.*”

Security Documents

Under the Security Documents and the Escrow Charge, the Company and other Guarantors will grant security over the Collateral and the Escrow Collateral to secure the payment when due of the Company’s and the Guarantors’ payment obligations under the Senior Secured Notes, the Senior Secured 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 such Security Documents, the Security Agent will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the Holders from time to time). Under the Intercreditor Agreement, the Security Agent also acts as an agent of the 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 applicable law, only the Security Agent (or, if the collateral represented by the Security Documents is held by a creditor other than the Security Agent, that creditor) will have the right to enforce the Security Documents on behalf of the Trustee and the Holders. As a consequence of such contractual provisions, Holders will not be entitled to take enforcement action in respect of the Collateral securing the Senior Secured Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent (or such creditor) for the Collateral (as applicable).

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Senior Secured Notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Senior Secured Notes and the Indenture have been discharged. However, the Security Interests with respect to the Senior Secured Notes and the Indenture may be released under certain circumstances as provided under “*—Release of Liens.*”

In the event that the Company 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 were successful, the Holders might not be able to recover any amounts under the Security Documents. See *“Risk Factors—Risks Relating to the Secured Notes—The granting of the Security Interests in connection with the issuance of the Secured Notes may create hardening periods for such Security Interests in accordance with the law applicable in certain jurisdictions.”*

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement will restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the Security Agent in accordance with the terms of the Intercreditor Agreement. These limitations are described under *“Description of Other Indebtedness—Intercreditor Agreement”*. 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. See *“Risk Factors—Risks Relating to Our Debt, the Notes and the Guarantees—The insolvency laws of The Netherlands and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar.”*

In addition, in the event the 30% Rule is triggered and certain shares of the Company are transferred or issued to, and pledged by, a 30% Rule Designee, the Security Agent will be required, in the case of an enforcement of the Collateral in respect of the Senior Secured Notes, to enforce such pledges separately from the pledges provided by the Company over the shares of the Issuer in order to obtain control of 100% of the share capital of the Issuer. See *“Risk Factors—Risks Relating to the Secured Notes—The value of the Collateral securing the Secured Notes and the Secured Notes Guarantees may not be sufficient to satisfy our obligations under the Secured Notes and the Collateral securing the Secured Notes may be reduced or diluted under certain circumstances.”*

The counterparties to Hedging Obligations that are secured by the Fixed Assets Collateral on a senior priority basis and the Trustee have and, by accepting a Senior Secured 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.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that each Holder, by accepting such Senior Secured Note, will be deemed (without any further consent of the Holders) 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 “*Risk Factors—Risks Relating to the Secured Notes—The Security Interests over the Collateral have been, or will be, granted to the Security Agent rather than directly to the holders of the Secured Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.*”

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under “*Certain Covenants—Additional Intercreditor Agreements.*”

Release of Liens

Release of the Security Interests in respect of the Collateral will be permitted under any one or more of the following circumstances:

- (1) in connection with any sale or other disposition of Collateral to (a) a Person that is not the Company or a Restricted Subsidiary (but excluding any transaction subject to “*Merger and Consolidation*”), if such sale or other disposition does not violate the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” and is otherwise not prohibited by the Indenture or (b) any Restricted Subsidiary; *provided* that this clause 1(b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable (including intercompany loan receivables and hedging receivables) to a Restricted Subsidiary (except to a Securitization Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to, a Lien in favor of the Senior Secured Notes following such sale or disposal;
- (2) in the case of a Guarantor that is released from its Senior Secured 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 Senior Secured Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes, as provided in “*Defeasance*” and “*Satisfaction and Discharge*,” respectively;
- (5) automatically without any action by the Trustee, if the Lien granted in favor of the Indebtedness that gave rise to the obligation to grant the Lien over such Collateral is released;
- (6) in a transaction that complies with the provisions described in “*Merger and Consolidation*”; *provided* that in such a transaction where the Company or any Guarantor ceases to exist, the Lien on the Capital Stock of the Company or such Guarantor will be released and, subject to the Agreed Security Principles and the Intercreditor Agreement, will reattach (or a new Lien will be created) over the Capital Stock of the successor entity pursuant to a new share pledge (on terms substantially equivalent to the existing Lien on the Capital Stock of the Company or such Guarantor, as applicable) granted by the holder of such Capital Stock;
- (7) in connection with a Permitted Reorganization;
- (8) if the Company 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;
- (9) as otherwise permitted in accordance with the Indenture or
- (10) pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Escrow Collateral shall only be released upon the release of the Escrowed Property from the Escrow Accounts in connection with the Escrow Release or the Special Mandatory Redemption, in each case in accordance with the terms of the Escrow Agreement.

In addition, the Security Interests created by the Security Documents will be released 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, and at the cost of, the Company to effectuate any release of Collateral securing the Senior Secured Notes and the Senior Secured Notes Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release). Except for the release of the Escrowed Property from the Escrow Charge as described under “*Escrow of Proceeds; Special Mandatory Redemption,*” the Security Agent and the Trustee shall be entitled to request and rely solely upon an Officer’s Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred, and that such release complies with the Indenture.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the closing of the offering of the Senior Secured Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of the Senior Secured Notes sold on the Issue Date into the Escrow Accounts. The Escrow Accounts will be pledged on a first-priority basis in favor of the Trustee for the benefit of the Holders of the Senior Secured Notes pursuant to an escrow charge dated the Issue Date between the Issuer and the Trustee (the “*Escrow Charge*”). The initial funds deposited in the Escrow Accounts, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Accounts (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the “*Escrowed Property.*”

On the Business Day prior to an interest payment date, the Escrow Agent shall release to the Paying Agent from the respective Escrow Account an amount necessary to fund the respective interest payment.

Except in the circumstances described in the preceding paragraph, in order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the “*Closing Escrow Release*”), the Escrow Agent and the Trustee shall have received from the Company on or prior to the Escrow Longstop Date, an Officer’s Certificate, upon which both the Escrow Agent and the Trustee shall be able to rely conclusively without further investigation, to the effect that all of the following conditions have been met or will be satisfied on or prior to the Business Day immediately following the Escrow Longstop Date:

- the Escrowed Property will be applied in substantially the same manner as described in this Offering Memorandum;
- the Combination will be consummated, or has already been consummated, on the terms set forth in the Transaction Agreement (and on substantially the same terms as described in this Offering Memorandum) promptly (and, in any event, no later than within three Business Days) following the Closing Escrow Release, except for any changes, waivers or other modifications that will not, individually or when taken as whole, have a material adverse effect on the Holders of the Senior Secured Notes;
- immediately after the Combination, the Company will own, directly or indirectly, all of the issued and outstanding share capital of the Ardagh Carve-out Business and Exal; and
- as of the delivery date of such Officer’s Certificate, there is no Default or Event of Default with respect to the Issuer under clauses (5) or (9) of the first paragraph under the caption titled “*Events of Default*” below.

The Closing Escrow Release shall occur promptly following receipt of such Officer's Certificate. Upon the Closing Escrow Release, the Escrow Accounts shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Business Day immediately following the Escrow Longstop Date, (b) the Issuer notifies the Trustee and the Escrow Agent that in their reasonable judgment the Combination will not be completed by the Business Day immediately following the Escrow Longstop Date, (c) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Company, (d) the Transaction Agreement terminates at any time prior to the Escrow Longstop Date or (e) a Default or Event of Default arises with respect to the Issuer under clause (5) of the first paragraph under the caption titled "Events of Default" on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem all of the Senior Secured Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Senior Secured Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Written notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, the Paying Agent and the Escrow Agent, and the Escrow Agreement and the Indenture will provide that the Senior Secured Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay, on behalf of the Issuer, to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Senior Secured Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the initial funds deposited in the Escrow Accounts and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Accounts including accrued interest and Additional Amounts (if any) due with respect to the Senior Secured Notes from the Issue Date to the Special Mandatory Redemption Date (such excess, the "Escrow Contribution Amount"), Ardagh Group S.A. and Element Holdings II, L.P. will each be required under the terms of the Transaction Agreement to fund to the Issuer half of the Escrow Contribution Amount.

Receipt by the Trustee from the Company of either an Officer's Certificate for the Escrow Release or a notice of Special Mandatory Redemption shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Senior Secured Notes are listed on the Official List of the Exchange and the rules of the Authority so require, the Issuer will notify the Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Restricted Subsidiaries and Unrestricted Subsidiaries

On the Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries. However, in the circumstances described below under "*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*," the Company will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Optional Redemption

Senior Secured Fixed Rate Notes

Except as set forth below, and except as described under “*Redemption for Taxation Reasons*,” the Senior Secured Fixed Rate Notes are not redeemable at the option of the Issuer.

At any time prior to _____, 2022, the Issuer may redeem the Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes, (in whole or in part, at its option, upon notice as described under “*Selection and Notice*,” at a redemption price equal to 100% of the principal amount of such Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes (as applicable) 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 _____, 2022, the Issuer may, at its option, during each calendar year redeem up to 10% of the original principal amount of the Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes (including the original principal amount of any Additional Senior Secured Notes), upon giving notice as described under “*Selection and Notice*,” at a redemption price equal to 103.000% of the principal amount of the Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar 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 prior to _____, 2022, the Issuer may, at its option, redeem Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes (as applicable), upon notice as described under “*Selection and Notice*,” with the Net Cash Proceeds received by the Issuer from any Equity Offering at a redemption price equal to (i) _____ % of the principal amount of the Senior Secured Euro Fixed Rate Notes or (ii) _____ % of the principal amount of the Senior Secured Dollar Notes so redeemed (as applicable), 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 Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Rate Notes (including any Additional Senior Secured Fixed Rate Notes), as applicable; *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 Senior Secured Euro Fixed Rate Notes or Senior Secured Dollar Notes (including Additional Senior Secured Fixed Rate Notes), as applicable, issued under the Indenture remains outstanding immediately thereafter.

At any time and from time to time on or after _____, 2022, the Issuer may redeem the Senior Secured Euro Fixed Rate Notes and/or the Senior Secured Dollar Notes, in whole or in part, upon notice as described under “*Selection and Notice*,” at a redemption price equal to the percentage of principal amount of the Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes so redeemed (as applicable) set forth below plus accrued and unpaid interest, if any, on the Senior Secured Euro Fixed Rate Notes and/or Senior Secured Dollar Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on _____, of the year indicated below:

| Year | Senior Secured Euro Fixed Rate Notes | Senior Secured Dollar Notes |
|----------------------------|---|-----------------------------------|
| 2022 | % | % |
| 2023 | % | % |
| 2024, and thereafter | 100.000% | 100.000% |

Senior Secured Euro Floating Rate Notes

Except as set forth below, and except as described under “*Redemption for Taxation Reasons*,” the Senior Secured Euro Floating Rate Notes are not redeemable at the option of the Issuer.

At any time prior to _____, 2020 the Issuer may redeem the Senior Secured Euro Floating Rate Notes, in whole or in part, at its option, upon notice as described under “*Selection and Notice*,” at a redemption price equal to 100% of the principal amount of such Senior Secured Euro Floating Rate 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 on or after _____, 2020 the Issuer may redeem the Senior Secured Euro Floating Rate Notes, in whole or in part, upon notice as described under “*Selection and Notice*,” at a redemption price equal to the percentage of principal amount of the Senior Secured Euro Floating Rate Notes so redeemed set forth below plus accrued and unpaid interest, if any, on the Senior Secured Fixed Rate Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on _____, 2020 of the year indicated below:

| <u>Year</u> | <u>Senior Euro Floating Rate Notes</u> |
|----------------------------|--|
| 2020 | % |
| 2021 | % |
| 2022, and thereafter | 100.000% |

Other Redemption Terms

Notwithstanding the foregoing, in connection with any tender offer for the Senior Secured Notes, including a Change of Control Offer (as defined below) or Asset Disposition Offer (as defined below), if Holders of not less than 90% in aggregate principal amount of the applicable outstanding Senior Secured Notes validly tender and do not withdraw such Senior Secured 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 Senior Secured 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 Senior Secured Notes that remain outstanding in whole, but not in part following such purchase at a price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date.

Subject to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, we may repurchase the Senior Secured Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under “*Selection and Notice*” below.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Senior Secured Notes or portions thereof called for redemption on the applicable redemption date.

Mandatory Redemption or Sinking Fund

Other than in the event of a Special Mandatory Redemption, the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Senior Secured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Senior Secured Notes as described under “*Change of Control*” and “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.”

Selection and Notice

If fewer than all of the Senior Secured Notes are to be redeemed at any time, Euroclear and Clearstream (for the Senior Secured Euro Notes) or DTC (in the case of the Senior Secured Dollar Notes) will credit their participants' accounts on a pro rata pass-through distribution of principal basis (with adjustments to prevent fractions), or on such other basis as they deem fair and appropriate (including by pool factor); *provided, however*, that no book-entry interest of less than €100,000 (with respect to the Senior Secured Euro Notes) or \$200,000 (with respect to the Senior Secured Dollar Notes) principal amount may be redeemed in part. If the Senior Secured Notes are not held through Euroclear and Clearstream (for the Senior Secured Euro Notes) or DTC (in the case of the Senior Secured Dollar Notes), or Euroclear and Clearstream (for the Senior Secured Euro Notes) or DTC (in the case of the Senior Secured Dollar Notes) prescribe no method of selection the Senior Secured Notes will be selected, on a *pro rata* basis, subject to adjustments so that no Senior Secured Note in an unauthorized denomination remains outstanding after such redemption; *provided, however*, that no Note of €100,000 (with respect to the Senior Secured Euro Notes) or \$200,000 (with respect to the Senior Secured Dollar Notes) in aggregate principal amount or less shall be redeemed in part and only Senior Secured Notes in integral multiples of €1,000 (with respect to the Senior Secured Euro Notes) or \$1,000 (with respect to the Senior Secured Dollar Notes) shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

Notices of redemption will be delivered electronically or mailed by first-class mail at least 10 days but not more than 60 days before the redemption date to each Holder of Senior Secured 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, Clearstream and/or DTC, 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 Senior Secured Notes or a satisfaction and discharge of the Indenture.

Notice of any redemption of the Senior Secured Notes may, at the Issuer's discretion, be given prior to the completion of a transaction (including, but not limited to, an Equity Offering, an Incurrence of Indebtedness, a Change of Control or other transaction) and any redemption 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 of redemption 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 (but not more than 60 days after the date the notice of redemption was sent) 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 Senior Secured Notes are listed on the Official List of the Exchange and if and to the extent the rules of the Authority so require, the Issuer will notify the Authority of any such notice to the Holders of the Senior Secured Notes and, in connection with any redemption, the Issuer will notify the Authority of any change in the principal amount of Senior Secured Notes outstanding.

If any Definitive Registered Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that Definitive Registered Senior Secured Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Definitive Registered Senior Secured Note will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Senior Secured Note. In the case of a global Senior Secured Note, an appropriate notation will be made on such Senior Secured 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), Senior Secured 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 Senior Secured Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Senior Secured Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, as defined below under "*Withholding Taxes*," if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation which is announced and becomes effective after the Issue Date (or, where such Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction at a later date, after such later date); or
- (2) any change in, or amendment to, the official application, administration or written interpretation of such laws, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) which is announced and becomes effective after the Issue Date (or, where such Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction at a later date, after such later date) (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 Senior Secured Notes would be, required to pay Additional Amounts with respect to the Senior Secured Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obliged to make at least one payment on the Senior Secured 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 (a) earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of Senior Secured 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 liability or 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 Senior Secured Notes or with respect to any Senior Secured 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 Senior Secured Note or Senior Secured 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 organized, resident, or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a “*Relevant Taxing Jurisdiction*”),

will at any time be required by law to be made from any payments made by or on behalf of the Payor with respect to any Senior Secured Note or any Senior Secured Notes Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the “*Additional Amounts*”) as may be necessary in order that the net amounts received by each Holder in respect of such payments, after such withholding or deduction (including any such withholding or deduction in respect of 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 Senior Secured Note or Senior Secured Notes Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt, ownership, holding or disposition of such Senior Secured Note or the receipt of any payment or the exercise or enforcement of rights under such Senior Secured Note, the Indenture or a Senior Secured Notes Guarantee);
- (2) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Senior Secured 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 all or part of such Tax, but, in each case, only to the extent the Holder or beneficial owner is legally eligible to do so;
- (3) any Taxes, to the extent such Taxes are imposed as a result of the presentation of the Senior Secured Note for payment (where Senior Secured Notes are in the form of Definitive Registered Senior Secured 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 Senior Secured Note been presented on the last day of such 30-day period);

- (4) any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Senior Secured Notes or with respect to any Senior Secured Notes Guarantee;
- (5) any estate, inheritance, gift, sales, transfer, personal property or similar Tax;
- (6) any Taxes imposed, deducted or withheld pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), as of the Issue Date (and any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations promulgated thereunder, or other official administrative interpretations thereof and any agreements entered into pursuant to current section 1471(b) of the Code, as of the Issue Date (and any amended or successor version described above), and including (for the avoidance of doubt) any intergovernmental agreement (and any law, regulation or practice implementing any such intergovernmental agreement) in respect of the foregoing; or
- (7) any combination of the items (1) through (6) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any Person other than the beneficial owner of the Senior Secured 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 Senior Secured Notes directly.

In addition, 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, penalties or other similar liabilities with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest, penalties or similar liabilities with respect thereto) that arise in a Relevant Taxing Jurisdiction from (i) the execution, issuance, delivery or registration of the Senior Secured Notes, any Senior Secured Notes Guarantee, the Indenture, or any other document or instrument in relation thereto, or (ii) the receipt of any payments under or with respect to, or enforcement of, the Senior Secured Notes or any Senior Secured Notes Guarantee (limited, solely in the case of any such taxes attributable to the receipt of payments, to any such taxes that are not excluded under clauses (1) through (3), (5), or (6) above).

The Payor, if it is the applicable withholding agent, will (i) make any required withholding or deduction, (ii) remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law, and (iii) upon written request, 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 Senior Secured Note or any Senior Secured 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 to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer’s Certificate 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 Senior Secured Notes or this “*Description of the Senior Secured 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 Senior Secured Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Senior Secured Notes or any Senior Secured 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 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 organized, resident, or doing business for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Senior Secured Notes (or any Senior Secured Notes Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

The Indenture will provide that if a Change of Control occurs, unless (i) a third party makes a change of control offer as described herein or (ii) the Issuer has previously or substantially concurrently therewith delivered a redemption notice with respect to all the outstanding Senior Secured Notes as described under “*Optional Redemption*,” the Issuer will make an offer to purchase all of the Senior Secured Notes (equal to €100,000 (with respect to the Senior Secured Euro Notes) or \$200,000 (with respect to the Senior Secured Dollar Notes) in principal amount or in integral multiples of €1,000 (with respect to the Senior Secured Euro Notes) or \$1,000 (with respect to the Senior Secured Dollar Notes) in excess thereof; *provided* that Senior Secured Notes of €100,000 (with respect to the Senior Secured Euro Notes) or \$200,000 (with respect to the Senior Secured Dollar Notes) or less in principal amount may only be redeemed in whole and not in part) pursuant to the offer described below (the “*Change of Control Offer*”) at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of repurchase. Within 60 days following any Change of Control, the Issuer will deliver or cause to be delivered a notice of such Change of Control Offer electronically in accordance with the applicable procedures of Euroclear and Clearstream or by first-class mail, with a copy to the Trustee, to each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream, describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Senior Secured Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice, except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below.

To the extent that the provisions of any securities laws, rules or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Indenture by virtue thereof. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchases or redeems the Senior Secured Notes in the event of a takeover, recapitalization or similar transaction.

The occurrence of events which would constitute a Change of Control may constitute a default under the ABL Facility that permits the ABL Facility lenders to accelerate the maturity of borrowings thereunder. Future Indebtedness of the Issuer or the Restricted Subsidiaries may contain prohibitions on certain events which 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 Senior Secured Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer.

The Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by their then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control purchase feature of the Senior Secured Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers of the Senior Secured Notes and us.

Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenants described under "*Certain Covenants—Limitation on Indebtedness*" and "*Certain Covenants—Limitation on Liens*." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Senior Secured Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption of all outstanding Senior Secured Notes has been given pursuant to the Indenture as described under "*Optional Redemption*," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control.

The definition of "*Change of Control*" includes a disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to certain Persons. 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 Company 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 may require the Company to make an offer to repurchase the Senior Secured Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior Secured 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 Senior Secured Notes then outstanding.

If and for so long as the Senior Secured Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, the Issuer will notify the Exchange of any Change of Control Offer.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture. For the avoidance of doubt, the consummation of the Transactions shall not be prohibited by the covenants below.

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day that:

- (a) the Senior Secured 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 Company and the Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the “*Suspended Covenants*”):

- “—*Limitation on Indebtedness*”;
- “—*Limitation on Restricted Payments*”;
- “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*”;
- “—*Limitation on Affiliate Transactions*”;
- “—*Limitation on Sales of Assets and Subsidiary Stock*”;
- “—*Additional Guarantees*”;
- the provisions of clause (3) of the first paragraph of “*Merger and Consolidation*”.

If at any time the Senior Secured 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 will 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 Senior Secured Notes subsequently attain Investment Grade Status (in which event the Suspended Covenants shall no longer be in effect for such time that the Senior Secured 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 Senior Secured Notes Documents with respect to the Suspended Covenants based on, and none of the Company or any of the 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 (other than any Indebtedness Incurred under the ABL Facility) will be deemed to have been outstanding on the Issue Date so that it is classified as permitted under clause (4)(a) 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 (11) 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 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 Company and the 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 Senior Secured Notes Guarantees shall be released. All such further obligation to grant Senior Secured Notes Guarantees shall be reinstated upon the Reversion Date.

There can be no assurance that the Senior Secured Notes will ever achieve or maintain Investment Grade Status.

The Trustee shall have no duty to monitor the ratings of the Senior Secured Notes, shall not be deemed to have any knowledge of the ratings of the Senior Secured Notes and shall have no duty to notify Holders of the Senior Secured 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 applicable covenants to be effective.

Limitation on Indebtedness

The Company will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue Disqualified Stock and will not permit any of the Restricted Subsidiaries to issue Preferred Stock; *provided, however*, (i) that the Company and any of the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) and the Company may issue Disqualified Stock and any of the Restricted Subsidiaries may issue Preferred Stock, if on the date of such determination and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries is at least 2.00 to 1.00; and (ii) the amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to clause (i) above shall not cause the Non Guarantor Debt Cap to be exceeded.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, “*Permitted Debt*”):

- (1) the Incurrence by the Company or any of the Restricted Subsidiaries of Indebtedness under any Credit Facility (and the issuance and creation of letters of credit, guarantees and bankers’ acceptances thereunder) in an aggregate principal amount at any time outstanding not to exceed the sum of:
 - (a) the aggregate of the greater of (x) \$330.0 million and (y) the Borrowing Base; *plus*
 - (b) the maximum amount of Senior Secured Indebtedness such that after giving *pro forma* effect to such Incurrence the Consolidated Senior Secured Net Leverage Ratio of the Company and the Restricted Subsidiaries do not exceed 4.80 to 1.00 (with any Indebtedness Incurred

under clause (a) above on the date of determination of the Consolidated Senior Secured Net Leverage Ratio not being included in the calculation of Consolidated Senior Secured Net Leverage Ratio under this subclause (b) on such date of determination but not, for the avoidance of doubt, excluded from any such calculation made on any such subsequent date); plus

- (c) the maximum amount of Indebtedness that is not Senior Secured Indebtedness such that, on the date of determination, after giving *pro forma* effect to such Incurrence, the Consolidated Total Net Leverage Ratio of the Company and the Restricted Subsidiaries does not exceed 5.90 to 1.00 (with any Indebtedness Incurred under clause (a) above on the date of determination of the Consolidated Total Net Leverage Ratio not being included in the calculation of Consolidated Total Net Leverage Ratio under this clause (c) on such date of determination but not, for the avoidance of doubt, excluded from any such calculation made on any such subsequent date),

provided that (i) any Indebtedness Incurred pursuant to this clause (1) may be refinanced at any time if such refinancing does not exceed the greater of (I) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to this clause (1) on the date of determination for such refinancing and (II) the aggregate principal amount of the Indebtedness being refinanced at such time (together with an amount necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred in connection with such refinancing) and (ii) the amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to clauses (1)(b) and (1)(c) shall not cause the Non Guarantor Debt Cap to be exceeded;

- (2) Guarantees by the Company or any Restricted Subsidiary of Indebtedness or other obligations of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness or other obligations is not prohibited by the terms of the Indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary;
- (4) Indebtedness represented by (a) Indebtedness, and any Guarantees thereof, in each case of the Company the Ardagh Carve-out Business and Exal, outstanding on the Completion Date (or Incurred under a facility committed and as in effect as of the Completion Date), after giving *pro forma* effect to the Transactions and the application of the proceeds therefrom (as described under “*Use of Proceeds*” in this Offering Memorandum), (b)(i) the Senior Secured Notes (other than any Additional Senior Secured Notes), including any Senior Secured Notes Guarantee, (ii) the Senior Notes (other than any Additional Senior Notes as defined under “*Description of the Senior Notes*”), including any Senior Notes Guarantees and (iii) any loans pursuant to which proceeds of any Indebtedness of a Parent Entity that are lent to the Company, to the extent that such Indebtedness is Guaranteed by the Company or any Restricted Subsidiary or is otherwise considered Indebtedness of the Company or any Restricted Subsidiary, and such Guarantees or the Incurrence of such Indebtedness, as the case may be, as are not prohibited by the Indenture, (c) Refinancing Indebtedness (including with respect to the Senior Secured Notes and any Guarantee thereof) Incurred in respect of any Indebtedness described in this clause (4) and clause (5)(b) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) other Indebtedness Incurred to finance Management Advances;
- (5) Indebtedness (x) of the Company or any Restricted Subsidiary Incurred or issued to finance an acquisition (including an acquisition of any assets) or other transaction or (y) of Persons that are, or secured by any assets that are, acquired by the Company or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Company or a Restricted Subsidiary in

accordance with the terms of the Indenture; *provided* that (A) Indebtedness Incurred pursuant to this clause (5) is in an aggregate amount not to exceed (a) the greater of (i) \$50.0 million and (ii) 10.0% of LTM EBITDA at the time of Incurrence, *plus* (b) unlimited additional Indebtedness to the extent that after giving effect to such acquisition, transaction, merger, amalgamation or consolidation and without giving effect to any Indebtedness Incurred or issued pursuant to subclause (5)(A)(a) above on the date of determination, either: (i) the Company would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant and, if such Indebtedness is Senior Secured Indebtedness, the Company would be permitted to Incur at least \$1.00 of additional Senior Secured Indebtedness pursuant to clause (1)(b) of the second paragraph of this covenant, or (ii) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower and, if such Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio of the Company and the Restricted Subsidiaries would not be higher, in each case, than it was immediately prior to such acquisition, merger, amalgamation or consolidation and (B) the amount of Indebtedness Incurred pursuant to subclause (x) of this clause (5) shall not cause the Non Guarantor Debt Cap to be exceeded;

- (6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes as determined in good faith by the Company);
- (7) Indebtedness (a) represented by Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets (*provided* that, in each case, the Indebtedness exists on the date of such purchase, lease, rental, construction, design, installation or improvement or is created within 180 days thereafter), 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)(a) and then outstanding, does not exceed the greater of (i) \$190.0 million and (ii) 40.0% of LTM EBITDA at the time of Incurrence, and any Refinancing Indebtedness in respect thereof or (b) arising out of Sale and Leaseback Transactions;
- (8) Indebtedness in respect of (a) workers' compensation claims, old-age-part-time arrangements, self-insurance obligations, unemployment insurance (including premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other employee benefits, customer guarantees performance, indemnity, surety, judgment, appeal, advance payment (including progress premiums), customs, value added or similar tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice; (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice; *provided* that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice and manufacturer, vendor financing, customer and supply arrangements in the ordinary course of business or consistent with past practice; (d) letters of credit, bankers' acceptances, warehouse receipts, guarantees or other similar instruments or obligations issued or relating to liabilities or

obligations Incurred in the ordinary course of business or consistent with past practice; (e) the financing of insurance premiums, take-or-pay obligations contained in supply arrangements, any customary treasury, depository, 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 the ordinary course of business or consistent with past practice; (f) Indebtedness representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Entity, the Company or any of its Subsidiaries in the ordinary course of business or consistent with past practice or (ii) deferred compensation or other similar arrangements in connection with any Investment or acquisition permitted hereby; and (g) Settlement Indebtedness;

- (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 Company and the 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 Company and the Restricted Subsidiaries in connection with such disposition;
- (10) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (10) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock or otherwise contributed to the equity (in each case, other than through the issuance of Disqualified Stock, Designated Preferred Stock, or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date, and any Refinancing Indebtedness in respect thereof; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Company and the Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause to the extent such Net Cash Proceeds or cash have been applied to make Restricted Payments;
- (11) Indebtedness of Restricted Subsidiaries that are not Guarantors and Guarantees by the Company or any Restricted Subsidiary of Indebtedness of joint ventures, in each case, which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this paragraph (11) and then outstanding, will not exceed the greater of (a) \$95.0 million and (b) 20.0% of LTM EBITDA at any time outstanding, and any Refinancing Indebtedness in respect thereof;
- (12) Indebtedness consisting of promissory notes issued by the Company or any of the Restricted Subsidiaries to any future, present or former employee, director, contractor or consultant of the Company, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, director, contractor or consultant), to finance the purchase or redemption of Capital Stock of the Company or any Parent Entity that is permitted by the covenant described below under “—*Limitation on Restricted Payments*”;

- (13) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed the greater of (a) \$190.0 million and (b) 40.0% of LTM EBITDA; *provided* that the amount of Indebtedness Incurred pursuant to this clause (13) shall not cause the Non Guarantor Debt Cap to be exceeded;
- (14) Indebtedness Incurred pursuant to factoring financings, securitizations, receivables financings or similar arrangements, in each case, that are either: (a) not recourse to the Company and the Restricted Subsidiaries other than a Securitization Subsidiary (except to the extent customary in the good faith determination of the Company for such type of arrangement and except for Standard Securitization Undertakings); or (b) not in excess of the greater of (x) \$95.0 million and (y) 20.0% of LTM EBITDA at any time outstanding;
- (15) any obligation, or guaranty of any obligation, of the Company or any Restricted Subsidiary to reimburse or indemnify a Person extending credit to customers of the Company or a Restricted Subsidiary Incurred in the ordinary course of business or consistent with past practice for all or any portion of the amounts payable by such customers to the Person extending such credit;
- (16) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; *provided* that the terms of such Indebtedness are consistent with those entered into with respect to similar Indebtedness prior to the Issue Date, including that (a) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (b) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;
- (17) Indebtedness of the Company or any of the Restricted Subsidiaries arising pursuant to any Permitted Tax Restructuring; and
- (18) 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 (18) and then outstanding, will not exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA;

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) subject to clause (3) below, in the event that all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include, in any manner that complies with this covenant, the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in the first paragraph above or one of the clauses of the second paragraph of this covenant, and Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
- (2) with respect to clauses (5)(a), (7), (11), (13) or (18) of the second paragraph of this covenant, if at any time that the Company would be entitled to have Incurred any then outstanding item of Indebtedness pursuant to the first paragraph of this covenant or pursuant to clause (1)(b) or clause (1)(c) of the second paragraph of this covenant, such item of Indebtedness shall (unless otherwise elected by the Company) be automatically reclassified into an item of Indebtedness

Incurred pursuant to the first paragraph of this covenant or pursuant to clause (1)(b) or clause (1)(c) of the second paragraph of this covenant, as applicable;

- (3) all Indebtedness under the ABL Facility Incurred as of the Completion Date shall be deemed to have been Incurred pursuant to clause (1)(a) of the second paragraph of this covenant, and the Company shall not be permitted to reclassify all or any portion of such Indebtedness;
- (4) for purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to “cash sweep” or “clean down” provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid periodically shall only be deemed for the purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent re-borrowing thereof;
- (5) in the case of any Refinancing Indebtedness, when measuring the outstanding amount of such Indebtedness, such amount shall not include any amounts necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (6) 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;
- (7) 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;
- (8) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (9) in the event that the Company or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (29) of the definition of “*Permitted Liens*,” the Incurrence or issuance thereof for all purposes under the Indenture, including for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or usage of clauses (1) through (18) of the preceding paragraph (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (a) be determined (i) on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof (or, at the option of the Company, a portion thereof) has been borrowed as of such date) or other Indebtedness, Disqualified Stock or Preferred Stock (in each case, pursuant to any letter, agreement or instrument, which may be conditional, including as to documentation) and/or (ii) on the date on which such facility or commitments become available, and, if such Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or

other provision of the Indenture at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "*Reserved Indebtedness Amount*" as of such date for purposes of the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, and, to the extent of the usage of clauses (1) through (18) of the preceding paragraph (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in each case, the Company may revoke such determination at any time and from time to time;

- (10) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of LTM EBITDA at the time of Incurrence, if such refinancing would cause the percentage of LTM EBITDA restriction to be exceeded if calculated based on the percentage of LTM EBITDA on the date of such refinancing, such percentage of LTM EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing; and
- (11) 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 and/or capitalization 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*"; *provided* that the amount of any Refinancing Indebtedness in respect of any outstanding Indebtedness may (in the Company's sole discretion) be increased by the amount of all such accrued and/or capitalized interest, accreted value, original issue discount and/or additional Indebtedness in respect of such Indebtedness and such increased amount will not be deemed to be Indebtedness for the purpose of calculating any basket, permission or threshold under which such Refinancing Indebtedness is permitted to be Incurred.

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 Company shall be in default of this covenant).

For purposes of determining compliance with any U.S. Dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. Dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was first committed or first Incurred (whichever yields the lower U.S. Dollar equivalent); *provided* that for the purpose of the Incurrence of any other Indebtedness, the Company may elect to account for any such Indebtedness denominated in a foreign currency at the relevant currency exchange rate in effect on the determination date for the Incurrence of such other Indebtedness; *provided, further*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any such payment in connection with any merger or consolidation involving the Company or any of the Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding;
 - (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of the Company or any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis); and
 - (c) dividends or distributions payable to any Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity which is Guaranteed by the Company or any Restricted Subsidiary or is otherwise considered Indebtedness of the Company or any Restricted Subsidiary (*provided* that (x) any net proceeds from such Indebtedness are contributed to the equity of the Company or any Restricted Subsidiary in any form or otherwise received by the Company or any Restricted Subsidiary; (y) any net proceeds described in subclause (x) above shall be excluded for purposes of increasing the amount available for distribution pursuant to clause (c) of this paragraph, shall not be Excluded Contributions and shall not be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"; and (z) in the case that any net proceeds described in subclause (x) above are contributed to or received by the Company or the Restricted Subsidiaries in the form of Indebtedness, there shall be no double-counting of interest paid on such Indebtedness and any dividends or distributions payable to the relevant Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity);
- (2) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Company or any Parent Entity held by Persons other than the Company or a Restricted Subsidiary;
- (3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*";

- (4) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

- (5) make any Restricted Investment,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a “*Restricted Payment*”), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would immediately thereafter result therefrom);
- (b) the Company is not able to Incur an additional \$1.00 of Indebtedness pursuant to the first paragraph under the “—*Limitation on Indebtedness*” covenant immediately after giving effect, on a *pro forma* basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments (as defined below) made pursuant to clauses (1), (10), (17)(ii) and 17(iii) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph) would 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 in which the Completion Date occurs, 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 Company are available (if positive); *plus*
 - (ii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Company from the issue or sale of its Subordinated Shareholder Funding or Capital Stock or as the result of a merger or consolidation with another Person subsequent to the Completion Date or otherwise contributed to the equity (in each case other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company subsequent to the Completion Date (other than (u) any amounts used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”, (v) Subordinated Shareholder Funding or Capital Stock sold to a Subsidiary of the Company, (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 Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary, (x) cash or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph and (y) Excluded Contributions); *plus*
 - (iii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than (y) Subordinated Shareholder Funding or (z) Capital Stock sold to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Completion Date of any Indebtedness, Disqualified Stock or Designated Preferred Stock that has been converted

into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preferred Stock) plus, without duplication, the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange; *plus*

- (iv) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Company, of marketable securities or other property received by the Company or any Restricted Subsidiary by means of: (i) the sale or other disposition (other than to the Company or a Restricted Subsidiary) of Restricted Investments made by the Company or the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Company or the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Company or the Restricted Subsidiaries, in each case after the Completion Date; or (ii) the sale (other than to the Company or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from a Person that is not a Restricted Subsidiary after the Completion Date (in each case, other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of “*Permitted Investment*” or clause (17) of the next succeeding paragraph, as the case may be); *plus*
- (v) in the case of the re-designation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Company or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Company or a Restricted Subsidiary after the Completion Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith by the Company at the time of the re-designation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation or consolidation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged, amalgamated or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of “*Permitted Investment*” or clause (17) of the next succeeding paragraph, as the case may be.

The first paragraph of this covenant will not prohibit any of the following (collectively, “*Permitted Payments*”):

- (1) the payment of any dividend or distribution within 180 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture, or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;
- (2) (a) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock (“*Treasury Capital Stock*”) or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Subordinated Shareholder Funding or Capital Stock of the Company (other than Disqualified Stock or Designated Preferred Stock) (“*Refunding Capital Stock*”) or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, or through an

Excluded Contribution) of the Company; *provided* that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Subordinated Shareholder Funding or Capital Stock or such contribution will be excluded from clause (c) of the preceding paragraph and shall not be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”, and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of a Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (5) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness (other than Subordinated Shareholder Funding) or Disqualified Stock or Preferred Stock of a Restricted Subsidiary:
 - (a) from Net Available Cash to the extent permitted under “—*Limitation on Sales of Assets and Subsidiary Stock*” below, but only if (and to the extent required) the Company shall have first complied with the terms described under “—*Limitation on Sales of Assets and Subsidiary Stock*” and purchased all Senior Secured Notes tendered pursuant to any offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock;
 - (b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of (i) a Change of Control (or other similar event described therein as a “change of control”) or (ii) an Asset Disposition (or other similar event described therein as an “asset disposition” or “asset sale”), but only if (and to the extent required) the Company shall have first complied with the terms described under “*Change of Control*” or “—*Limitation on Sales of Assets and Subsidiary Stock*,” as applicable, and purchased all Senior Secured Notes tendered pursuant to the offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock; or
 - (c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition);

- (6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (including any options, warrants or other rights in respect thereof) (other than Disqualified Stock) of the Company or any Parent Entity held by any future, present or former employee, director or consultant of the Company, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, trusts or heirs of such employee, director, contractor or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director, contractor or consultant's employment or directorship; *provided, however*, that the aggregate Restricted Payments made under this clause (6) do not exceed (x) the greater of (i) \$35.0 million and (ii) 7.5% of LTM EBITDA in any fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year) or (y) subsequent to the consummation of an underwritten public Equity Offering of common stock of the Company or any Parent Entity, the greater of (i) \$70.0 million and (ii) 15.0% of LTM EBITDA in any fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year); *provided further* that such amount in any fiscal year may be increased by an amount not to exceed:
- (a) the cash proceeds from the issuance or sale of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock, or Excluded Contributions) of the Company and, to the extent contributed to the capital of the Company (other than through the issuance of Disqualified Stock or Designated Preferred Stock, or an Excluded Contribution), Subordinated Shareholder Funding or Capital Stock of any Parent Entity, in each case to members of management, directors or consultants of the Company, any of its Subsidiaries or any Parent Entity that occurred after the Completion Date, to the extent the cash proceeds from the sale of such Capital Stock or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (c) of the preceding paragraph or used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”; *plus*
 - (b) the cash proceeds of key man life insurance policies received by the Company and the Restricted Subsidiaries after the Completion Date,
- provided, further*, that cancellation of Indebtedness owing to the Company or any Restricted Subsidiary from any future, present or former members of management, directors, employees, contractors or consultants of the Company or Restricted Subsidiaries or any Parent Entity in connection with a repurchase of Capital Stock of the Company or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;
- (7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above;
- (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof or withholding or similar taxes in respect thereof and payments in respect of withholding or similar taxes payable upon exercise or vesting thereof;

- (9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):
- (a) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes; and
 - (b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (11), (12), (13) and (17)(a) (but only in respect of the parenthetical thereto) of the second paragraph under “—*Limitation on Affiliate Transactions*,” *provided* that any such dividends, loans, advances or distributions to make payments in respect of annual management fees specified in paragraph (11)(a) of the second paragraph under “—*Limitation on Affiliate Transactions*” below and made pursuant to this clause (9)(b) shall not exceed an aggregate amount equal to the greater of (x) \$15.0 million and (y) 2.50% of LTM EBITDA per fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year) and shall not be made as long as any Default has occurred and is continuing unless it is funded with the proceeds of an Equity Contribution;
- (10) so long as no Default has occurred and is continuing the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Capital Stock, common stock or common equity interests of the Company, any Parent Entity or any IPO Entity following a Public Offering of such Capital Stock, common stock or common equity interests; *provided* that the aggregate amount of all such dividends or distributions shall not exceed in any fiscal year the greater of: (a) 6.0% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by the Company or contributed to the capital of the Company by any Parent Entity in any form other than Indebtedness or Excluded Contributions to the extent that any of the proceeds used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”; and (b) following an Initial Public Offering, an amount equal to (i) where, after giving *pro forma* effect to such dividends, distributions, cash payments, loans or expense reimbursements, the Consolidated Total Net Leverage Ratio shall be equal to or less than 5.40 to 1.00, the greater of (x) 7.0% of the Market Capitalization and (y) 7.0% of the IPO Market Capitalization; and (ii) where, after giving *pro forma* effect to such dividends, distributions, cash payments, loans or expense reimbursements, the Consolidated Total Net Leverage Ratio shall be greater than 5.40 to 1.00, but equal to or less than 5.65 to 1.00, the greater of (x) 5.0% of the Market Capitalization and (y) 5.0% of the IPO Market Capitalization;
- (11) payments by the Company, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Company or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Company);
- (12) Restricted Payments in an amount not to exceed the amount of Excluded Contributions;
- (13) the declaration and payment of dividends (i) on Designated Preferred Stock of the Company issued after the Completion Date; (ii) to a Parent Entity in an amount sufficient to allow the Parent Entity to pay dividends to holders of its Designated Preferred Stock issued after the Completion Date; and (iii) on Refunding Capital Stock that is Preferred Stock; *provided, however*, that, in the case of clauses (i) and (ii) of this clause (13), the amount of all dividends declared or paid to a Person pursuant to such clauses shall not exceed the cash proceeds received by the Company or the aggregate amount contributed as Subordinated Shareholder Funding or in cash

to the equity of the Company (other than through the issuance of Disqualified Stock, or an Excluded Contribution or to the extent that any of the proceeds are used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”), from the issuance or sale of such Designated Preferred Stock; *provided further*, in the case of clauses (i), (ii) and (iii) of this clause (13), that for the Relevant Testing Period immediately preceding the date of issuance of such Designated Preferred Stock or declaration of such dividends on such Refunding Capital Stock, after giving effect to such payment on a *pro forma* basis the Company would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the test set forth in the first paragraph of the covenant described under “—*Limitation on Indebtedness*”;

- (14) distributions, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock, of equity interests in, or Indebtedness owed to the Company or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents) or proceeds thereof;
- (15) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;
- (16) any Restricted Payment made in connection with the Transactions (including, for the avoidance of doubt, any interest and principal on any Indebtedness Incurred in connection with the Transactions and any payments contemplated by the Transaction Agreement), and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto or used to fund amounts owed to Affiliates in connection with the Transactions (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);
- (17) so long as no Default has occurred and is continuing (i) any Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed (x) at any time prior to the Consolidated Total Net Leverage Ratio first being equal or less than 5.40 to 1.00, the greater of (a) \$70.0 million and (b) 15.0% of LTM EBITDA or (y) at any time from and after the Consolidated Total Net Leverage Ratio first being equal to or less than 5.40 to 1.00, the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA or (ii) any Restricted Payments described in clause (3) of the first paragraph of this “*Limitation on Restricted Payments*” covenant so long as, immediately after giving *pro forma* effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Net Leverage Ratio shall be no greater than 5.15 to 1.00; or (iii) any Restricted Payments, so long as, immediately after giving *pro forma* effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Net Leverage Ratio shall be no greater than 4.90 to 1.00;
- (18) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;
- (19) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and the Restricted Subsidiaries, taken as a whole, that complies with the covenants described under “*Merger and Consolidation*”;

- (20) Restricted Payments to a Parent Entity to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Company; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (b) such Parent Entity shall, promptly following the closing thereof, cause (i) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of the Restricted Subsidiaries or (ii) the merger or amalgamation of the Person formed or acquired into the Company or one of the Restricted Subsidiaries (to the extent not prohibited by the covenant described under “*Merger and Consolidation*”) to consummate such Investment, (c) such Parent Entity and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (d) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (c) of the preceding paragraph, clauses (2) or (6) above or be deemed to be an Excluded Contribution or be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “*—Limitation on Indebtedness*”; and (e) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (12) hereof) or pursuant to the definition of “*Permitted Investment*” (other than pursuant to clause (12) thereof);
- (21) any Restricted Payment made with Net Available Cash from any Asset Disposition and permitted pursuant to clause (3) of the first paragraph under “*—Limitation on Sales of Assets and Subsidiary Stock*”; and
- (22) Permitted Tax Distributions.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (22) above, and/or is permitted pursuant to the first paragraph of this covenant and/or constitutes a Permitted Investment, the Company 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 a Permitted Investment.

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 Company 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 Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “*Initial Lien*”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Senior Secured Notes, the Senior Secured Notes Guarantees 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 Senior Secured Notes, the Senior Secured Notes Guarantees and the Indenture under clause (a)(2) in the preceding paragraph 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 the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and/or under the relevant Security Documents.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “*Increased Amount*” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (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 Company or any Restricted Subsidiary;
- (2) make any loans or advances to the Company or any Restricted Subsidiary; or
- (3) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The first paragraph of this covenant will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the ABL Facility), (b) the Intercreditor Agreement and any Additional Intercreditor Agreement and (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;
- (2) any encumbrance or restriction pursuant to (a) the Indenture, the Senior Secured Notes or the Senior Secured Notes Guarantees or the Security Documents and (b) the Senior Indenture, the Senior Notes or the Senior Notes Guarantees;
- (3) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;
- (4) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary or entered into in contemplation of or in

connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the Successor Company (as defined below), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

- (5) any encumbrance, restriction or condition:
- (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;
 - (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements;
 - (c) contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Company or any of the Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Company or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Company or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary; or
 - (d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (6) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired;
- (7) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of the Company or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (8) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments;
- (9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, licensing requirement or order, or required by any regulatory authority;
- (10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice;
- (11) any encumbrance or restriction pursuant to Hedging Obligations;
- (12) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Company, are necessary or advisable to effect such Securitization Facility or Receivables Facility;
- (13) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and

restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders (taken as a whole) than (i) the encumbrances and restrictions contained in (A) the agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility, together with the security documents associated therewith, and (B) the Intercreditor Agreement, in each case, as in effect on the Completion Date or (ii) as is customary in comparable financings (as determined in good faith by the Company) and where, in the case of this sub-clause (ii), either (x) the Company determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Company's ability to make principal or interest payments on the Senior Secured Notes or (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument, or (b) constituting an Additional Intercreditor Agreement;

- (14) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*”; or
- (15) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) to (14) of this paragraph or this clause (an “*Initial Agreement*”) or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) to (14) of this paragraph or this clause (15); *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 Company).

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of the Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);
- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap or relates to Non-Core Assets), with a purchase price in excess of the greater of (a) \$35.0 million and (b) 7.5% of LTM EBITDA, at least 75% of the consideration from such Asset Disposition (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied:
 - (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of the Company or a Restricted Subsidiary), within 450 days from the later of (1) the date of such Asset Disposition and (2) the receipt of such Net Available Cash, (A) to prepay, repay, purchase or redeem Senior Secured Indebtedness of the Company or a Restricted Subsidiary, including Indebtedness under any

Credit Facility (including the ABL Facility) (or any Refinancing Indebtedness in respect thereof) or (B) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Company 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 Company or any Restricted Subsidiary) *provided, however*, that, in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be reduced (including by a reduction in borrowing base or similar term in conjunction with such Asset Sale or otherwise) in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed; *provided further* that to the extent the Company or any Restricted Subsidiary has elected to prepay, repay or purchase any amount of Senior Secured Indebtedness at a price not less than par and has extended such offer to the Holders on at least a *pro rata* basis, to the extent the creditors in respect of such Senior Secured Indebtedness (including any Holders) elect not to tender their Senior Secured Indebtedness for such prepayment, repayment, purchase or redemption, the Company will be deemed to have applied an amount of Net Available Cash equal to such amount not tendered under this paragraph (a), and such amount shall not increase the amount of Excess Proceeds; or

- (b) to the extent the Company or any Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary equal to the amount of Net Available Cash received by the Company or another Restricted Subsidiary) within 450 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that an amount equal to Net Available Cash will be applied to satisfy such commitment within 180 days of such commitment (an “*Acceptable Commitment*”) and, in the event any *Acceptable Commitment* is later cancelled or terminated for any reason before such amount is applied, then such Net Available Cash shall constitute *Excess Proceeds*,

provided further that, pending the final application of the amount of any such Net Available Cash in accordance with clause (a) or (b) above, the Company and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture.

Notwithstanding the foregoing, to the extent that (x) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Company or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors) or (y) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Company or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as reasonably determined by the Company in its sole discretion, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant.

The amount of any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the first paragraph of this covenant will be deemed to constitute “*Excess Proceeds*” under the Indenture; *provided* that, if at the time of any definitive agreement, put option or similar arrangement in respect of any Asset Disposition or (at the option of the Company) the date on which Net Available Cash from an Asset Disposition is received, the Consolidated Total Net Leverage Ratio of the Company and the Restricted Subsidiaries is no greater than 4.90 to 1.00, 50.0% of

the Net Available Cash from such Asset Disposition shall be deemed not to constitute Excess Proceeds and may be used by the Company or any of its Restricted Subsidiaries for any purpose not prohibited by the Indenture. On the 451st day (or such longer period permitted by clause (3)(b) of the first paragraph of this covenant) after the later of an Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds under the Indenture exceeds the greater of \$120.0 million and 25.0% of LTM EBITDA, the Company will be required to make an offer (“*Asset Disposition Offer*”) within 10 Business Days to all Holders under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to repay, prepay or purchase the maximum aggregate principal amount of Senior Secured Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be repaid, prepaid or purchased out of the Excess Proceeds, at an offer price in respect of the Senior Secured Notes in an amount equal to 100% of the principal amount of the Senior Secured Notes (and, in the case of any Pari Passu Indebtedness, an offer price of no more than 100% of the principal amount of such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest, if any, to, but not including, the date of repayment, prepayment or purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and with respect to the Senior Secured Notes, in minimum denominations of €100,000 (with respect to the Senior Secured Euro Notes) or \$200,000 (with respect to the Senior Secured Dollar Notes) and in integral multiples of €1,000 (with respect to the Senior Secured Euro Notes) or \$1,000 (with respect to the Senior Secured Dollar Notes) in excess thereof. The Company will deliver notice of such Asset Disposition Offer electronically or by first-class mail, with a copy to the Trustee, the Paying Agent and each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of Euroclear and Clearstream or DTC, as applicable, describing the transaction or transactions that constitute the Asset Disposition and offering to repurchase the Senior Secured Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. The Company may satisfy the foregoing obligations with respect to any Net Available Cash from an Asset Disposition by making an Asset Disposition Offer with respect to all Net Available Cash prior to the expiration of the relevant 450 days (or such longer period as provided above) or with respect to any unapplied Excess Proceeds.

To the extent that the aggregate amount of Senior Secured 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 Company and the Restricted Subsidiaries may use any remaining Excess Proceeds for any purpose not prohibited by the Indenture. If the aggregate principal amount of the Senior Secured 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 Company shall allocate the Excess Proceeds among the Senior Secured Notes and Pari Passu Indebtedness to be repaid, prepaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Senior Secured Notes and Pari Passu Indebtedness; *provided* that the Company shall not be required to select and purchase Senior Secured Notes or other Pari Passu Indebtedness in an unauthorized denomination. 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 Senior Secured Notes is denominated in a currency other than U.S. Dollars or Euros, the amount thereof payable in respect of the Senior Secured Notes shall not exceed the net amount of funds in U.S. Dollars or Euros that is actually received by the Company upon converting such portion into U.S. Dollars or Euros.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness or other liabilities, contingent or otherwise, of the Company or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

- (2) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant during the same fiscal year, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

To the extent that the provisions of any securities laws or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws, rules and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

Notwithstanding any other provision in the Indenture to the contrary, the provisions of the Indenture relative to the Company's obligation to make an offer to repurchase the Senior Secured Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in principal amount of the Senior Secured Notes then outstanding.

The agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility may prohibit or limit, and future credit agreements or other agreements to which the Company becomes a party may prohibit or limit, the Company from purchasing any Senior Secured Notes pursuant to this covenant. In the event the Company is prohibited from purchasing the Senior Secured Notes, the Company could seek the consent of its lenders to the purchase of the Senior Secured Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Senior Secured Notes under such instruments.

Limitation on Affiliate Transactions

The Company will not, and will not permit any Restricted Subsidiary to enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate value in excess of the greater of (i) \$50.0 million and (ii) 10.0% of LTM EBITDA unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

- (2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of (a) \$70.0 million and (b) 15.0% of LTM EBITDA, the terms of such Affiliate Transaction have been approved by a majority of the members of the Board of Directors of the Company.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) above if such Affiliate Transaction is approved by a majority of the Disinterested Directors of the Company, if any.

The first paragraph of this covenant will not prohibit:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*,” or any Permitted Investment;
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants’ plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, 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 (a) transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries and (b) merger, amalgamation or consolidation with any Parent Entity, *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Company and such merger, amalgamation or consolidation is otherwise permitted under the Indenture;
- (5) the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, contractors, consultants, distributors or employees of the Company, any Parent Entity or any Restricted Subsidiary (whether directly or indirectly and including through any Controlled Investment Affiliate of such directors, officers, contractors, consultants, distributors or employees);
- (6) the entry into and performance of obligations of the Company or any of the Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders (taken as a whole) in any material respect;
- (7) any transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing or Receivables Facility, any disposition or repurchase of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;
- (8) transactions with customers, clients, joint venture partners, suppliers, 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 Company or the relevant Restricted Subsidiary

in the reasonable determination of the Board of Directors of the Company or the senior management of the Company 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 Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity which would constitute an Affiliate Transaction solely (i) because the Company or a Restricted Subsidiary or any Affiliate of the Company 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 Company or any direct or indirect Parent Entity of the Company (*provided, however*, that such director abstains from voting as a director of the Company or such direct or indirect Parent Entity of the Company, as the case may be, on any matter involving such other Person);
- (10) any (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company 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 Company or any Restricted Subsidiary and (b) 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 of “*Subordinated Shareholder Funding*”;
- (11) (a) any payments by the Company 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 and reasonable expenses and indemnities in connection therewith and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an Initial Public Offering) and (b) any customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which are in the case of each of clauses (a) and (b) approved by a majority of the Board of Directors of the Company in good faith;
- (12) payment to any Permitted Holder of all out of pocket expenses incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;
- (13) (i) the Transactions and the payment of all costs and expenses (including all legal, accounting and other professional fees and expenses) related to the Transactions or any payment as contemplated by the Transaction Agreement; (ii) any transactions or services pursuant to the Mutual Services Agreement and any services or transactions that are similar or incidental to the services or transactions contemplated therein provided on an arm’s length basis; and (iii) any transactions or services pursuant to the IP Cross-License Agreement and any services or transactions that are similar or incidental to the services or transactions contemplated therein provided on an arm’s length basis;
- (14) transactions in which the Company or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;

- (15) the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under the terms of, any equityholders agreement (including the Transaction Agreement, any registration rights agreement or purchase agreements related thereto) to which it is party as of the Issue Date, and any similar agreement that it may enter into thereafter; *provided, however*, that the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Issue Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders (taken as a whole) in any material respect as determined in good faith by the Company;
- (16) any purchases by the Company's Affiliates of Indebtedness or Disqualified Stock of the Company or any of the Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Company's Affiliates; *provided* that such purchases by the Company's Affiliates are on the same terms as such purchases by such Persons who are not the Company's Affiliates;
- (17) any (a) Investments by Affiliates in securities of the Company or any of the Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses Incurred by such Affiliates in connection therewith) so long as the Investment is being offered by the Company or such Restricted Subsidiary generally to other non-affiliated third party investors on the same or more favorable terms; (b) payments to Affiliates in respect of securities of the Company or any of the Restricted Subsidiaries contemplated in the foregoing clause (17)(a) or that were acquired from Persons other than the Company and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities; and (c) payments by any Parent Entity, the Company and/or the Restricted Subsidiaries pursuant to any tax sharing agreements or other equity agreements in respect of Related Taxes among any such Parent Entity, the Company and/or the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Company and its Subsidiaries;
- (18) payments, Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Company and the Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any of its Parent Entities pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Company in good faith;
- (19) employment and severance arrangements between the Company or the 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;
- (20) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Capital Stock in any Restricted Subsidiary permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" or entered into with any Business Successor, in each case, that the Company determines in good faith is either fair to the Company or otherwise on customary terms for such type of arrangements in connection with similar transactions;

- (21) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “—*Designation of Restricted and Unrestricted Subsidiaries*” and pledges of Capital Stock of Unrestricted Subsidiaries;
- (22) any lease entered into between the Company or any Restricted Subsidiary, as lessee, and any Affiliate of the Company that is not a Restricted Subsidiary, as lessor, which is approved by a majority of the members of the Board of Directors of the Company;
- (23) intellectual property licenses in the ordinary course of business or consistent with past practice;
- (24) payments to or from, and transactions with, any joint venture in the ordinary course of business or consistent with past practice (including any cash management activities related thereto);
- (25) the payment of costs and expenses related to registration rights and customary indemnities provided to shareholders under any shareholder agreement; and
- (26) any Permitted Tax Restructuring.

Designation of Restricted and Unrestricted Subsidiaries

The Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary and any Unrestricted Subsidiary to be a Restricted Subsidiary, in each case, 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 Company and the 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 Investment”, as determined by the Company. 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.

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 Company will be in default of such covenant.

If an Unrestricted Subsidiary is designated as a Restricted Subsidiary, that 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 designation 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 Relevant Testing Period; and (2) no Default or Event of Default would be in existence immediately following such designation. Any such designation by the Company or the re-designation of an Unrestricted Subsidiary to a Restricted Subsidiary as contemplated hereby shall be evidenced to the Trustee on the date of such designation or re-designation by filing with the Trustee an Officer’s Certificate certifying that such designation or re-designation complies with the preceding conditions.

Reports

So long as any Senior Secured Notes are outstanding, the Issuer will furnish to the Trustee the following reports following the Issue Date:

- (1) within 150 days after the end of the Company's fiscal year ending December 31, 2019, and within 120 days after the end of each subsequent fiscal year of the Company, beginning with the fiscal year ending December 31, 2019, annual reports (the "*Annual Financial Statements*") containing:
(i) the audited consolidated balance sheet of the Company as at the end of the most recent two fiscal years (to the extent in existence) and audited consolidated income statements and statements of cash flow of the Company 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; (ii) an operating and financial review of the audited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Company; (iii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Combination) 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 or burden, in which case the Company will provide, in the case of a material acquisition, acquired company financials; and (iv) a brief description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material debt instruments; *provided* that the information described in clause (iv) may be provided in the footnotes to the audited financial statements;
- (2) within 60 days (or, in the case of the fiscal quarter ending September 30, 2019, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Company, beginning with the first such fiscal quarter ending September 30, 2019, quarterly year-to-date financial statements (the "*Quarterly Financial Statements*") containing the following information: (i) the Company'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 (other than any comparable period falling prior to the Completion Date or that would require the creation of new consolidated financial statements), together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Combination) 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 or burden, in which case the Company will provide, in the case of a material acquisition, acquired company financials; and (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Company; and
- (3) promptly after the occurrence of a material event that the Company announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Company and the Restricted Subsidiaries, taken as a whole, or a change in a senior executive officer of the Company or a change in auditors of the Company, a report containing a description of such event.

In addition, the Company shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Senior Secured Notes are not freely transferable under the Exchange Act by persons who are not “affiliates” under the Securities Act.

All financial statement information (excluding, for the avoidance of doubt, the calculations made under any incurrence covenant, which shall be prepared in accordance with the terms of the Indenture) shall be prepared in accordance with IFRS as in effect, including, to the extent adopted at such time, the application of IFRS 15 (*Revenue from Contracts with Customers*) and IFRS 16 (*Leases*) and any successor standard thereto (or any equivalent measure under GAAP), 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 Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20.0% of the Company’s LTM EBITDA (calculated (i) in the case of an acquisition, including any *pro forma* adjustments in respect of such acquisition and (ii) in the case of a disposal, excluding any *pro forma* adjustments in respect of such disposal) 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 Company’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 Company, then the Annual Financial Statements and Quarterly Financial Statements 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 Company and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In the event that (i) the Company 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 Company elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Company) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Company will make available to the Trustee such annual reports, information, documents and other reports that the Company 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 Company or any Parent Entity (into which the financial results of the Company are consolidated) or IPO Entity are listed on the Main Market of the London Stock Exchange (or one or more of the equivalent regulated markets of Euronext, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, Euronext Dublin, the Luxembourg Stock Exchange, the Swiss Stock Exchange, the New York Stock Exchange or NASDAQ) (each a “*Regulated Market*”) and the Company or such Parent Entity or IPO Entity is subject to the admission and disclosure standards applicable to Issuer of equity securities admitted to trading on a Regulated Market, for so long as it elects, the Company will make available to the

Trustee such annual reports, information, documents and other reports that the Company or such Parent Entity or such IPO Entity is, or would be, required to file with the applicable Regulated Market pursuant to such admission and disclosure standards. Upon complying with the foregoing requirements, and *provided* that such requirements require the Company or any Parent Entity or IPO Entity to prepare and file annual reports, information, documents and other reports with the applicable Regulated Market, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Company may comply with any requirement to provide reports or financial statements under this covenant by providing any report or financial statements of a direct or indirect Parent Entity (into which the financial results of the Company are consolidated) 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 Company therein were references to such Parent Entity and (b) are accompanied by condensed consolidated financial information together with separate columns for: (i) such Parent Entity; (ii) the Company and the Restricted Subsidiaries on a combined basis; (iii) any other Subsidiaries of any applicable Parent Entity that are not the Company or Subsidiaries of the Company on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts, none of which shall be required to be audited. Upon complying with the foregoing requirement, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs. For the avoidance of doubt, only Indebtedness of the Company and the Restricted Subsidiaries shall be taken into account when making any calculations required under the Indenture.

Notwithstanding the foregoing, (x) the Company may comply with the requirements of clause (2) of the first paragraph of this covenant with respect to periods ending prior to the Completion Date by providing the revenue and EBITDA of each of the Ardagh Carve-out Business and Exal for such period ended together with management's commentary thereon in a level of detail consistent with that provided in "*Summary—Recent Developments and Trading*" in this Offering Memorandum or (y) for purposes of this covenant, the Company shall (i) be permitted to provide unaudited financial information of the Ardagh Carve-out Business and Exal (on a consolidated, standalone, combined, pro forma or other basis) to satisfy any requirement to provide financial information for periods (whether full, partial or comparative periods) commencing prior to, or that include, the Completion Date, *provided* that, for any applicable quarterly period, the Company shall provide quarterly financial statements for Exal to the extent such statements are otherwise prepared and provided to creditors, (ii) be permitted for such periods to provide financial information in the same format as the financial statements of the Ardagh Carve-out Business and Exal, as the case may be and (iii) not be required to provide any footnotes with respect to any such financial information.

Impairment of Security Interest

The Company 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 or the Escrow 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, the Security Agent and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent or the ABL Security Agent, for the benefit of the Trustee, the Security Agent and the Holders and the other beneficiaries described in the Security Documents, the Escrow Charge and the Intercreditor Agreement or any Additional Intercreditor Agreement as the case may be, any interest whatsoever in any of the Collateral or the Escrow Collateral, *except* that (i) the Company and the 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 Company and the 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 Company and the 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 Company delivers to the Trustee, either (1) a solvency opinion, in a form reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Company 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, 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 reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Company, or an applicable Restricted Subsidiary complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to any amendment, extension, renewal, restatement, supplement, release or other modification or replacement requested in accordance with this covenant without the need for instructions from any Holder.

Additional Guarantees

No Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the ABL Facility, any other Credit Facility or any Public Debt (including the Senior Notes), in each case of the Issuer or a Guarantor, unless such Restricted Subsidiary is or becomes a Guarantor on the date on which the Guarantee of such other Indebtedness is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture substantially in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Senior Secured Notes Guarantee, which Senior Secured Notes Guarantee will be senior to or *pari passu* in right of payment with, as applicable, such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided, however*, that such Restricted Subsidiary shall not be obligated to become a Guarantor to the extent and for so long as the Incurrence of such Senior Secured Notes Guarantee is contrary to the Agreed Security Principles or 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 Company, any Senior Secured 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 Senior Secured Notes Guarantees granted pursuant to this provision shall be released as set forth under “Senior Secured Notes Guarantees—*Senior Secured Notes Guarantee Release.*” The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, reasonably requested by, and at the cost of, the Company to effectuate any release of a Senior Secured Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

The validity and enforceability of the Senior Secured Notes Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in “*Risk Factors—Risks Relating to Our Debt, the Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests.*”

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Company, in connection with the Incurrence by the Company or any Restricted Subsidiary 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 Company, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an “*Additional Intercreditor Agreement*”) or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders (taken as a whole)), including substantially the same terms with respect to release of Senior Secured Notes Guarantees and priority and release of the Security Interests; *provided* that (1) such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnities 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 time, the correlative terms of such intercreditor agreements must not conflict.

The Indenture also will provide that, at the direction of the Company and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the 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 Company 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 Senior Secured Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the obligations under the ABL Facility or Senior Secured Notes (including any Additional Senior Secured Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Senior Secured Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof, (8) make any other change to any such agreement that does not adversely affect the Holders (taken as a whole) in any material respect or (9) make all necessary provisions to ensure that the Senior Secured Notes are secured by the relevant Liens over the Collateral. The Company 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 Senior Secured Notes then outstanding, except as otherwise permitted below under “*Amendments and Waivers,*” and the Company 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, indemnities 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 Senior Secured 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 Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement and 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 and 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.

Financial Calculations

In the event that the Company or a Restricted Subsidiary (w) Incurs Indebtedness to finance an acquisition (including an acquisition of assets) or other transaction or (x) assumes Indebtedness of Persons that are, or secured by assets that are, acquired by the Company or any Restricted Subsidiary or merged into, amalgamated or consolidated with, the Company or a Restricted Subsidiary in accordance with the terms of the Indenture or (y) commits to an acquisition or transaction pursuant to which it may Incur Acquired Indebtedness or (z) is subject to a Change of Control, the date of determination of LTM EBITDA, the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, shall, at the option of the Company, be (a) the date that a definitive agreement, put option or similar arrangement for such acquisition, transaction, merger, amalgamation, consolidation or Change of Control is entered into and the LTM EBITDA, Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, shall be calculated giving *pro forma* effect to such acquisition, Change of Control and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) consistent with the definitions of “*LTM EBITDA*”, “*Fixed Charge Coverage Ratio*” and “*pro forma*”, as applicable, and, for the avoidance of doubt, (A) if any such ratios are exceeded as a result of fluctuations in such ratio (including due to fluctuations in the Consolidated EBITDA of the Company or the target company) at or prior to the consummation of the relevant acquisition or Change of Control, such ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether such acquisition and any related transactions are permitted hereunder and (B) such ratios shall not be tested at the time of consummation of such acquisition, transaction, merger, amalgamation or consolidation; *provided* that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, put option or similar arrangement, (i) any such transaction shall be deemed to have occurred on the date the definitive agreement, put option or similar arrangement is entered into and to be outstanding thereafter for purposes of calculating any ratios under the Indenture after the date of such agreement and before the earlier of the date of consummation of such acquisition or the date such agreement is terminated or expires without consummation of such acquisition and (ii) to the extent any covenant baskets were utilized in satisfying any covenants, such baskets shall be deemed utilized until the earlier of the date of consummation of such acquisition or the date such agreement is terminated or expires without consummation of such acquisition, but any calculation of LTM EBITDA or Consolidated EBITDA for purposes of other Incurrences of Indebtedness or Liens or making of Restricted Payments (not related to such acquisition) shall not reflect such acquisition until it has been consummated unless such other Incurrence of Indebtedness or Liens is

conditional or contingent on the occurrence of such acquisition or Change of Control or (b) the date such Indebtedness is borrowed or assumed or such Change of Control occurs;

Merger and Consolidation

The Company will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets, in one transaction or a series of related transactions, to any Person, unless:

- (1) the resulting, surviving or transferee Person (the “*Successor Company*”) will be (x) a Person organized and existing under the laws of England and Wales, Germany, any member state of the European Union or the European Economic Area, or 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 or Australia or Bermuda and (y) the Successor Company (if not the Company) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Company under the Senior Secured Notes and the Indenture and all obligations of the Company 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 applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), no Default has occurred and is continuing;
- (3) immediately after giving effect to such transaction, either (a) the Company or the applicable Successor Company would be able to Incur at least an additional \$1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*” or (b) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction;
- (4) any Guarantor (other than the Company), unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Senior Secured Note Guarantee will apply to such Person’s obligations under the Indenture and the Senior Secured Notes;
- (5) the Company or the Successor Company, 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 Company) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (in the case of a Successor Company) is a legal and binding agreement enforceable against the Successor Company, *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; and
- (6) the Holders (or the Security Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods) guarantees and security (if any) over the same or substantially equivalent assets and over the shares (or other interests) in the Company or the Successor Company, save to the extent such assets or shares (or other interests) cease to exist (*provided* that if the shares (or other interests) in the Company cease to exist, security will be granted (subject to the Agreed Security Principles) over the shares (or other interests) in the Successor Company).

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Senior Secured Notes and the Indenture.

The provisions set forth in this “*Merger and Consolidation*” covenant shall not restrict (and shall not apply to): (i) any Guarantor other than the Company from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor other than the Company; or (ii) any consolidation or merger of the Issuer into any Guarantor other than the Company; *provided* that (A) if the Issuer is not the surviving entities of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Senior Notes, the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement.

The foregoing provisions 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.

Events of Default

Each of the following is an Event of Default under the Indenture:

- (1) default in any payment of interest on any Senior Secured Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Senior Secured Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer or any Guarantor to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Senior Secured Notes with any agreement or obligation contained in the Indenture, other than those set out in clauses (1) or (2) above;
- (4) the occurrence of any default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed which is Incurred or Guaranteed by the Company or any Significant Subsidiary, other than Indebtedness owed to the Company or a Restricted Subsidiary, which:
 - (a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness (a “*payment default*”); or
 - (b) results in the acceleration of such Indebtedness prior to its stated final maturity (the “*cross acceleration provision*”),

and, in each case, the aggregate principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default of principal at its stated final maturity (after giving effect to any applicable grace periods) or the maturity of which has been accelerated, is in excess of the greater of (x) \$140.0 million and (y) 30.0% of LTM EBITDA;

- (5) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary (the “*bankruptcy provisions*”);
- (6) failure by the Company, the Issuer or a Significant Subsidiary to pay final judgments aggregating in excess of the greater of (x) \$140.0 million and (y) 30.0% of LTM EBITDA, other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days (after receipt of notice as described in the next succeeding

paragraph) after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the “*judgment default provision*”);

- (7) any Security Interest under the Security Documents or the Escrow Charge having a fair market value in excess of the greater of (x) \$70.0 million and (y) 15.0% of LTM EBITDA 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 Escrow Agreement, the Escrow Charge, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) 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 the Escrow Charge or any such Security Interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 30 days;
- (8) except as permitted under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement (including with respect to any limitations), any Senior Secured Notes Guarantee of one or more Guarantors that together constitute a Significant Subsidiary (a “*Significant Guarantor*”) is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or is denied or disaffirmed by such Significant Guarantor or any Person acting on behalf of it; and
- (9) failure by the Issuer to consummate a Special Mandatory Redemption on the Special Mandatory Redemption Date as described above under “*Escrow of Proceeds; Special Mandatory Redemption.*”

However, a Default under clauses (4) or (6) of the above paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Senior Secured Notes notify the Issuer of the Default and, with respect to clauses (4) and (6), the Company does not cure such Default within 60 days after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by written notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Senior Secured 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 Senior Secured 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 Senior Secured Notes because an Event of Default described in clause (4) under “*Events of Default*” has occurred and is continuing, the declaration of acceleration of the Senior Secured Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and the annulment of the acceleration of the Senior Secured Notes would not conflict with any judgment or decree of a court of competent jurisdiction.

If an Event of Default described in clause (5) above with respect to the Issuer occurs and is continuing, the principal of and accrued and unpaid interest, if any, on all the Senior Secured Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders may not enforce the Indenture or the Senior Secured 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 Senior Secured Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any, on any Senior Secured Note held by a non-consenting Holder, which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Senior Secured Notes) and rescind any such acceleration with respect to such Senior Secured Notes and its consequences (including the payment default that resulted from such acceleration) 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 Senior Secured Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in principal amount of the outstanding Senior Secured Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing and, if requested, provided to the Trustee security and/or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the security and/or indemnity; and
- (5) the Holders of a majority in principal amount of the outstanding Senior Secured 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 Senior Secured 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 Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Senior Secured 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 Company 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 Company 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 Company is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Senior Secured Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured 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 Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (9) below, 75%) of the then outstanding principal amount of the Senior Secured Notes, an amendment or waiver may not, with respect to any Senior Secured Notes held by a non-consenting Holder:

- (1) reduce the stated rate of or extend the stated time for payment of interest on any such Senior Secured Note (other than provisions relating to Change of Control and Asset Dispositions);
- (2) reduce the principal of or extend the Stated Maturity of any such Senior Secured Note (other than provisions relating to Change of Control and Asset Dispositions);
- (3) reduce the premium payable upon the redemption of any such Senior Secured Note or change the time at which any such Senior Secured Note may be redeemed, in each case as described above under "*Optional Redemption*" or "*Redemption for Taxation Reasons*";
- (4) make any such Senior Secured Note payable in currency other than that stated in such Senior Secured Note;
- (5) impair the right of any Holder to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on such Holder's Senior Secured Notes on or after the due dates therefor;
- (6) make any change in the provision of the Indenture described under "*Withholding Taxes*" that adversely affects the right of any Holder of such Senior Secured Notes in any material respect or amends the terms of such Senior Secured Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;
- (7) release all or substantially all Security Interests granted for the benefit of the Holders in the Collateral (taken as a whole) or the Escrow Collateral other than in accordance with the terms of the Security Documents, the Escrow Agreement, the Escrow Charge, the Intercreditor

Agreement, any applicable Additional Intercreditor Agreement and the Indenture; *provided* that, for the avoidance of doubt and without prejudice to the covenant described under the heading “*Certain Covenants—Impairment of Security Interest*,” the release of less than all or substantially all Security Interests granted for the benefit of the Holders in the Collateral (taken as a whole) shall only require the consent of Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured 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 Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes);

- (8) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any (except pursuant to a rescission of acceleration of the Senior Secured Notes by the Holders of at least a majority in principal amount of such Senior Secured Notes and a waiver of the payment default that resulted from such acceleration);
- (9) release any Guarantor from any of its obligations under its Senior Secured Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or
- (10) reduce the principal amount of Senior Secured Notes whose holders must consent to any amendment, waiver or modification or make any other change in the amendment or waiver provisions which require the Holders’ consent described in this sentence.

For the avoidance of doubt, no amendment to, or deletion of, or actions taken in compliance with, the covenants described under “*Certain Covenants*” shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or interest or premium, if any, on the Senior Secured Notes.

Notwithstanding the foregoing, if (a) any amendment, waiver or other modification affects the rights of the Senior Secured Fixed Rate Notes and the rights of the Senior Secured Euro Floating Rate Notes, the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the Senior Secured Notes shall be required to consent thereto and (b) any amendment, waiver or other modification affects only the rights of the Senior Secured Fixed Rate Notes or only the rights of the Senior Secured Euro Floating Rate Notes, the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the Senior Secured Fixed Rate Notes or Senior Secured Euro Floating Rate Notes, as applicable, shall be required to consent thereto (and in such case, the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the unaffected series of Senior Secured notes shall not be required to consent thereto).

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Issuer, the Trustee and the other parties thereto, as applicable, may amend or supplement any Senior Secured Notes Documents to:

- (1) cure any ambiguity, omission, mistake, defect, error or inconsistency;
- (2) provide for the assumption by a successor Person of the obligations of the Issuer or a Guarantor under any Senior Secured Notes Document;
- (3) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;
- (4) make any change that would provide additional rights or benefits to the Trustee or the Holders or make any change (including changing the ISIN, CUSIP or other identifying number on any Senior Secured Notes) that does not adversely affect the rights of the Trustee or any Holder in any material respect;

- (5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of senior management of the Company) for the issuance of Additional Senior Secured Notes that may be issued in compliance with the Indenture;
- (6) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under “*Certain Covenants—Limitation on Indebtedness*” or “*Certain Covenants—Additional Guarantees*,” to add Senior Secured Notes Guarantees with respect to the Senior Secured Notes, to add security to or for the benefit of the Senior Secured Notes, or to confirm and evidence the release, termination, discharge or retaking of any Senior Secured Notes Guarantee or Lien with respect to or securing the Senior Secured Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (7) to conform the text of the Indenture or the Senior Secured Notes to any provision of this “*Description of the Senior Secured Notes*” to the extent that such provision in this “*Description of the Senior Secured Notes*” was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Senior Secured Notes;
- (8) evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Senior Secured 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 lenders under the ABL Facility, in any property which is required by the Security Documents or the ABL Facility (as in effect on the Completion Date) to be mortgaged, pledged or hypothecated, or in which a Security Interest is required to be granted to the Security Agent, or to the extent necessary to grant a Security Interest in the Collateral for the benefit of any Person; *provided* that the granting of such Security Interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under “*Certain Covenants—Impairment of Security Interest*” is complied with;
- (10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Senior Secured Notes as permitted by the Indenture, including to facilitate the issuance and administration of Senior Secured Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Senior Secured Notes being transferred in violation of the Securities Act or any other applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Senior Secured Notes in any material respect;
- (11) facilitate any transaction that complies with (a) the definition of “*Permitted Reorganization*” or (b) the covenants described under the headings “*Merger and Consolidation*” and “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” relating to mergers, consolidations and sales of assets;
- (12) as provided in “*Certain Covenants—Additional Intercreditor Agreements*”; or
- (13) to amend, supplement or otherwise modify the Escrow Agreement or the Escrow Charge in ways that would not be adverse to the Holders of Senior Secured Notes in any material respect.

In formulating its decisions on such matters, the Trustee (and the Security Agent, as applicable) shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer’s Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Senior Secured 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 given in connection with a tender of such Holder's Senior Secured 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.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Senior Secured 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 Senior Secured Notes, registrations of Senior Secured Notes, mutilated, destroyed, lost or stolen Senior Secured 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 it and the Restricted Subsidiaries under the covenants described under "*Certain Covenants*" (other than clauses (1), (2) and (5) of the first paragraph of "*Merger and Consolidation*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions (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 their prior exercise of their covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Senior Secured Notes may not be accelerated because of an Event of Default with respect to the Senior Secured Notes. If the Issuer exercises its covenant defeasance option with respect to the Senior Secured Notes, payment of the Senior Secured Notes may not be accelerated because of an Event of Default specified in clause (3) (other than clauses (1), (2) and (5) of the first paragraph of "*Merger and Consolidation*"), (4), (5) (with respect only to the Issuer and Significant Subsidiaries (or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and the Restricted Subsidiaries) would constitute a Significant Subsidiary) of the Issuer), (6), (7) or (8) under "*Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee cash in Euros or European Government Obligations or a combination thereof (in the case of the Senior Secured Euro Notes) or cash in U.S. Dollars, U.S. Government Obligations or a combination thereof (in the case of Senior Secured Dollar Notes), for the payment of principal, premium if any, and interest on the Senior Secured 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 beneficial owners of Senior Secured Notes, 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 Senior Secured Notes);

- (2) an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Company; and
- (3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of transfer or exchange of the Senior Secured Notes and rights of the Trustee, as expressly provided for in the Indenture) as to all Senior Secured Notes of a series issued thereunder when (1) either (a) all the Senior Secured Notes of that series previously authenticated and delivered (other than certain lost, stolen or destroyed Senior Secured Notes and certain Senior Secured Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Senior Secured Notes of that series not previously delivered to the Trustee 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 satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee, money in Euros or European Government Obligations, or a combination thereof (in the case of Senior Secured Euro Notes) or money in U.S. Dollars, U.S. Government Obligations or a combination thereof (in the case of Senior Secured Dollar Notes), as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Senior Secured Notes of that series not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Senior Secured 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 Senior Secured Notes of that series 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 stating that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)). If requested in writing by the Issuer, the Trustee may distribute any amounts deposited to the Holders prior to Stated Maturity or the redemption date, as the case may be; *provided, however*, that the Holders shall have received at least three Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Senior Secured 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 Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured 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

Citibank, N.A., London Branch 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 Senior Secured 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 Senior Secured Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, notices of the Issuer with respect to the Senior Secured Notes will be sent to the Authority.

All notices to Holders 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 Senior Secured Notes are represented by global Senior Secured Notes, all notices to Holders will be delivered to DTC, Euroclear and Clearstream and/or DTC, as applicable, which will give such notices to the Holders of book-entry interests in accordance with the applicable procedures of DTC, Euroclear and Clearstream and/or DTC, as applicable, delivery of which shall be deemed to satisfy the requirements of this paragraph.

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 DTC, Euroclear and Clearstream, it is duly given on the day the notice is given to DTC, Euroclear and Clearstream.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium, if any, or Additional Amounts, if any, on the Senior Secured Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Senior Secured Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Restrictions

Any payment on account of an amount that is payable in U.S. Dollars, with respect to the Senior Secured Dollar Notes, and Euros, with respect to the Senior Secured Euro Notes (each a “*Required Currency*”) which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the “*Other Currency*”) whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any of the Issuer, Company or any other Guarantor shall constitute a discharge of the Issuer’s, Company’s or such Guarantor’s obligation under the Indenture, the Senior Secured Notes or, the Senior Secured Notes Guarantees, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first day (other than a Saturday or Sunday) on which banks in New York, are generally open for business following receipt of the payment first referred to above. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, the Issuer, Company or such other Guarantor, as the case may be, shall indemnify and save harmless such Holder or the Trustee, as applicable from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Senior Secured Notes or the Senior Secured Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee or any Holder of a Senior Secured Note from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Senior Secured Notes on Euronext Dublin and for permission to be granted to deal in the Senior Secured Notes on the Exchange. There can be no assurance that the application to list the Senior Secured Notes on Euronext Dublin will be approved or that permission to deal in the Senior Secured Notes thereon will be granted, and settlement of the Senior Secured 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 Senior Secured 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 Senior Secured 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, County and State of New York, in the United States of America. The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Senior Secured Notes and the Senior Secured Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Senior Secured Notes, and the rights and duties of the parties thereunder, and the Senior Secured Notes Guarantees thereunder and the Intercreditor Agreement 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 Senior Secured Notes may be amended with the consent of Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes). The Escrow Agreement and the Escrow Charge 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 laws of the relevant jurisdictions.

Certain Definitions

“30% Rule” means: in the case of Ontario Teachers’ Pension Plan Board, Section 79 of regulation 909 under Section 62 of the Pension Benefits Act (Ontario) which prohibits Ontario Teachers’ Plan Investment Board and its Affiliates from, directly or indirectly, investing the moneys of the plan in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect or remove the directors of a corporation.

“30% Rule Designee” means any person or entity which holds share capital in the Company, any of its Parent Entities and/or any of its Subsidiaries for the purposes of compliance with the 30% Rule and over which Ontario Teachers’ Pension Plan Board or an Affiliate thereof has a contractual right to direct the voting or transfer or such share capital.

“ABL Facility” means the French Facility together with the General Facility (each as defined in this Offering Memorandum) to be entered into on or around the Completion Date.

“ABL Security Agent” means Citibank, N.A. (or an affiliate thereof).

“Acquired Indebtedness” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary; (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 or such acquisition; or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company 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, 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.

“Additional Assets” means:

- (1) any property or assets (other than Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital

expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

“*Affiliate*” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Agreed Security Principles*” means the agreed security principles contained in the Indenture, as of the Issue Date.

“*Applicable Premium*” means:

(A) with respect to any Senior Secured Fixed Rate Note the greater of:

- (1) 1% of the principal amount of such Senior Secured Dollar Note or Senior Secured Euro Fixed Rate (as applicable); and
- (2) the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (A) the redemption price of such Senior Secured Fixed Note at _____, 2022 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “*Optional Redemption*” (excluding accrued and unpaid interest)), *plus* (B) all required interest payments due on such Senior Secured Fixed Note to and including _____, 2022 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to (i) the Treasury Rate (in the case of Senior Secured Dollar Note) or (ii) the Bund Rate (in the case of the Senior Secured Euro Fixed Rate Note) at the date of such notice date plus, in the case of either (i) or (ii), 50 basis points; over
 - (b) the outstanding principal amount of such Senior Secured Fixed Rate Note,

(B) with respect to any Senior Secured Euro Floating Rate Note the greater of:

- (1) 1% of the principal amount of such Senior Secured Euro Floating Rate Note; and
- (2) the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (A) the redemption price of such Senior Secured Euro Floating Rate Note at _____, 2020 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “*Optional Redemption*” (excluding accrued and unpaid interest)), *plus* (B) all required interest payments due on such Senior Secured Euro Floating Rate Note to and including _____, 2020 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at the date of such notice date, plus 50 basis points and assuming that the rate of interest on such Senior Secured Euro Floating Rate Note from the redemption date through _____,

2020 will equal the rate of interest on such Senior Secured Euro Floating Rate Note in effect on the date on which the applicable notice of redemption is given; *over*

(b) the outstanding principal amount of such Senior Secured Euro Floating Rate 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, calculation of the Applicable Premium shall not be an obligation of the Trustee, the Calculation Agent or any Paying Agent.

“*Ardagh Carve-out Business*” means the Ardagh Carve-out Business as defined in this Offering Memorandum.

“*Ardagh Group S.A.*” or “*Ardagh Group*” means the public parent company of the Ardagh Carve-out Business, a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 56, rue Charles Martel, L-2134 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 53248.

“*Asset Disposition*” means:

- (1) the voluntary sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of the Company or any of the Restricted Subsidiaries (in each case other than Capital Stock of the Company) (each referred to in this definition as a “*disposition*”); or
- (2) the issuance, sale, transfer or other disposition of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under “*Certain Covenants—Limitation on Indebtedness*” or directors’ qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions,

in each case, other than:

- (a) a disposition by the Company or a Restricted Subsidiary to the Company or a Restricted Subsidiary;
- (b) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (c) a disposition of inventory or other assets (including Settlement Assets) in the ordinary course of business or consistent with past practice or held for sale or no longer used in the ordinary course of business, including any disposition of disposed, abandoned or discontinued operations;
- (d) 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 commercially desirable to maintain or used or useful in the business of the Company and the 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 Company and the 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 Company or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Company or any Restricted Subsidiary determines in its reasonable judgment that such action or inaction is desirable);
- (e) transactions permitted under “*Merger and Consolidation*” or a transaction that constitutes a Change of Control;

- (f) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;
- (g) 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 Company) of less than the greater of (a) \$35.0 million and (b) 7.5% of LTM EBITDA;
- (h) any Restricted Payment that is permitted to be made, and is made, under the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the third paragraph under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used within 450 days of receipt of such proceeds to make such Restricted Payments, Permitted Payments or Permitted Investments;
- (i) dispositions in connection with Permitted Liens and sales of assets received by the Company or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Company or any Restricted Subsidiary;
- (j) 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;
- (k) 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, (x) 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 or (y) to the extent that such license does not prohibit the Company or any of its Restricted Subsidiaries from using the technologies licensed (other than pursuant to exclusivity or non-competition arrangements negotiated on an arm’s-length basis) or require the Company or any of its Restricted Subsidiaries to pay any fees for any such use;
- (l) the lease, assignment, license, sublease or sublicense of any real or personal property in the ordinary course of business;
- (m) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;
- (n) 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;
- (o) any issuance or sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary or Permitted Joint Venture or any other disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary, Permitted Joint Venture or an Immaterial Subsidiary;
- (p) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company 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;

- (q) dispositions of property to the extent (i) that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased; (ii) that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased); or (iii) allowable under Section 1031 of the Code (or any similar provision under applicable tax law) and constituting any exchange of like property (excluding any boot thereon) for use in a Similar Business;
- (r) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility, or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with past practice;
- (s) any disposition pursuant to a financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Company or any Restricted Subsidiary after the Issue Date, including Sale and Leaseback Transactions and asset securitizations, permitted by the Indenture;
- (t) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;
- (u) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind; and
- (v) the unwinding of any Cash Management Services or Hedging Obligations.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted under “*Certain Covenants—Limitation on Restricted Payments*,” the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Disposition and/or one or more of the types of Permitted Investments or Investments permitted under “*Certain Covenants—Limitation on Restricted Payments*.”

“*Associate*” means (i) any Person engaged in a Similar Business of which the Company or the Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary.

“*Authority*” means Euronext Dublin.

“*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 Company.

“*Borrowing Base*” means, as of any date, the sum of (a) 85.0% of the book value of the accounts receivable plus (b) the lesser of (1) 75.0% of the cost of inventory and (2) 85.0% of the net orderly liquidation value of inventory, in each case of the Company and its Restricted Subsidiaries; *provided that* the Borrowing Base shall be adjusted to reflect such pro forma adjustments as are appropriate and

consistent with the pro forma adjustment provisions set forth in the definition of “*Fixed Charge Coverage Ratio*.”

“*Bund Rate*” as selected by the Company, means the greater of (x) the rate per annum equal to the equivalent yield to maturity of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date where:

- (1) “*Comparable German Bund Issue*” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption notice date to _____, 2020 (with respect to the Senior Secured Euro Floating Rate Notes or _____, 2022 (with respect to the Senior Secured Euro Fixed Rate Notes), and that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then-outstanding principal amount of the Notes and of a maturity most nearly equal _____, 2020 (with respect to the Senior Secured Euro Floating Rate Notes or _____, 2022 (with respect to the Senior Secured Euro Fixed Rate Notes); *provided, however*, that, if the period from the date of such redemption notice to _____, 2020 (with respect to the Senior Secured Euro Floating Rate Notes or _____, 2022 (with respect to the Senior Secured Euro Fixed Rate Notes) is less than one year, a fixed maturity of one year shall be used;
- (2) “*Comparable German Bund Price*” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or, if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “*Reference German Bund Dealer*” means any dealer of German Bundesanleihe securities appointed by the Company or a direct or indirect parent of the Company in good faith; and
- (4) “*Reference German Bund Dealer Quotations*” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date,

and (y) zero.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in (i) Amsterdam, Netherlands, (ii) London, United Kingdom, (iii) New York, New York, United States or (iv) Delaware, United States; are authorized or required by law to close.

“*Business Successor*” means (i) any former Subsidiary of the Company and (ii) any Person that, after the Issue Date, has acquired, merged or consolidated with a Subsidiary of the Company (that results in such Subsidiary ceasing to be a Subsidiary of the Company), or acquired (in one transaction or a series of transactions) all or substantially all of the property and assets or business of a Subsidiary or assets constituting a business unit, line of business or division of a Subsidiary of the Company.

“*Capital Stock*” of any Person means any and all shares of, rights to purchase or acquire, warrants, options or depositary receipts for, or other equivalents of, or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

“*Capitalized Lease Obligations*” means, as the case may be and subject to (as applicable) the Election Option, in relation to any determination, an obligation that is required to be classified and accounted for

as either (i) a finance lease or a capital lease for financial reporting purposes on the basis of IAS 17 (*Leases*) (or any equivalent measure under GAAP), or (ii) lease liabilities on the balance sheet in accordance with IFRS 16 (*Leases*) (or any equivalent measure under GAAP). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of either IAS 17 (*Leases*) (or any equivalent measure under GAAP) or IFRS 16 (*Leases*) (or any equivalent measure under GAAP) as the case may be and always subject (as applicable) to the Election Option; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Cash Equivalents” means:

- (1) (a) Euros, Canadian dollars, Swiss Francs, United Kingdom pounds, Japanese Yen, U.S. Dollars, Australian dollars or any national currency of any member state of the European Union; or (b) any other foreign currency held by the Company and the Restricted Subsidiaries in the ordinary course of business;
- (2) securities or other direct obligations, issued or directly and fully Guaranteed or insured by the government of Australia, Canada, Japan, Norway, Switzerland, the United Kingdom or the United States of America, the European Union or any member state of the European Union on the Issue Date or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), with maturities of 24 months or less from the date of acquisition;
- (3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender 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;
- (4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;
- (5) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Person referenced in clause (3) above;
- (6) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (3) above (or by the Parent Entity thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by a corporation rated at least “A-1” or higher by S&P or “P-1” or higher by Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) maturing within one year after the date of creation thereof;
- (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;
- (8) for purposes of clause (b) of the definition of “*Asset Disposition*,” the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date;
- (9) any investments classified as cash equivalents under IFRS.

“*Cash Management Services*” means any products, services or facilities relating to the following: automated clearing house transactions, treasury, depository, disbursement, credit or debit card, purchasing card, stored value card, merchant card, electronic fund transfer services, daylight or overnight draft facilities and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit, operating, collections, payroll, trust, disbursement and other accounts, information reporting, lockbox and stop payment services and merchant services or other cash management arrangements, banking products or banking services in the ordinary course of business or consistent with past practice.

“*Change of Control*” means:

- (1) the Company 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 Rule 13d-3 of the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Company other than in connection with any transaction or series of transactions in which the Company shall become the wholly owned subsidiary of a Parent Entity so long as no Person or group, as noted above, other than a Permitted Holder, holds more than 50% of the total voting power of the Voting Stock of such Parent Entity; 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 Company and the Restricted Subsidiaries taken as a whole to a Person, other than the Company or any of the Restricted Subsidiaries or one or more Permitted Holders.

Notwithstanding the foregoing, (a) a transaction will not be deemed to involve a Change of Control solely as a result of the Company becoming a direct or indirect wholly owned subsidiary of a holding company if (A) 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 Company’s Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence (together with any 30% Rule Designee)) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company and (b) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

“*Clearstream*” means Clearstream Banking, S.A., or any successor thereof.

“*Collateral*” means all assets from time to time in which a Security Interest has been or will be granted pursuant to any Security Document to secure the obligations under the Indenture, the Senior Secured Notes and/or any Senior Secured Notes Guarantee (other than the Escrow Collateral).

“*Combination*” means the contribution of the Ardagh Carve-out Business and Exal to the Company as described in this Offering Memorandum under “*Summary—The Combination*.”

“*Completion Date*” means the date on which the Combination is completed.

“*Consolidated Depreciation and Amortization Expense*” means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including amortization or write-off of (i) intangibles and non-cash organization costs, (ii) deferred financing fees or costs and (iii) capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than

par and amortization of favorable or unfavorable lease assets or liabilities, of such Person and the Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS and any write down of assets or asset value carried on the balance sheet.

“*Consolidated EBITDA*” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

- (a) provision for taxes based on income or profits, including federal, state, provincial, territorial, local, foreign, unitary, franchise and similar taxes and foreign withholding and similar taxes of such Person paid or accrued during such period, including any penalties and interest relating to any examinations in respect of any such taxes (including any additions to such taxes, and any penalties and interest with respect thereto), deducted (and not added back) in computing Consolidated Net Income; *plus*
- (b) Fixed Charges of such Person for such period (including (x) net losses on any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of “*Consolidated Interest Expense*” pursuant to clauses (r) through (z) in clause (1) thereof), in each case, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; *plus*
- (c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*
- (d) any (x) Transaction Expenses and (y) any fees, costs, expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed or contemplated Equity Offering (including any expense relating to enhanced accounting functions or other transactions costs associated with becoming a public company), Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of Indebtedness permitted to be Incurred by the Indenture (including a refinancing thereof) (whether or not successful), in each case, including (i) such fees, expenses or charges (including rating agency fees and related expenses) related to the offering of the Senior Secured Notes, the ABL Facility, any other Credit Facility, any Receivables Facility, any Securitization Facility, any other Indebtedness permitted to be Incurred under the Indenture or any Equity Offering and any amendment, waiver or other modification of any of the foregoing, in each case, whether or not consummated, to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*
- (e) (i) the amount of any restructuring charge, accrual or reserve (and adjustments to existing reserves), integration cost or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives) that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs Incurred in connection with acquisitions or divestitures after the Issue Date, including those related to any severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), systems development and establishment costs, future lease commitments and costs related to the opening and closure and/or consolidation of facilities and to exiting lines of business and consulting fees Incurred with any of the foregoing and

- (ii) fees, costs and expenses associated with acquisition related litigation and settlements thereof; *plus*
- (f) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting; *provided* that if any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period then the cash payment in such future period shall be subtracted from Consolidated EBITDA when paid or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period); *plus*
- (g) the amount of board of director fees, management, monitoring, advisory, consulting, refinancing, subsequent transaction, advisory and exit fees (including termination fees) and related indemnities and expenses paid or accrued in such period to any member of the Board of Directors of the Company, any Permitted Holder or any Affiliate of a Permitted Holder to the extent permitted under “*Certain Covenants—Limitation on Affiliate Transactions*”; *plus*
- (h) the “run rate” cost savings, operating expense reductions, restructuring charges and expenses and synergies that are expected (in good faith) to be realized as a result of actions taken or expected to be taken 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), net of the amount of actual benefits realized during such period from such actions; *provided* that (i) such actions are expected to be taken after the consummation of the acquisition, disposition, restructuring or the implementation of an initiative, as applicable, which is expected to result in cost savings, operating expense reductions, restructuring charges and expenses or synergies, and (ii) 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 EBITDA, whether through a *pro forma* adjustment or otherwise, for such period (which adjustments, without double counting, may be incremental to *pro forma* adjustments made pursuant to the definition of “*Fixed Charge Coverage Ratio*”); *plus*
- (i) the “run rate” expected cost savings, operating expense reductions including costs and expenses related to information and technology systems establishment, modernization or modification, restructuring charges and expenses and synergies related to the Transactions projected by the Company in good faith to result from actions with respect to which substantial steps have been, will be, or are expected to be, taken (in the good faith determination of the Company), 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, net of the amount of actual benefits realized during such period from such actions, and which adjustments, without double counting, may be incremental to *pro forma* adjustments made pursuant to the definition of “*Fixed Charge Coverage Ratio*”; *plus*
- (j) the amount of loss or discount on sale of Securitization Assets, Receivables Assets and related assets to the Securitization Subsidiary in connection with a Qualified Securitization Financing or Receivables Facility; *plus*
- (k) any costs or expense Incurred by the Company or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder

agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Company or Net Cash Proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Company solely to the extent that such Net Cash Proceeds are excluded from the calculation set forth in clause (c) of the first paragraph under “*Certain Covenants—Limitation on Restricted Payments*”; *plus*

- (l) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*
- (m) any net loss included in the Consolidated Net Income attributable to non-controlling interests; *plus*
- (n) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Company and the Restricted Subsidiaries; *plus*
- (o) net realized losses from Hedging Obligations or embedded derivatives; *plus*
- (p) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary, and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto; *plus*
- (q) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Company’s and the Restricted Subsidiaries’ proportionate share of such joint venture’s Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent the same was deducted (and not added back) in calculating Consolidated Net Income; *plus*
- (r) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; *plus*
- (s) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost), and any other items of a similar nature; *plus*
- (t) the amount of expenses relating to payments made to option holders of the Company or any Parent Entity in connection with, or as a result of, any distribution being made to equityholders of such Person or its Parent Entities, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; *plus*
- (u) to the extent not already otherwise included herein, adjustments and add-backs made in calculating “Pro Forma Supplemental Adjusted EBITDA” for the *pro forma* twelve months ended March 31, 2019, included in this Offering Memorandum; *plus*
- (v) earn out obligations Incurred in connection with any permitted acquisition or other Investment permitted under the Indenture and paid or accrued during such period; *plus*
- (w) losses, charges and expenses related to the pre-opening and opening of new facilities, and start-up period prior to opening, that are operated, or to be operated, by the Company or any Restricted Subsidiary; and

- (2) decreased (without duplication) by non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period.

“*Consolidated Interest Expense*” means, with respect to any Person for any period, without duplication, the sum of:

- (1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period (in each case, determined on the basis of IFRS, but including for the avoidance of doubt, any consolidated interest expense related to Indebtedness of any Parent Entity which such Person or any of its Restricted Subsidiaries guarantees), to the extent such expense was deducted (and not added back) in computing Consolidated Net Income, including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to IFRS), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (r) Securitization Fees, (s) penalties and interest relating to taxes (but excluding, for the avoidance of doubt, any Additional Amounts paid with respect to the Senior Secured Notes or the Senior Secured Notes Guarantees), (t) any additional cash interest owing pursuant to any registration rights agreement, (u) accretion or accrual of discounted liabilities other than Indebtedness, (v) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with the Transactions or any acquisition, (w) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated Hedging Obligations and other commissions, financing fees and expenses and original issue discount with respect to Indebtedness and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program, (x) any expensing of bridge, commitment and other financing fees, (y) subject (as applicable) to the Election Option, any interest component of any operating lease and (z) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; *plus*
- (2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including for the avoidance of doubt, any consolidated capitalized interest related to Indebtedness of any Parent Entity which such Person or any of its Restricted Subsidiaries guarantees (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding); *less*
- (3) interest income for such period.

For purposes of this definition, interest on a lease (including any 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 lease in accordance with IFRS.

“*Consolidated Net Income*” means, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis on the basis of IFRS after any reduction in respect of Preferred Stock dividends; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from Investments recorded in such Person under the equity method of

accounting), except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that (as reasonably determined by an Officer of the Company) could have been distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause (c) of the first paragraph of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under the definition of "*Permitted Investment*";

- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c) of the first paragraph of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than the Issuer and the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer or a Guarantor by operation of the terms of such Restricted Subsidiary's articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Secured Notes or the Indenture and (c) restrictions specified in clause (13)(a) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*") except that the Company'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 Company 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 gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed or discontinued operations of the Company or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Company);
- (4) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense, including Transaction Expenses or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities' opening costs and other business optimization expenses and operating improvements (including related to new product introductions), systems development and establishment costs, accruals or reserves (including restructuring and integration costs related to acquisitions after the Issue Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), contract terminations and professional and consulting fees Incurred with any of the foregoing;
- (5) the cumulative effect of a change in law, regulation or accounting principles, including any impact resulting from an election by the Company to apply GAAP at any time following the Issue Date;

- (6) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the re-valuation of any benefit plan obligation and (ii) income (loss) attributable to deferred compensation plans or trusts;
- (7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of any Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;
- (9) any fees and expenses (including any transaction or retention bonus or similar payment) Incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, disposition of assets or securities, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction, in each case whether or not successful;
- (10) any unrealized 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 Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;
- (11) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with IFRS;
- (12) any recapitalization accounting or purchase accounting effects, including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition (including the Transactions), or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);
- (13) any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and the amortization of intangibles arising pursuant to IFRS;
- (14) any effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;
- (15) accruals and reserves that are established or adjusted (including any adjustment of estimated pay-outs on existing earn-outs) that are so required to be established as a result of the Transactions in accordance with IFRS, or changes as a result of adoption or modification of accounting policies;
- (16) any costs associated with the Transactions;

- (17) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures and any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowances related to such item;
- (18) any (i) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed and (ii) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates);
- (19) any net gain (or loss) from disposed, abandoned or discontinued operations and any net gain (or loss) on disposal of disposed, discontinued or abandoned operations; and
- (20) 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 Company 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 Company 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 Senior Secured Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) the sum of (a) Senior Secured Indebtedness as of such date and (b) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Senior Secured Indebtedness, less the aggregate amount of cash and Cash Equivalents of the Company and the Restricted Subsidiaries on a consolidated basis, to (y) LTM EBITDA; *provided, however*, that, solely for the purpose of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Indebtedness Incurred pursuant to clauses (1)(b) or (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”), or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than the discharge of Indebtedness using proceeds of Indebtedness Incurred pursuant to clauses (1)(b) and (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”).

“*Consolidated Total Indebtedness*” means, as of any date of determination, the aggregate principal amount of Indebtedness for borrowed money but excluding any Indebtedness under or with respect to Cash Management Services, intercompany Indebtedness of the Company and the Restricted Subsidiaries, Hedging Obligations, Receivables Facilities or Securitization Facilities.

“*Consolidated Total Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) the sum of (a) Consolidated Total Indebtedness as of such date and (b) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Consolidated Total Indebtedness, less the aggregate amount of cash and Cash Equivalents of the Company and the Restricted Subsidiaries on a consolidated basis, to (y) LTM EBITDA; *provided, however*, that, solely for the purpose of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) or (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”), or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than the discharge of Indebtedness using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”).

“*Contingent Obligations*” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease (subject, as applicable, to the Election Option), dividend or other obligation that does not constitute Indebtedness (“*primary obligations*”) of any other Person (the “*primary obligor*”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“*Controlled Investment Affiliate*” means, as to any Person, any other Person, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Company and/or other companies.

“*Credit Facility*” means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the ABL Facility or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original ABL Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral

documents). Without limiting the generality of the foregoing, the term “*Credit Facility*” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company 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.

“*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 Company or any Restricted Subsidiary) of non-cash consideration received by the Company or any of the Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.”

“*Designated Preferred Stock*” means Preferred Stock of the Company or a Parent Entity (other than Disqualified Stock) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and that is designated as “*Designated Preferred Stock*” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(iii) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*.”

“*Disinterested Director*” means, with respect to any Affiliate Transaction, a member of the Board of Directors having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors shall be deemed not to have such a financial interest by reason of such member’s holding Capital Stock of the Company or any of its Affiliates or any options, warrants or other rights in respect of such Capital Stock.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or
- (2) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Senior Secured Notes or (b) the date on which there are no Senior Secured Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such

redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “*Certain Covenants—Limitation on Restricted Payments*”; *provided further, however*, that if such Capital Stock is issued to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, contractor or consultant)) or Immediate Family Members), of the Company, any of its Subsidiaries, any Parent Entity or any other entity in which the Company or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Directors (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory, contractual or regulatory obligations.

“*DTC*” means The Depository Trust Company or any successor, analogous replacement or alternative securities clearing agency (including Euroclear and/or Clearstream), in each case, or any successor thereto. “*Equity Contribution*” means any subscription for shares issued by, any capital contributions (including by way of premium and/or contribution to the capital reserves) to, the Company (but excluding any such amounts funded from the proceeds of any Indebtedness of any Parent Entity (x) which is guaranteed by the Company or any Restricted Subsidiary, and (y) in respect of which dividends or distributions on the Company’s Capital Stock are permitted to be paid from cash by the Company or any Restricted Subsidiary pursuant to clause (1)(c) of the first paragraph under “*Certain Covenants—Limitation on Restricted Payments*” and excluding the issuance of any Disqualified Stock or Designated Preferred Stock) or any Subordinated Shareholder Funding of the Company (in each case, other than Excluded Contributions).

“*Equity Offering*” means (x) a sale of Capital Stock of the Company (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 Company or any of the Restricted Subsidiaries by any Parent Entity in any form other than Indebtedness or Excluded Contributions.

“*Escrowed Proceeds*” means the proceeds from the offering or incurrence of any debt securities or other Indebtedness paid into one or more 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 the European Union.

“*Euroclear*” means Euroclear Bank SA/NV or any successor thereof.

“*European Government Obligations*” means any security denominated in Euro that is (1) a direct obligation of any country that is a member of the European Monetary 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.

“*Exal*” means The Exal Group that will be contributed to Trivium Packaging B.V. in the Combination, as described in this Offering Memorandum.

“Exchange” means Euronext Dublin.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company after the Completion Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) or Subordinated Shareholder Funding of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company.

“fair market value” wherever such term is used in this “Description of the Senior Secured Notes” or the Indenture (except as otherwise specifically provided in this “Description of the Senior Secured 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 Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“Fitch” means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Fixed Charge Coverage Ratio” means, with respect to any Person on any determination date, the ratio of LTM EBITDA to the Fixed Charges of such Person for the Relevant Testing Period. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such Relevant Testing Period or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the Relevant Testing Period but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “Fixed Charge Coverage Ratio Calculation Date”), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, Guarantee, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the Relevant Testing Period; *provided* that the *pro forma* calculation shall not give effect to: (i) any Fixed Charges attributable to Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “Certain Covenants—Limitation on Indebtedness” (other than Fixed Charges attributable to Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(A)(b) thereof) or (ii) Fixed Charges attributable to any Indebtedness discharged on such determination date to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described under the second paragraph under “Certain Covenants—Limitation on Indebtedness” (other than Fixed Charges attributable to Indebtedness discharged on such determination date using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(A)(b) of the second paragraph of the covenant described under “Certain Covenants—Limitation on Indebtedness”).

For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed operations that have been made by the Company or any of the Restricted Subsidiaries, during the Relevant Testing Period or subsequent to the Relevant Testing Period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in LTM EBITDA resulting therefrom)

had occurred on the first day of the Relevant Testing Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Company or any of the Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation had occurred at the beginning of the Relevant Testing Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (and may include cost savings, expense reductions and synergies reasonably expected to occur within 24 months from the date of completion of such action or transaction (or, if later, the last day of the Relevant Testing Period), including from the result of a disposition or ceased or discontinued operations, as though such cost savings, expense reduction and synergies had been achieved on the first day of the Relevant Testing Period). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated, at the Company's option, either (x) as if the rate in effect on the determination date had been the applicable rate for the entire Relevant Testing Period or (y) using the average rate in effect over the Relevant Testing Period, in each case taking into account any Hedging Obligations applicable to such Indebtedness. As determined in accordance with the Election Option (as applicable), interest on a lease (including any Capitalized Lease Obligations) shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such lease in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the Relevant Testing Period except to the extent such revolving credit facility has been permanently repaid and the commitments thereunder cancelled. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

“Fixed Charges” means, with respect to any Person for any period, the sum of:

- (1) Consolidated Interest Expense of such Person for such period;
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such Person during such period; and
- (3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

“GAAP” means generally accepted accounting principles in the United States of America.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, however, that the term “*Guarantee*” will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and *provided further* that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term “*Guarantee*” used as a verb has a corresponding meaning.

“*Guarantor*” means the Company and any Restricted Subsidiary that Guarantees the Senior Secured Notes, until such Senior Secured Notes Guarantee is released in accordance with the terms of the Indenture.

“*Hedging Obligations*” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contracts, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“*Holder*” means each Person in whose name the Senior Secured Notes are registered on the Registrar’s books, which shall initially be the respective nominee of DTC, 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 Company or the 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 (or, as applicable, GAAP) contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date (or, as applicable, GAAP as in effect at the date specified by the Company in its election to adopt GAAP in accordance with the fourth sentence of this definition). At any time after the Issue Date, the Company may elect to implement any new measures or other changes to IFRS (or, as applicable, GAAP) in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Company may elect to apply GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean GAAP (except as otherwise provided in the Indenture), including as to the ability of the Company to make an election pursuant to the previous sentence; *provided* that any such election, once made, shall be irrevocable; *provided, further*, that any calculation or determination in the Indenture that require the application of IFRS for periods that include fiscal quarters ended prior to the Company’s election to apply GAAP shall remain as previously calculated or determined in accordance with IFRS; *provided, further again*, that the Company may only make such election if it also elects to report any subsequent financial reports required to be made by the Company. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders. Notwithstanding any of the foregoing, (i) in relation to the making of any determination or calculation under the Indenture, the Company shall be required to elect (the “*Election Option*”), from time to time and each time, either (A) to apply IFRS 16 (*Leases*) or (B) to apply IAS 17 (*Leases*) (or, in each case, the equivalent measure under GAAP) to the making of such determination or calculation, *provided* that, if such determination or calculation involves more than one element (including for the calculation of a financial ratio), such selected accounting standard shall be consistently applied to each element of such determination or calculation (other than, for the avoidance of doubt, in relation to the covenant described under the caption “*Reports*”); and (ii) any adverse impact directly or indirectly relating to or resulting from the implementation of IFRS 15 (*Revenue*

from *Contracts with Customers*) and any successor standard thereto (or any equivalent measure under GAAP) shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture (other than, for the avoidance of doubt, in relation to the covenant described under the caption “*Reports*”).

“*Immaterial Subsidiary*” means, at any date of determination, each Restricted Subsidiary that (i) has not guaranteed any other Indebtedness of the Company and (ii) has LTM EBITDA of less than 5.0% of LTM EBITDA of the Company and the Restricted Subsidiaries taken as a whole, in each case, measured at the end of the Relevant Testing Period and revenues on a *pro forma* basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such Relevant Testing Period, as applicable, and on or prior to the date of acquisition of such Subsidiary.

“*Immediate Family Members*” means, with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder, subject to the definition of *Reserved Indebtedness Amount*” and related provisions.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligation, including accrued expenses owed, to a trade creditor), 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 Company) and (b) the amount of such Indebtedness of such other Persons;

- (8) Guarantees by such Person of the principal component of Indebtedness of the type referred to in clauses (1), (2), (3), (4), (5) and (9) of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement),

with respect to clauses (1), (2), (4) and (5) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS.

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:

- (a) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, other than Guarantees or other assumptions of Indebtedness;
- (b) Cash Management Services;
- (c) any lease, concession or licence of property (or Guarantee thereof) which would, in accordance with the Election Option, be considered an operating lease or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice;
- (d) 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;
- (e) in connection with the purchase by the Company 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;
- (f) 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;
- (g) obligations under or in respect of Qualified Securitization Financings or Receivables Facilities;
- (h) Indebtedness of any Parent Entity appearing on the balance sheet of the Company solely by reason of push down accounting under IFRS;
- (i) Capital Stock (other than Disqualified Stock of the Company and Preferred Stock of a Restricted Subsidiary);
- (j) 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 Company and the Restricted Subsidiaries, taken as a whole, that complies with the covenant described under "*Merger and Consolidation*";

(k) Subordinated Shareholder Funding; or

(l) any joint and several or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity for corporate income tax, trade tax or value added tax purposes or similar purposes or any analogous arrangement.

“*Indenture*” means the indenture with respect to the Senior Secured Notes to be entered into on or about the Issue Date, by and among, *inter alios*, the Company, the Issuer and the Trustee.

“*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 individually or collectively, (x) Ardagh Group S.A., and/or Ontario Teachers’ Pension Plan Board, and/or any one or more investment funds or limited partnerships advised or managed by such entities and, in each case, any of their Affiliates or direct or indirect Subsidiaries (but excluding, in each case, any portfolio company which is an obligor (and any of its Subsidiaries) in respect of any third party financing provided to that portfolio company (or any of its Subsidiaries) in which such investment funds or limited partnerships and other entities advised or managed by Ardagh Group S.A. or such Affiliates, Subsidiaries or investors hold an investment or interest in or Ontario Teachers’ Pension Plan Board or) or (y)(a) Yeoman Capital S.A., (b) any of Paul Coulson, Brendan Dowling, Houghton Fry, Edward Kilty, John Riordan or Niall Wall, and any trust created for the benefit of one or more of the foregoing or their respective natural person Affiliates, or the estate, executor, administrator, committee or beneficiaries of any thereof, and (c) any of their respective Affiliates.

“*Initial Public Offering*” means an Equity Offering of common stock or other common equity interests of the Company or any Parent Entity or any successor of the Company or any Parent Entity (the “*IPO Entity*”) following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“*Intercreditor Agreement*” means the Intercreditor Agreement to be entered into on or about the Completion Date, by and among, *inter alios*, Citibank, N.A., London Branch as the trustee for the Senior Secured Notes Citibank, N.A., London Branch, as the trustee for the Senior Notes, the ABL Security Agent and Citibank, N.A., London as the security agent, as amended from time to time in accordance with its terms.

“*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 Company 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 Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of “*Certain Covenants—Limitation on Restricted Payments*” and “*—Designation of Restricted and Unrestricted Subsidiaries*”:

- (1) “*Investment*” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a re-designation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “*Investment*” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “*Investment*” in such Subsidiary at the time of such re-designation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as determined by the Company) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined by the Company.

“*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 state of the European Union, Australia, Japan, Norway, Switzerland or the United Kingdom 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 Company 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 the Senior Secured Notes receive two of the following:

- (1) a rating of “BBB-” or higher from S&P;
- (2) a rating of “Baa3” or higher from Moody’s; or
- (3) a rating of “BBB-” or higher from Fitch,

or the equivalent of such rating by such rating organization or, if no rating of S&P, Moody’s or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

“*IP Cross License Agreement*” means the IP Cross-License Agreement, as defined in this Offering Memorandum.

“*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 , 2019.

“*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 (subject, as applicable, to the Election Option) be deemed to constitute a Lien.

“*LTM EBITDA*” means Consolidated EBITDA of the Company measured for the Relevant Testing Period ending prior to the date of such determination, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such Relevant Testing Period and as are consistent with the *pro forma* adjustments set forth in the definition of “*Fixed Charge Coverage Ratio*.”

“*Management Advances*” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Company or any Restricted Subsidiary, or to any management equity plan, stock option plan, any other management or employee benefit, bonus or incentive plan or any trust, partnership or other entity of, established for the benefit of, or the beneficial owner of which (directly or indirectly) is, any of the foregoing:

- (1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or consistent with past practice or (b) for purposes of funding any such person’s purchase (or the purchase by any management equity plan) of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent Entity with the approval of the Board of Directors of the Company;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding the greater of (i) \$35.0 million and (ii) 7.5% of LTM EBITDA in the aggregate outstanding at the time of Incurrence.

“*Management Stockholders*” means the members of management of the Company (or any Parent Entity) or its Subsidiaries who are holders of Capital Stock of the Company or of any Parent Entity on the Issue Date or will become holders of such Capital Stock in connection with the Transactions.

“*Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interest 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.

“*Mutual Services Agreement*” means the Mutual Services Agreement defined in this Offering Memorandum and any modification, amendment, replacement or extension or any similar agreement.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or

accrued as a liability under IFRS (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Company and after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition, including distributions for Related Taxes;

- (2) all payments made on any Indebtedness which 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 Entity, the Company 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 Company 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 Company and after taking into account any available tax credit or deductions and any tax sharing agreements, and including distributions for Related Taxes).

“*Non-Core Assets*” means any assets of the Company or any Restricted Subsidiary and designated in good faith as “non-core” to the material business activities of the Company and its Restricted Subsidiaries (taken as a whole) pursuant to an Officer’s Certificate delivered by the Company to the Trustee.

“*Non Guarantor Debt Cap*” means an amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to the first paragraph and clauses (1)(b), (1)(c), (5)(x) and (13) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”, in each case by Restricted Subsidiaries that are not Guarantors, which shall not in aggregate exceed the greater of (x) \$300.0 million and (y) 64.0% of LTM EBITDA at any time outstanding.

“*Obligations*” means any principal, interest (including Post-Petition Interest and fees accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor whether or not a claim for Post-Petition Interest or fees is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers’ acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

“*Offering Memorandum*” mean this offering memorandum, dated as of _____, 2019, relating to the offering of the Senior Secured Notes.

“*Officer*” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, any Managing Director, the Secretary or any Assistant Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person.

“*Officer’s Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*Opinion of Counsel*” means a written opinion from legal counsel that is reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“*Parent Entity*” means any direct or indirect parent of the Company, including Ardagh Group S.A. and Element Holdings II, L.P, in each case including any successors or assigns.

“*Parent Entity Expenses*” means:

- (1) costs (including all legal, accounting and other professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to the Senior Secured Notes, the Senior Secured Notes Guarantees or any other Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its articles, charter, by-laws, partnership agreement or other organizational documents or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;
- (4) any (x) general corporate overhead expenses, including all legal, accounting and other professional fees and expenses and (y) other operational expenses of any Parent Entity related to the ownership or operation of the business of the Company or any of the Restricted Subsidiaries;
- (5) expenses Incurred by any Parent Entity in connection with (i) any offering, sale, conversion or exchange of Subordinated Shareholder Funding, Capital Stock or Indebtedness and (ii) any related compensation paid to officers, directors and employees of such Parent Entity; and
- (6) amounts to finance Investments that would otherwise be permitted to be made pursuant to the covenant described above under “*Certain Covenants—Limitation on Restricted Payments*” if made by the Company or a Restricted Subsidiary; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such direct or indirect parent company shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of the Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or acquired into the Company or one of the Restricted Subsidiaries in order to consummate such Investment, (C) such direct or indirect parent company and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture and such consideration or other payment is included as a Restricted Payment under the Indenture, (D) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (c) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” or be an Excluded Contribution or be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*” and (E) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to a provision of the covenant

described under “*Certain Covenants—Limitation on Restricted Payments*” or pursuant to the definition of “*Permitted Investments*.”

“*Pari Passu Indebtedness*” means Indebtedness (a) of the Issuer which ranks equally in right of payment to the Senior Secured Notes or (b) of any Guarantor which ranks equally in right of payment to the Senior Secured Notes Guarantee of such Guarantor.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Senior Secured Note on behalf of the Issuer.

“*Permitted Asset Swap*” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents between the Company or any of the Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.”

“*Permitted Collateral Liens*” means Liens on the Collateral:

- (1) that are described in one or more of clauses (2), (3), (4), (5), (6), (7), (8), (12), (15), (17), (18), (24), (26), (34) or (41) of the definition of “*Permitted Liens*” and Liens arising by operation of law that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral; and
- (2) to secure all obligations (including paid-in-kind interest) in respect of:
 - (a) the Senior Secured Notes (other than Additional Senior Secured Notes), including related Senior Secured Notes Guarantees;
 - (b) Indebtedness described under clause (1)(a) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*” (including Liens on cash collateral pursuant to the agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility); *provided* that (x) Indebtedness under any asset based loan facility may have priority lien status in respect of the ABL Collateral in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement, (y) Hedging Obligations may have super senior priority status in respect of the proceeds from the enforcement of the Fixed Assets Collateral and certain distressed disposals of assets in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement and (z) Indebtedness in an amount up to \$50.0 million under any revolving credit facility, may have super senior priority status in respect of the proceeds from the enforcement of the Fixed Assets Collateral and certain distressed disposals of assets, in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement;
 - (c) Indebtedness described under clause (1)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”;
 - (d) 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*”;
 - (e) Indebtedness described under clause (5)(b) of the second paragraph of “*Certain Covenants—Limitation on Indebtedness*”;
 - (f) Indebtedness described under clause (6) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”; *provided* that obligations under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, foreign exchange contracts, currency swap agreement or similar agreement providing for the

transfer or mitigation of interest rate or currency risks entered into with respect to any Indebtedness Incurred in compliance with the covenant described under “*Certain Covenants—Limitation on Indebtedness*” may have super senior priority status in respect of the proceeds from the enforcement of the Collateral and certain distressed disposals of assets;

- (g) Indebtedness described under clauses (4)(a), (4)(b)(i), (4)(c)(to the extent such Indebtedness being Refinanced was permitted to be secured by a Permitted Collateral Lien), (7) (other than with respect to Capitalized Lease Obligations), (13) or (18) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”;
- (h) Indebtedness described under the first paragraph or clause (1)(c), (5) or clause (10) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”; *provided* that with respect to liens securing Senior Secured Indebtedness, at the time of Incurrence and after giving *pro forma* effect thereto, the Consolidated Senior Secured Net Leverage Ratio would be no greater than 4.80 to 1.00;
- (i) Liens on the Collateral that secure Indebtedness on a basis junior to the Senior Secured Notes and any guarantees thereof; and
- (j) any Refinancing Indebtedness in respect of Indebtedness set forth in the foregoing clauses (a) to (i); *provided* that any Lien securing such Refinancing Indebtedness shall have the same priority, relative to the Lien on such Collateral securing the Senior Secured Notes, as the Lien securing the original Indebtedness refinanced by such Refinancing Indebtedness

provided that for purposes of determining compliance with this definition, in the event that a Permitted Collateral Lien meets the criteria of more than one of the categories of Permitted Collateral Liens described in paragraphs (1) and (2) above, the Company will be permitted to classify such Permitted Collateral Lien on the date of its incurrence and reclassify such Permitted Collateral Lien at any time and in any manner that complies with this definition.

“*Permitted Holders*” means, collectively, (i) the Initial Investors, (ii) any 30% Rule Designee, (iii) any one or more Persons, together with such Persons’ Affiliates, whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, (iv) the Management Stockholders, (v) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Company, acting in such capacity, and (vi) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (i) through (v), collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Company or any Parent Entity held by such group. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control which is not a Change of Control, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Company or any of the Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person and as a result of such Investment such other Person is merged, amalgamated, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary;

- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice;
- (5) Investments in payroll, travel, relocation, entertainment 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 Company or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Company 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 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 not prohibited under the Indenture;
- (10) Hedging Obligations, which transactions or obligations are Incurred in compliance with “*Certain Covenants—Limitation on Indebtedness*”;
- (11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “*Certain Covenants—Limitation on Liens*”;
- (12) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent Entity as consideration;
- (13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (6), (7), (8), (9), (12) and (14) of that paragraph);
- (14) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business or consistent with past practices, and in accordance with the Indenture;
- (15) any (a) Guarantees of Indebtedness not prohibited by the covenant described under “*Certain Covenants—Limitation on Indebtedness*” and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business, and (b) performance guarantees and contingent obligations with respect to obligations that are not prohibited by the Indenture;

- (16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;
- (17) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into the Company or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (18) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;
- (19) contributions to a “rabbi” trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Company;
- (20) Investments in joint ventures and similar entities and Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (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 (x) if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company 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 Company or a Restricted Subsidiary and (y) no Investment in an Unrestricted Subsidiary made pursuant to this clause (20) shall be made for the purpose of making an indirect dividend or distribution from the Company or any Restricted Subsidiary in respect of the Company’s or any Restricted Subsidiary’s Capital Stock that would be permitted under clause (14) of the second paragraph of the covenant described in the section entitled *Certain Covenants—Limitation on Restricted Payments*” or that would otherwise be prohibited under such covenant;
- (21) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (a) \$140.0 million and (b) 30.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (c) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and shall cease to

have been made pursuant for so long as such Person continues to be the Company or a Restricted Subsidiary;

- (22) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (c) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company 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 Company or a Restricted Subsidiary;
- (23) Investments (a) arising in connection with a Qualified Securitization Financing or Receivables Facility and (b) constituting distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;
- (24) Investments in connection with the Transactions;
- (25) Investments (including repurchases) in Indebtedness of the Company and the Restricted Subsidiaries;
- (26) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*”;
- (27) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business;
- (28) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors in the ordinary course of business;
- (29) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;
- (30) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection of deposit and Article 4 customary trade arrangements with customers consistent with past practices;
- (31) transactions entered into in order to consummate a Permitted Tax Restructuring.
- (32) Investments made in the ordinary course of business, the fair market value of which in the aggregate does not exceed the greater of \$10.0 million and 2.0% of LTM EBITDA in any transaction or series of related transactions;

- (33) Investments in a Person to the extent that the consideration therefor consists of the issue and sale (other than to any Subsidiary) of shares of the Company's Capital Stock or Subordinated Shareholder Funding or the net proceeds thereof (other than any Excluded Contribution or to the extent any of the proceeds are used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under "Certain Covenants—Limitation on Indebtedness"); *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (c)(ii) of "—Certain Covenants—Limitation on Restricted Payments";
- (34) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;
- (35) loans or advances to (i) directors, officers or employees of the Company or any Restricted Subsidiary to pay for the purchase of Capital Stock of the Company or any direct or indirect parent company thereof pursuant to management equity plans or similar management or employee benefit arrangement or (ii) stock option plans, trust and similar asset pools to pay for the purchase of Capital Stock of the Company or any direct or indirect parent company thereof not to exceed the greater of \$15.0 million and 3.0% of LTM EBITDA in the aggregate outstanding at any one time;
- (36) any Investments received in comprise or resolution of litigation, arbitration or other disputes;
- (37) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and advance payment made and deferred consideration and performance guarantees, in each case in the ordinary course of business;
- (38) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business; and
- (39) so long as no Default has occurred or is continuing, additional Investments; *provided* that immediately after giving *pro forma* effect such Investment, the Consolidated Total Net Leverage Ratio shall not be greater than 5.15 to 1.00.

"*Permitted Joint Venture*" means any joint venture or similar combinations or other transaction pursuant to which the Company or any Restricted Subsidiary enters into, acquires or subscribes for any shares, stock, securities or other interest in or transfers any assets to any joint venture; *provided, however*, that the primary business of such joint venture is a Similar Business.

"*Permitted Liens*" means, with respect to any Person

- (1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness and other Obligations of any Restricted Subsidiary that is not a Guarantor;
- (2) pledges, deposits or Liens under workmen's compensation laws, old-age-part-time arrangements, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or pension related liabilities and obligations, 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 with respect to outstanding motor vehicle fines and Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors' or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for Taxes, assessments or governmental charges which are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS (or other applicable accounting principles) have been made in respect thereof;
- (5) encumbrances, charges, 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 Company and the 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 Company and the Restricted Subsidiaries;
- (6) Liens (a) on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services permitted under the Indenture; (b) that are statutory, common law or contractual rights of set-off (including, for the avoidance of doubt, Liens arising under the general terms and conditions of banks or saving banks) or, in the case of clause (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations Incurred in the ordinary course of business of the Company or any Subsidiary of the Company or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness and other Obligations permitted to be Incurred under clauses (8)(d) or (8)(e) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Indebtedness*" with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts Incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; (e) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection; (f) 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/ or (g) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness;
- (7) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (8) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default so long as (a) any appropriate legal proceedings which may

have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated, (b) the period within which such proceedings may be initiated has not expired or (c) no more than 60 days have passed after (i) such judgment, decree, order or award has become final or (ii) such period within which such proceedings may be initiated has expired;

- (9) Liens (i) on assets or property of the Company 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 Company 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 Capitalized Lease Obligations or operating lease;
- (10) Liens perfected or evidenced by UCC financing statement filings, including precautionary UCC financing statements (or similar filings in other applicable jurisdictions) regarding operating leases (subject, as applicable, to the Election Option) entered into by the Company and the Restricted Subsidiaries in the ordinary course of business;
- (11) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;
- (12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company 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 Company 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;
- (13) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other Obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;
- (14) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that were previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness or other Obligations being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (15) Liens constituting (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 Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar

- arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (16) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
 - (17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
 - (18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
 - (19) Liens securing Indebtedness and other Obligations under clauses (3), (11) or (18) *provided* that, in the case of clause (11), such Liens cover only the assets of such Subsidiary) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”;
 - (20) Permitted Collateral Liens (other than pursuant to clause 2(i) of such definition);
 - (21) Liens (a) on Capital Stock or other securities or assets of any Unrestricted Subsidiary or Permitted Joint Venture that secure Indebtedness of such Unrestricted Subsidiary or Permitted Joint Venture and (b) then existing with respect to assets of an Unrestricted Subsidiary on the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*”;
 - (22) any security granted over the marketable securities portfolio described in clause (8) of the definition of “*Cash Equivalents*” in connection with the disposal thereof to a third party;
 - (23) Liens on (a) goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Company or any Restricted Subsidiary or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments and (b) specific items of inventory of other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
 - (24) Liens on equipment of the Company or any Restricted Subsidiary in the ordinary course of business;
 - (25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;
 - (26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;
 - (27) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;
 - (28) Liens (a) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (b) consisting of an agreement to sell any property in an asset sale permitted under the covenant described under “*Certain Covenants—Limitation on Sales of Assets and*

Subsidiary Stock,” in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

- (29) Liens securing Indebtedness and other Obligations in an aggregate principal amount not to exceed the greater of (a) \$140.0 million and (b) 30.0% of LTM EBITDA at the time Incurred;
- (30) Liens deemed to exist in connection with Investments in repurchase agreements permitted by the covenant described under “*Certain Covenants—Limitation on Indebtedness*” *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
- (31) Liens arising in connection with a Qualified Securitization Financing or a Receivables Facility;
- (32) Settlement Liens;
- (33) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any government, statutory or regulatory authority;
- (34) the rights reserved to or vested in any Person or government, statutory or regulatory authority by the terms of any lease, license, franchise, grant or permit held by the Company or any Restricted Subsidiary or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (35) restrictive covenants affecting the use to which real property may be put;
- (36) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; *provided* that such Liens or covenants do not interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiary;
- (37) Liens arising in connection with any Permitted Tax Restructuring;
- (38) Liens on Escrowed Proceeds or Liens 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 are held in an escrow account or similar arrangement, including in each case any interest or premium thereon;
- (39) Liens arising in connection with any joint and several liability or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity for corporate income tax, trade tax or value added tax or similar purposes or any analogous arrangement;
- (40) Liens on any of the Company’s or any Restricted Subsidiary’s property or assets securing the Senior Secured Notes or any Senior Secured Notes Guarantees; and
- (41) any extension, renewal or replacement, in whole or in part, of any Permitted Lien; *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Company 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 Liens*” to which such Permitted Lien has been classified or reclassified.

“Permitted Reorganization” means:

- (1) any transfer of the shares in, or issue of shares by, the Company or any Restricted Subsidiary or any step, action or transaction including share issue or acquisition or consumption of debt, for the purpose of compliance with the 30% Rule, including the payment by the Company or any Restricted Subsidiary of an annual dividend to each 30% Rule Designee in an amount equal to CDN\$10,000 (or the foreign currency equivalent thereof) grossed up for any applicable taxes, *provided* that, in respect of any shares which are transferred or issued to a 30% Rule Designee, to the extent any Security Interest had previously been granted over such shares (or, in the case of any new share issue, had previously been granted over 100% of the share capital of the relevant company) the 30% Rule Designee shall provide a pledge (or other similar security) over such shares transferred or issued to that 30% Rule Designee, with recourse limited to enforcement of the pledge (or other similar security) over those shares and on terms satisfactory to the 30% Rule Designee (acting reasonably), which terms shall be in any case not materially worse to the Holders than the terms of the original share pledge; or
- (2) any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction, directly or indirectly, in one or a series of related transactions involving the Company or any of the Restricted Subsidiaries (a *“Reorganization”*) that is made on a solvent basis; *provided* that:
 - (i) any payments or assets distributed in connection with such Reorganization remain within the Company and the Restricted Subsidiaries; and
 - (ii) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral,

provided further that no Permitted Reorganization may override the provisions of the covenant described under *“Merger and Consolidation”* and, for the avoidance of doubt, the term *“Permitted Reorganization”* shall include the closure of bank accounts and the conversion of debt instruments into Capital Stock or other equity instruments.

“Permitted Tax Distribution” means:

- (1) for any taxable year (or portion thereof) ending after the Issue Date for which the Company is a member of a fiscal unity (whether resulting from a domination and profit or loss pooling agreement or otherwise) or a group filing a consolidated or combined tax return with any Parent Entity for federal, state, provincial, territorial, and/or local income Tax purposes, any dividends, intercompany loans, other intercompany balances or other distributions to such Parent Entity to fund any such income Taxes of such Parent Entity that are attributable to the taxable income of the Company and its applicable Subsidiaries, in an amount not to exceed the amount of any such Taxes that the Company (and its applicable Subsidiaries) would have been required to pay if it had been a separate stand-alone company (or a separate consolidated, combined, group, affiliated or unitary group consisting only of the Company and its applicable Subsidiaries) for all applicable taxable periods after the Issue Date; and
- (2) for any taxable year (or portion thereof) ending after the Issue Date for which the Company is treated as a disregarded entity, partnership, or other flow-through entity for federal, state, provincial, territorial, and/or local income Tax purposes, any dividends or other distributions to the Company’s direct owner(s) to fund such income Tax liability of such owner(s) (or, if a direct owner is a pass-through entity, of the indirect owner(s)) for such taxable year (or portion thereof) attributable to the taxable income of the Company and its applicable Subsidiaries, in an aggregate amount not to exceed the product of (x) the highest combined applicable marginal federal and state, provincial, territorial, and/or local statutory income Tax rate (for purposes of such tax)

(after taking into account any deductibility of U.S. state and local income Tax for U.S. federal income Tax purposes and the character of the income in question) and (y) the taxable income of the Company (for purposes of such tax) for such taxable year (or portion thereof), reduced by all taxable losses of the Company (for purposes of such tax) with respect to any prior taxable year ending after the Issue Date to the extent such losses were not previously taken into account for purposes of computing Permitted Tax Distributions pursuant to this clause (2) and such losses would be deductible against such income of the Company for such taxable year (or portion thereof) if in all relevant taxable years the applicable Parent Entity had no items of income, gain, loss, deduction or credit other than allocations to such Parent Entity of such items by the Company; *provided* that Permitted Taxable Distributions pursuant to this clause (2) shall be reduced by the amount of any such Taxes paid or payable by the Company or any Subsidiary directly to taxing authorities on behalf of any such owner(s).

“Permitted Tax Restructuring” means any reorganizations and other activities related to tax planning and tax reorganization entered into prior to, on or after the date hereof so long as such Permitted Tax Restructuring is not materially adverse to the Holders (as determined by the Company in good faith).

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Post-Petition Interest” means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

“Preferred Stock,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“pro forma” means, with respect to any calculation made or required to be made pursuant to the terms of the Indenture, a calculation made in good faith by a responsible financial or accounting officer of the Company; *provided* that any such calculation shall (x) give effect to any realized or expected synergies, cost efficiencies and cost savings relating to, or directly or indirectly resulting from, or associated with, any Asset Disposition, Investment, acquisition, reorganization, restructuring or operational improvement initiative that has occurred during the period included in the calculation or any prior period or would reasonably be expected to occur in connection with an acquisition or other transaction in relation to which “pro forma” effect is given, as if such synergies, cost efficiencies or cost savings had been effective throughout the period included in the calculation and (y) eliminate any extraordinary, exceptional, unusual or nonrecurring loss, expense or charge (including severance, relocation, plant closure, operational improvement or restructuring costs or reserves therefor) relating to, or directly or indirectly resulting from, or Incurred in connection with, any Asset Disposition, Investment, acquisition, reorganization, restructuring or operational improvement initiative, or offering of debt or equity securities.

“Public Debt” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act and/or (ii) a private placement to institutional and other investors, in each case, that are not Affiliates of the Company, in accordance with Rule 144A and/or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Securitization Financing” means any Securitization Facility that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Company or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Company) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

“Receivables Assets” means (a) any accounts receivable owed to the Company or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Company or such Restricted Subsidiary (as applicable) in a transaction or series of transactions in connection with a Receivables Facility.

“Receivables Facility” means an arrangement between the Company or a Restricted Subsidiary and a counterparty pursuant to which (a) the Company or such Restricted Subsidiary, as applicable, sells (directly or indirectly) accounts receivable owing by customers, together with Receivables Assets related thereto, (b) the obligations of the Company or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Company and such Restricted Subsidiary and (c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

“Refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms *“refinances,”* *“refinanced”* and *“refinancing”* as used for any purpose in the Indenture shall have a correlative meaning.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company 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 Senior Secured Notes and/or the Senior Secured Notes Guarantees (as applicable) 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:
- (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Guarantor; or
 - (b) Indebtedness, Disqualified Stock or Preferred Stock of the Company 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.

“*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 and other fees and expenses (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* that such Taxes are in fact paid) by any Parent Entity by virtue of its:

- (1) being incorporated, organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries) or otherwise maintain its existence or good standing under applicable law;
- (2) being a holding company parent, directly or indirectly, of the Company or any Subsidiaries of the Company;
- (3) issuing or holding Subordinated Shareholder Funding;
- (4) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any Subsidiaries of the Company; or
- (5) having made any (i) payment in respect to any of the items for which the Company is permitted to make payments to any Parent Entity pursuant to “*Certain Covenants—Limitation on Restricted Payments*” or (ii) Permitted Tax Distribution.

“*Relevant Testing Period*” means, for purposes of the calculation of any applicable financial covenant, test, basket or ratio (including those based on LTM EBITDA, Fixed Charge Coverage Ratio and/or Consolidated Total Net Leverage Ratio), the most recently completed four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter (or fiscal year, if later) for which financial statements have been delivered pursuant to covenant described under the caption “*Reports*” or, at the option of the Company, the most recently completed twelve consecutive months ending on the last day of a calendar month for which the Company has, in its sole determination, sufficient available information to be able to determine any applicable financial covenant, test, basket or ratio.

“*Reserved Indebtedness Amount*” has the meaning set forth in the covenant described under “*Certain Covenants—Limitation on Indebtedness*.”

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Sale and Leaseback Transaction*” means any arrangement providing for the leasing by the Company or any of the Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Company or such Restricted Subsidiary to a third Person in contemplation of such leasing.

“SEC” means the Securities and Exchange Commission or any successor thereto.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Securitization Asset*” means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

“*Securitization Facility*” means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Company or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other Person.

“*Securitization Fees*” means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Receivables Facility.

“*Securitization Repurchase Obligation*” means any obligation of a seller of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase or otherwise make payments with respect to Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“*Securitization Subsidiary*” means any Subsidiary of the Company in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for this purpose.

“*Security Documents*” means all 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 (other than the Escrow Charge).

“*Senior Indenture*” means the Indenture with respect to the Senior Notes to be entered into on or about the Issue Date, by and among, *inter alios*, the Company and the Issuer.

“*Senior Notes*” means the Issuer’s \$600.0 million in aggregate principal amount of % Senior Notes due 2027, issued on the Issue Date.

“*Senior Notes Guarantees*” means the guarantees of the Senior Notes.

“*Senior Secured Indebtedness*” means Indebtedness of the type referred to in the definition of “*Consolidated Total Indebtedness*” that is secured by a Lien on the Collateral (other than any lien that is contractually subordinated to the Liens securing the Senior Secured Notes or ranks behind the Senior Secured Notes) and not contractually subordinated to obligations under the Senior Secured Notes or the Senior Secured Notes Guarantees as of such date and that (x) is Incurred under the first paragraph described under “*Certain Covenants—Limitation on Indebtedness*” or clauses (1)(a), (1)(b), (4), (5), (7), (10), (11), (13) or (18) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” (y) is a Guarantee of any Indebtedness set forth in clause (x) that has been Incurred by the Company or a Restricted Subsidiary where such Guarantee is not contractually subordinated to the obligations under the Senior Secured Notes or the Senior Secured Notes Guarantees, or (z) is Refinancing Indebtedness in respect thereof, in all cases without double-counting; *provided* that, for the avoidance of doubt, Indebtedness under the ABL Facility as entered into on or before the Completion Date shall constitute Senior Secured Indebtedness.

“*Senior Secured Notes Documents*” means the Senior Secured Notes (including Additional Senior Secured Notes), the Escrow Agreement, Escrow Charge, the Indenture (including the Senior Secured Notes Guarantees), the Intercreditor Agreement; any Additional Intercreditor Agreement and the Security Documents.

“*Settlement*” means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business.

“*Settlement Asset*” means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

“*Settlement Indebtedness*” means any payment or reimbursement obligation in respect of a Settlement Payment.

“*Settlement Lien*” means any Lien relating to any Settlement or Settlement Indebtedness (and may include, for the avoidance of doubt, the grant of a Lien in or other assignment of a Settlement Asset in consideration of a Settlement Payment, Liens securing intraday and overnight overdraft and automated clearing house exposure, and similar Liens).

“*Settlement Payment*” means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

“*Settlement Receivable*” means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

“*Significant Subsidiary*” means any Restricted Subsidiary or group of Restricted Subsidiaries (taken together) that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date, tested by reference to (a) the most recent annual financial statements delivered in accordance with clause (1) of the covenant described under the caption “*Reports*”; or (b) prior to the delivery of the first set of annual financial statements in accordance with clause (1) of the covenant described under the caption “*Reports*,” the unaudited pro forma combined financial information of the Company for the financial year ended December 31, 2018 (or, at the option of the Company, such other financial statements of the Company and the Restricted Subsidiaries or the Ardagh Carve-out Business and Exal for the most recently completed four consecutive fiscal quarters prior to the date of determination, for which the Company has sufficient available information to be able to determine whether a Restricted Subsidiary or group of Restricted Subsidiaries shall constitute a Significant Subsidiary).

“*Similar Business*” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) any business that, in the good faith business judgment of the Company, constitutes a reasonable diversification of business conducted by the Company and its Subsidiaries and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“*Standard Securitization Undertakings*” means representations, warranties, covenants, guarantees and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Securitization Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking or, in the case of a Receivables Facility, a non-credit related recourse accounts receivable factoring arrangement.

“*Stated Maturity*” means, with respect to any Indebtedness, the date specified in the instrument governing such Indebtedness as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any Contingent Obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Indebtedness*” means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Senior Secured Notes or the Senior Secured Notes Guarantees pursuant to a written agreement.

“*Subordinated Shareholder Funding*” means, collectively, any funds provided to the Company by any Parent Entity, any Affiliate of any Parent Entity or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the date that is six months after the Stated Maturity of the Senior Secured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months after the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;
- (2) does not require, prior to the date that is six months after the Stated Maturity of the Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the date that is six months after the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (3) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months after the Stated Maturity of the Senior Secured Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the date that is six months after the Stated Maturity of the Senior Secured 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 Company or any of its Subsidiaries;
- (5) pursuant to the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured Notes and any Senior Secured Notes Guarantee pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Completion Date;
- (6) is not Guaranteed by any Subsidiary of the Company;
- (7) contains restrictions on transfer to a Person who is not a Parent Entity, any Affiliate of any Parent Entity, any holder of Capital Stock of a Parent Entity or any Affiliate of a Parent Entity or any Permitted Holder or any Affiliate thereof; *provided* that any transfer of Subordinated Shareholder Funding to any of the foregoing Persons shall not be deemed to be materially adverse to the interests of the Holders; and
- (8) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or any Senior Secured Notes Guarantee or compliance by the Issuer or any Guarantor with its obligations under the Senior Secured Notes, any Senior Secured Notes Guarantee or the Indenture.

“*Subsidiary*” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and
 - (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties and other liabilities 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 European Union member state, (iii) the United Kingdom, (iv) Australia, Japan, Norway or Switzerland, (v) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (vi) 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 ABL 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 \$250.0 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 Company or any of the 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, Australia, Canada, Japan, Norway, Switzerland, the United Kingdom or any European Union member state 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 of America, Australia, Canada, a member state of the European Union, the United Kingdom, 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 \$250.0 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 90% 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 Agreement*” means the transaction agreement dated July 14, 2019, among Ardagh Group S.A., Element Holdings II L.P. and Trivium Packaging B.V. in connection with the Combination as set forth in this Offering Memorandum.

“*Transaction Expenses*” means any fees or expenses Incurred or paid by the Company or any Restricted Subsidiary in connection with the Transactions, including any fees, costs and expenses associated with settling any claims or action arising from a dissenting stockholder exercising its appraisal rights.

“*Transactions*” shall have the meaning assigned to such term in this Offering Memorandum.

“*Treasury Rate*” means, as selected by the Company, the greater of (x) the yield to maturity as of the date of the relevant redemption notice of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (or is obtainable from the Federal Reserve System’s Data Download Program as of the date of such H.15) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the date of such redemption notice, to , 2022; *provided, however*, that if the period from such date to , 2022 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used and (y) zero.

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Company in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of the Company other than 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 Company or any other Subsidiary of the Company 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 Company in such Subsidiary complies with “*Certain Covenants—Limitation on Restricted Payments.*”

“*U.S. Bankruptcy Code*” means Title 11 of the United States Code, as amended.

“*U.S. Dollars*” means the lawful currency of the United States of America.

“*U.S. Government Obligations*” means securities that are: (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer(s)

thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

“*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.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary, all of the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

DESCRIPTION OF THE SENIOR NOTES

The following is a description of the \$600 million in aggregate principal amount of \$ % senior fixed rate notes due 2027 (the “*Senior Notes*”). The Senior Notes will be issued by Trivium Packaging Finance B.V. (the “*Issuer*”), a private limited liability company incorporated under the laws of the Netherlands. You will find definitions of certain capitalized terms used in this “*Description of the Senior Notes*” under the heading “*Certain Definitions*” below. For purposes of this “*Description of the Senior Notes*,” references to the “*Issuer*,” “*we*,” “*our*,” and “*us*” refer only to Trivium Packaging Finance B.V. and not to any of its Subsidiaries. The term the “*Company*” refers to Trivium Packaging B.V.

The Issuer will issue the Senior Notes under an indenture to be dated on or about the Issue Date (the “*Indenture*”), between, *inter alios*, the Issuer, the Company as guarantor, and Citibank, N.A., London Branch as trustee (in such capacity, the “*Trustee*”) and paying agent, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not be qualified under, incorporate by reference or include, or be subject to, any of the provisions of the Trust Indenture Act, including Section 316(b) thereof. Consequently, the Holders will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under a qualified indenture, including among other things, those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the Holders of certain relationships between it and us.

Upon satisfaction of the conditions set forth in the Escrow Agreement and release of the Escrowed Property from the Escrow Account (each as defined below), the proceeds from the offering of the Senior Notes sold on the Issue Date will be used by the Issuer, together with the proceeds from the offering of the Senior Secured Notes, to fund the cash portion of the consideration payable for the Combination and pay the fees and expenses incurred in connection with the Transactions (as defined in this Offering Memorandum), including estimated fees and expenses incurred in connection with the offering of the Senior Notes, as set forth in this Offering Memorandum under the captions “*Use of Proceeds*” and “*The Transactions*.”

Pending the satisfaction of certain other conditions as described under the caption “*Escrow of Proceeds; Special Mandatory Redemption*,” the Initial Purchasers (as defined in this Offering Memorandum) will, concurrently with the closing of the offering of the Senior Notes on the Issue Date, deposit the gross proceeds of the Senior Notes sold on the Issue Date into a U.S. Dollar-denominated escrow account (the “*Escrow Account*”) pursuant to the terms of an escrow agreement (the “*Escrow Agreement*”) dated as of the Issue Date, among the Company, the Trustee and Citibank, N.A., London Branch as the escrow agent (the “*Escrow Agent*”). If the conditions to the release of the Escrowed Property (as defined below), as more fully described below under the caption “*Escrow of Proceeds; Special Mandatory Redemption*,” have not been satisfied on the Business Day following April 14, 2020 (the “*Escrow Longstop Date*”), or upon the occurrence of certain other events, the Senior Notes will be redeemed at a price equal to 100% of the issue price of the Senior Notes plus accrued and unpaid interest from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any. See “*Escrow of Proceeds; Special Mandatory Redemption*.”

Upon the initial issuance of the Senior Notes on the Issue Date, the Senior Notes will only be obligations of the Company and the Issuer and will not be guaranteed by the Ardagh Carve-out Business or Exal or any of their respective Subsidiaries. Subject to the Agreed Security Principles and the occurrence of the Completion Date, Ardagh MP Holdings UK Limited, Ardagh Metal Packaging UK Limited, Ardagh Germany MP GmbH, Ardagh Metal Packaging Germany GmbH, Ardagh MP Group Netherlands B.V., Ardagh Metal Packaging Netherlands B.V., Ardagh Aluminium Packaging Netherlands B.V., Ardagh Metal Packaging Hjørring A/S, Ardagh Metal Packaging Canada Limited, Ardagh Metal Packaging Hungary Kft., Ardagh Aluminium Packing Hungary Kft, Ardagh Metal Packaging Poland sp. z o.o., Ardagh Metal Packaging Iberica, S.A., Ardagh Metal Packaging USA Inc., Element US Holding Company and Exal Corporation, and certain holding companies in each of Germany, Spain, Italy, the United Kingdom and France (the “*Post-Completion Date Guarantors*”) will enter into one or more

supplemental indentures to become a party to the Indenture and guarantee the Senior Notes on a senior basis within 90 days from the Completion Date.

Prior to the Completion Date, the Company will not be able to cause the Ardagh Carve-out Business or Exal to comply with the covenants described in this “*Description of the Senior Notes*” or other agreements under the Indenture. As such, we cannot assure you that prior to the Completion Date, the Ardagh Carve-out Business or Exal will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants or other agreements been applicable to such entities as of the Issue Date, and any such non-compliance will not constitute a default or Event of Default under the Indenture. See “*Risk Factors—Risks Relating to the Combination—Trivium may have liabilities that we are unaware of.*”

The Indenture will be unlimited in aggregate principal amount, of which \$600.0 million in aggregate principal amount of Senior Notes will be issued in this offering. We may, subject to applicable law and the terms of the Indenture, issue an unlimited principal amount of additional Senior Notes (the “Additional Senior Notes”) *provided* that if the Additional Senior Notes are not fungible for U.S. federal income tax purposes with the Senior Notes, such Additional Senior Notes will be issued with a separate ISIN code, and/or CUSIP from the Notes originally issued. We will only be permitted to issue Additional Senior Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens. See “*Certain Covenants—Limitation on Indebtedness*” and “*Certain Covenants—Limitation on Liens.*” Except as otherwise provided for in the Indenture, the Senior Notes, and if issued, Additional Senior 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 Senior Notes,*” references to the “Senior Notes” include the Senior Notes and any Additional Senior Notes that are actually issued under the Indenture.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below) and in the case of certain conflicts between the terms of the Indenture and the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail. The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness, the ability to make payments in respect of the indebtedness, the procedures for undertaking enforcement action, the subordination of certain indebtedness, turnover obligations, release of guarantees, and the payment waterfall for amounts received by the relevant security agent. See “*Description of Other Indebtedness—Intercreditor Agreement*” for a description of certain terms of the Intercreditor Agreement.

This “*Description of the Senior Notes*” is intended to be an overview of the material provisions of the Senior Notes and the Indenture and refers to the Intercreditor Agreement, the Escrow Agreement and the Escrow Charge. Since this description of the terms of the Senior Notes is only a summary, you should refer to the Senior Notes, the Indenture, the Intercreditor Agreement, the Escrow Agreement and the Escrow Charge for complete descriptions of the obligations of the Company and your rights. Copies of such documents will be available from us upon request on and after the Issue Date.

The registered Holder of a Senior Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Notes have not been, and will not be, registered under the Securities Act and will be subject to certain transfer restrictions.

General

The Senior Notes

The Senior Notes will:

- be general senior obligations of the Issuer;

- 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 Senior Notes (including the obligations under the ABL Facility, 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 Senior Notes;
- be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property or assets of the Issuer other than the Escrow Charge (including the obligations under the ABL Facility, the Senior Secured Notes and certain Hedging Obligations), to the extent of the value of the property and assets securing such obligation or indebtedness;
- be structurally subordinated to any existing or future indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to their trade creditors;
- be (i) guaranteed by the Company on a senior basis on the Issue Date and (ii) subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, within 90 days from the Completion Date, guaranteed by the Post-Completion Date Guarantors, in each case, on a senior basis, as described further under “—*Senior Notes Guarantees*”; and
- be represented by one or more registered Senior Notes in global form, but in certain circumstances may be represented by Definitive Registered Senior Notes (as defined below). See “*Book-entry; Delivery and Form.*”

The Issuer is a finance subsidiary with no business operations and has no revenue-generating operations of its own. The Issuer will be dependent upon payments from the Company to meet its obligations, including its obligations under the Senior Notes. The payments to the Issuer will depend on the profitability and cash flows of the Company and its other Subsidiaries. The Senior Notes will be structurally subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company’s Subsidiaries that are not Guarantors.

As of the Issue Date, the Issuer will be a “*Restricted Subsidiary*” for the purposes of the Indenture, and as of the Completion Date, we expect that all subsidiaries of the Company will be Restricted Subsidiaries for the purposes of the Indenture. However, under the circumstances described below under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*,” we will be permitted to designate certain of our Subsidiaries as “Unrestricted Subsidiaries.” Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Senior Notes.

On a *pro forma* basis, after giving effect to the Transactions, we would have had total debt of \$2,853 million (including \$2,150.0 million (equivalent) in aggregate principal amount of Senior Secured Notes and, \$600.0 million in aggregate principal amount of Senior Notes and the new ABL Facility which is anticipated to provide for commitments of up to \$250.0 million with availability subject to conditions typical for asset based revolving credit facilities) of which \$2,246 million would have been secured.

The Senior Notes Guarantees

On the Issue Date, the Senior Notes will be guaranteed by the Company on a senior basis. Subject to the Agreed Security Principles and the Intercreditor Agreement and the occurrence of the Completion Date, the Senior Notes will be guaranteed on a senior basis by the Post-Completion Date Guarantors by the earlier of (x) 90 days from the Completion Date, or (y) the date on which such Post-Completion Date Guarantors guarantee the obligations under the ABL Facility. In addition, if required by the covenant described under “*Certain Covenants—Additional Guarantees*,” certain other Restricted Subsidiaries may provide a Senior Notes Guarantee (as defined below) in the future.

Once granted, the Senior Notes Guarantee of each of the Guarantors will:

- be a general senior obligation of that Guarantor;
- rank *pari passu* in right of payment with any existing and future indebtedness of that Guarantor that is not subordinated in right of payment, including obligations under the ABL Facility, the Senior Secured Notes and certain Hedging Obligations;
- rank senior in right of payment to any existing and future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Senior Notes Guarantee of that Guarantor;
- rank senior in right of payment to all existing and future indebtedness of that Guarantor that is subordinated in right of payment to its Senior Notes Guarantee;
- be effectively subordinated to any existing or future indebtedness or obligation of that Guarantor and its subsidiaries that is secured by property or assets that do not secure the Senior Notes or the Senior Notes Guarantees (including obligations under the obligations under the ABL Facility, the Senior Secured Notes and certain Hedging Obligations), to the extent of the value of the property and assets securing such indebtedness; and
- be structurally subordinated to any existing or future indebtedness of the Subsidiaries of that Guarantor that do not guarantee the Senior Notes, including their obligations to trade creditors.

Principal, Maturity and Interest

The Senior Notes will mature on August 15, 2027, unless redeemed prior thereto as described herein. On the Issue Date, the Issuer will issue \$600 million in aggregate principal amount of Senior Notes.

The Senior Notes will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

The Senior Notes (together with any Additional Senior 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 and any other action by the Holders hereunder, except as otherwise provided in the Indenture.

Interest on overdue principal and interest on the Senior Notes will accrue at a rate that is 1% higher than the interest rate on the overdue principal or interest.

Interest on the Senior Notes

Interest on the Senior Notes will accrue at the rate of % per annum. Interest on the Senior Notes will be payable on December 15, 2019 and thereafter semi-annually in arrears on August 15 and February 15. Interest on the Senior Notes will be payable to the holder of record of such Senior Notes on the Business Day immediately preceding the related interest payment date.

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

The rights of Holders to receive the payments of interest on the Senior Notes are subject to applicable procedures of DTC. If the due date for any payment in respect of any Senior Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

If the Issuer redeems any Senior Notes on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Senior Note is

registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Notes will be subject to redemption by the Issuer.

The right of holders of beneficial interests in the Senior Notes to receive the payment on such Senior Notes will be subject to the applicable procedures of DTC.

Methods of Receiving Payments on the Senior Notes

Principal, interest and premium and Additional Amounts, if any, on the Senior Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (initially being DTC or its nominee).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities (“*Definitive Registered Senior Notes*”) will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in London, United Kingdom. In addition, interest on the Definitive Registered Senior Notes may be paid, at the option of the Issuer, by check mailed by the Company to the address of the Holder entitled thereto as shown on the register of Holders for the Definitive Registered Senior Notes. See “*Paying Agent and Registrar for the Senior Notes*” below.

Paying Agent and Registrar for the Senior Notes

The Issuer will maintain one or more Paying Agents for the Senior Notes. The initial Paying Agent will be Citibank N.A., London Branch.

The Issuer will also maintain one or more registrars (each, a “*Registrar*”) and one or more transfer agent (each, the “*Transfer Agent*”). The initial Registrar will be Citigroup Global Markets Europe AG for the Senior Notes. The initial Transfer Agent will be Citibank N.A., London Branch.

The Registrar and Transfer Agent will maintain a register for the Senior Notes reflecting the ownership of the Senior Notes outstanding from time to time, and together with the Transfer Agent will facilitate transfers of the Senior Notes on behalf of the Issuer.

A register of the Holders shall be left at the registered office of the Issuer. In case of inconsistency between the register of Senior Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Registrar shall prevail.

Upon written notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent for the Senior Notes without prior notice to the Holders of such Senior Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Senior Notes.

Senior Notes Guarantees

General

Upon the initial issuance of the Senior Notes on the Issue Date, the Senior Notes will be guaranteed on a senior basis by the Company. Subject to the Agreed Security Principles and the occurrence of the Completion Date, the Post-Completion Date Guarantors will guarantee, jointly and severally, on a senior basis (each (including the Guarantee of the Senior Notes by the Company), a “*Senior Notes Guarantee*” and together (including the Guarantee of the Senior Notes by the Company), the “*Senior Notes Guarantees*”) the obligations of the Company pursuant to the Senior Notes, including any payment obligation resulting from a Change of Control, by the earlier of (x) 90 days from the Completion Date or (y) the date on which such Post-Completion Date Guarantors provide guarantee the obligations under the ABL Facility.

Subject to the Agreed Security Principles and the occurrence of the Completion Date, the Post-Completion Date Guarantors will be Ardagh MP Holdings UK Limited, Ardagh Metal Packaging UK Limited, Ardagh Germany MP GmbH, Ardagh Metal Packaging Germany GmbH, Ardagh MP Group

Netherlands B.V., Ardagh Metal Packaging Netherlands B.V., Ardagh Aluminium Packaging Netherlands B.V., Ardagh Metal Packaging Hjørring A/S, Ardagh Metal Packaging Canada Limited, Ardagh Metal Packaging Hungary Kft., Ardagh Aluminium Packing Hungary Kft, Ardagh Metal Packaging Poland sp. z o.o., Ardagh Metal Packaging Iberica, S.A., Ardagh Metal Packaging USA Inc., Element US Holding Company, Exal Corporation, and certain holding companies in each of Germany, Spain, Italy, the United Kingdom and France (the “*Post-Completion Date Guarantors*”).

The Post-Completion Date Guarantors would have accounted for 61% of the aggregate pro forma total assets and 61% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions. Although the Indenture will limit the Incurrence of Indebtedness and the issuance of Disqualified Stock of the Company and the Restricted Subsidiaries, and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by the Company or the Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “*Certain Covenants—Limitation on Indebtedness*” and “*Certain Definitions—Indebtedness*.”

In addition, as described under “*Certain Covenants—Additional Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, certain Subsidiaries of the Issuer that guarantee the ABL Facility or the Senior Secured Notes in the future or any other Credit Facility or Public Debt, in each case, of the Issuer or a Guarantor, shall also enter into a supplemental senior notes indenture as a Guarantor and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Secured Notes and the Senior Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, “thin capitalization” rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee would be disproportionate to the benefit accruing to the Holders. See “*Description of Senior Secured Notes—Security—The Collateral*.”

Each Senior 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 Senior Notes Guarantee could be significantly less than amounts payable with respect to the Senior Notes, or a Guarantor may have effectively no obligation under its Senior Notes Guarantee. See “*Risk Factors—Risks Relating to Our Debt, the Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests*” and “*—The insolvency laws of the Netherlands and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar*.”

A portion of the operations of the Company will be conducted through Subsidiaries that are not expected to become Guarantors. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders. The Senior Notes and each Senior Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of the Company’s Restricted Subsidiaries (other than the Guarantors) and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any). See “*Risk Factors—Risks Relating to the Combination—Trivium may have liabilities that we are unaware of*.” The Post-Completion Date Guarantors would have

accounted for 61% of the aggregate pro forma total assets and 61% of the pro forma Adjusted EBITDA of the Group as of and for the year ended December 31, 2018, on a pro forma basis after giving effect to the Transactions.

As of March 31, 2019, on a pro forma basis, after giving effect to the Transactions, the Company would have had, on a consolidated basis, total debt of \$2,853 million and total retirement benefit obligations of \$312 million.

Senior Notes Guarantee Release

The Senior Notes Guarantee of a Guarantor will automatically terminate and be released:

- (1) upon a sale, exchange, transfer or other disposition (including by way of consolidation, merger, or amalgamation) of any Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor) as a result of which such Guarantor would no longer be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case if such sale, exchange, transfer or other disposition does not violate the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (2) upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- (3) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Notes in accordance with the Indenture, as provided in “*Defeasance*” and “*Satisfaction and Discharge*,” respectively;
- (4) upon the release of the Guarantor’s Guarantee of any Indebtedness that triggered such Guarantor’s obligation to guarantee the Senior Notes under the covenant described in “*Certain Covenants—Additional Guarantees*”; *provided* that no other Indebtedness is at that time Guaranteed by the Guarantor that would result in the requirement that the Guarantor provide a Senior Notes Guarantee pursuant to the covenant described under the caption “*Certain Covenants—Additional Guarantees*”;
- (5) pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (6) as described under “*Amendments and Waivers*”;
- (7) in connection with a Permitted Reorganization; *provided* that the resulting, surviving or transferee Person is or becomes a Guarantor substantially concurrently with such Permitted Reorganization;
- (8) upon payment in full of principal and interest and all other obligations on the Senior Notes; or
- (9) as a result of a transaction permitted by “*Merger and Consolidation*.”

The Notes Guarantee of the Company will automatically terminate and be released only upon the circumstances described in clauses (3), (5), (6), (7), (8) and (9) set forth above.

The Trustee shall, subject to receipt of certain documentation requested pursuant to the Indenture, take all necessary actions at the reasonable request and cost of the Company, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Senior 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 the Holders and will not require any other action or consent on the part of the Trustee. Neither the Trustee nor the Company will be required to make a notation on the Senior Notes to reflect any such release, termination or discharge.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that each Holder, by accepting such Senior Note, will be deemed (without any further consent of the Holders) to have:

- (1) appointed and authorized the Trustee to give effect to the provisions in the Intercreditor Agreement and any Additional Intercreditor Agreements and perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, together with any other incidental rights, power and discretions;
- (2) agreed to be bound by the provisions of the Intercreditor Agreement and any Additional Intercreditor Agreements; and
- (3) irrevocably appointed the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement and any Additional Intercreditor Agreements (including the execution of, and compliance with, any waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee on its behalf).

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.*”

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the closing of the offering of the Senior Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of the Senior Notes sold on the Issue Date into the Escrow Account. The Escrow Account will be pledged on a first-priority basis in favor of the Trustee for the benefit of the Holders of the Senior Notes pursuant to an escrow charge dated the Issue Date between the Issuer and the Trustee (the “*Escrow Charge*”). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the “*Escrowed Property.*”

On the Business Day prior to an interest payment date, the Escrow Agent shall release to the Paying Agent from the respective Escrow Account an amount necessary to fund the respective interest payment.

Except in the circumstances described in the proceeding paragraph, in order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the “*Closing Escrow Release*”), the Escrow Agent and the Trustee shall have received from the Company on or prior to the Escrow Longstop Date, an Officer’s Certificate, upon which both the Escrow Agent and the Trustee shall be able to rely conclusively without further investigation, to the effect that all of the following conditions have been met or will be satisfied on or prior to the Business Day immediately following the Escrow Longstop Date:

- the Escrowed Property will be applied in substantially the same manner as described in this Offering Memorandum;
- the Combination will be consummated, or has already been consummated, on the terms set forth in the Transaction Agreement (and on substantially the same terms as described in this Offering Memorandum) promptly (and, in any event, no later than within three Business Days) following the Closing Escrow Release, except for any changes, waivers or other modifications that will not, individually or when taken as whole, have a material adverse effect on the Holders of the Senior Notes;
- immediately after the Combination, the Company will own, directly or indirectly, all of the issued and outstanding share capital of the Ardagh Carve-out Business and Exal; and

- as of the delivery date of such Officer's Certificate, there is no Default or Event of Default with respect to the Issuer under clauses (5) or (9) of the first paragraph under the caption titled "*Events of Default*" below.

The Closing Escrow Release shall occur promptly following receipt of such Officer's Certificate. Upon the Closing Escrow Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Business Day immediately following the Escrow Longstop Date, (b) the Issuer notifies the Trustee and the Escrow Agent that in their reasonable judgment the Combination will not be completed by the Business Day immediately following the Escrow Longstop Date, (c) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Company, (d) the Transaction Agreement terminates at any time prior to the Escrow Longstop Date or (e) a Default or Event of Default arises with respect to the Issuer under clause (5) of the first paragraph under the caption titled "*Events of Default*" on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem all of the Senior Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Senior Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Written notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, the Paying Agent and the Escrow Agent, and the Escrow Agreement and the Indenture will provide that the Senior Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Company in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay, on behalf of the Issuer, to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Senior Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the initial funds deposited in the Escrow Account and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account including accrued interest and Additional Amounts (if any) due with respect to the Senior Secured Notes from the Issue Date to the Special Mandatory Redemption Date (such excess, the "*Escrow Contribution Amount*"), Ardagh Group S.A. and Element Holdings II, L.P. will each be required under the terms of the Transaction Agreement to fund to the Issuer half of the Escrow Contribution Amount.

Receipt by the Trustee from the Company of either an Officer's Certificate for the Escrow Release or a notice of Special Mandatory Redemption shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Senior Notes are listed on the Official List of the Exchange and the rules of the Authority so require, the Issuer will notify the Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Restricted Subsidiaries and Unrestricted Subsidiaries

On the Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries. However, in the circumstances described below under "*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*," the Company will be permitted to designate Restricted Subsidiaries as Unrestricted

Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Optional Redemption

Senior Notes

Except as set forth below, and except as described under “*Redemption for Taxation Reasons*,” the Senior Notes are not redeemable at the option of the Issuer.

At any time prior to _____, 2022 the Issuer may redeem the Senior Notes (in whole or in part, at its option, upon notice as described under “*Selection and Notice*,” at a redemption price equal to 100% of the principal amount of such Senior Note 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 _____, 2022 the Issuer may, at its option, redeem Senior Notes, upon notice as described under “*Selection and Notice*,” with the Net Cash Proceeds received by the Issuer from any Equity Offering at a redemption price equal to _____ % of the principal amount of the Senior Notes so redeemed (as applicable), 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 Senior Notes (including any Additional Senior 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 Senior Notes (including Additional Senior Notes) issued under the Indenture remains outstanding immediately thereafter.

At any time and from time to time on or after _____, 2022 the Issuer may redeem the Senior Notes, in whole or in part, upon notice as described under “*Selection and Notice*,” at a redemption price equal to the percentage of principal amount of the Senior Notes so redeemed (as applicable) set forth below plus accrued and unpaid interest, if any, on the Senior Notes redeemed, to, but excluding, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve-month period beginning on _____, of the year indicated below:

| Year | Senior Euro Floating Rate Notes |
|----------------------------|------------------------------------|
| 2022 | % |
| 2023 | % |
| 2024, and thereafter | 100.000% |

Other Redemption Terms

Notwithstanding the foregoing, in connection with any tender offer for the Senior Notes, including a Change of Control Offer (as defined below) or Asset Disposition Offer (as defined below), if Holders of not less than 90% in aggregate principal amount of the applicable outstanding Senior Notes validly tender and do not withdraw such Senior 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 Senior 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 Senior Notes that remain outstanding in whole, but not in part following such purchase at a price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date.

Subject to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, we may repurchase the Senior Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under “*Selection and Notice*” below.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Senior Notes or portions thereof called for redemption on the applicable redemption date.

Mandatory Redemption or Sinking Fund

Other than in the event of a Special Mandatory Redemption, the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Senior Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Senior Notes as described under “*Change of Control*” and “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

Selection and Notice

If fewer than all of the Senior Notes are to be redeemed at any time, DTC will credit its participants’ accounts on a pro rata pass-through distribution of principal basis (with adjustments to prevent fractions), or on such other basis as they deem fair and appropriate (including by pool factor); *provided, however*, that no book-entry interest of less than \$200,000 principal amount may be redeemed in part. If the Senior Notes are not held through DTC or DTC prescribes no method of selection, the Senior Notes will be selected, on a pro rata basis, subject to adjustments so that no Senior Note in an unauthorized denomination remains outstanding after such redemption; *provided, however*, that no Senior Note of \$200,000 in aggregate principal amount or less shall be redeemed in part and only Senior Notes in integral multiples of \$1,000 shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

Notices of redemption will be delivered electronically or mailed by first-class mail at least 10 days but not more than 60 days before the redemption date to each Holder of Senior Notes to be redeemed at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of DTC, 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 Senior Notes or a satisfaction and discharge of the Indenture.

Notice of any redemption of the Senior Notes may, at the Issuer’s discretion, be given prior to the completion of a transaction (including, but not limited to, an Equity Offering, an Incurrence of Indebtedness, a Change of Control or other transaction) and any redemption 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 of redemption 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 (but not more than 60 days after the date the notice of redemption was sent) 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 Senior Notes are listed on the Official List of the Exchange and if and to the extent the rules of the Authority so require, the Issuer will notify the Authority of any such notice to the Holders of the Senior Notes and, in connection with any redemption, the Issuer will notify the Authority of any change in the principal amount of Senior Notes outstanding.

If any Definitive Registered Senior Note is to be redeemed in part only, the notice of redemption that relates to that Definitive Registered Senior Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Definitive Registered Senior Note will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Senior Note. In the case of a global Senior Note, an appropriate notation will be made on such Senior 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), Senior 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 Senior Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Senior Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, as defined below under "*Withholding Taxes*," if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation which is announced and becomes effective after the Issue Date (or, where such Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction at a later date, after such later date); or
- (2) any change in, or amendment to, the official application, administration or written interpretation of such laws, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) which is announced and becomes effective after the Issue Date (or, where such Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction at a later date, after such later date) (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 Senior Notes would be, required to pay Additional Amounts with respect to the Senior Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obliged to make at least one payment on the Senior 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 (a) earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts and (b) unless at the time such notice is given, the obligation to pay

Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of Senior 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 liability or 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 Senior Notes or with respect to any Senior 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 Senior Note or Senior 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 organized, resident, or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor with respect to any Senior Note or any Senior Notes Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received by each Holder in respect of such payments, after such withholding or deduction (including any such withholding or deduction in respect of 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 Senior Note or Senior Notes Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt, ownership, holding or disposition of such Senior Note or the receipt of any payment or the exercise or enforcement of rights under such Senior Note, the Indenture or a Senior Notes Guarantee);
- (2) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Senior 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 all or part of such Tax, but, in each case, only to the extent the Holder or beneficial owner is legally eligible to do so;

- (3) any Taxes, to the extent such Taxes are imposed as a result of the presentation of the Senior Note for payment (where Senior Notes are in the form of Definitive Registered Senior 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 Senior Note been presented on the last day of such 30-day period);
- (4) any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Senior Notes or with respect to any Senior Notes Guarantee;
- (5) any estate, inheritance, gift, sales, transfer, personal property or similar Tax;
- (6) any Taxes imposed, deducted or withheld pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), as of the Issue Date (and any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations promulgated thereunder, or other official administrative interpretations thereof and any agreements entered into pursuant to current section 1471(b) of the Code, as of the Issue Date (and any amended or successor version described above), and including (for the avoidance of doubt) any intergovernmental agreement (and any law, regulation or practice implementing any such intergovernmental agreement) in respect of the foregoing; or
- (7) any combination of the items (1) through (6) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any Person other than the beneficial owner of the Senior 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 Senior Notes directly.

In addition, 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, penalties or other similar liabilities with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest, penalties or similar liabilities with respect thereto) that arise in a Relevant Taxing Jurisdiction from (i) the execution, issuance, delivery or registration of the Senior Notes, any Senior Notes Guarantee, the Indenture, or any other document or instrument in relation thereto, or (ii) the receipt of any payments under or with respect to, or enforcement of, the Senior Notes or any Senior Notes Guarantee (limited, solely in the case of any such taxes attributable to the receipt of payments, to any such taxes that are not excluded under clauses (1) through (3), (5), or (6) above).

The Payor, if it is the applicable withholding agent, will (i) make any required withholding or deduction, (ii) remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law and, (iii) upon written request, 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 Senior Note or any Senior 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 to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate 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 Senior Notes or this "*Description of the Senior 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 Senior Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Senior Notes or any Senior 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 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 organized, resident, or doing business for tax purposes or any jurisdiction from or through which any payment under, or with respect to the Senior Notes (or any Senior Notes Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

The Indenture will provide that if a Change of Control occurs, unless (i) a third party makes a change of control offer as described herein or (ii) the Issuer has previously or substantially concurrently therewith delivered a redemption notice with respect to all the outstanding Senior Notes as described under "*Optional Redemption*," the Issuer will make an offer to purchase all of the Senior Notes (equal to \$200,000 in principal amount or in integral multiples of \$1,000 in excess thereof; *provided* that Senior Notes of \$200,000 or less in principal amount may only be redeemed in whole and not in part) pursuant to the offer described below (the "*Change of Control Offer*") at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of repurchase. Within 60 days following any Change of Control, the Issuer will deliver or cause to be delivered a notice of such Change of Control Offer electronically in accordance with the applicable procedures of DTC or by first-class mail, with a copy to the Trustee, to each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of DTC, describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Senior Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice, except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below.

To the extent that the provisions of any securities laws, rules or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Indenture by virtue thereof. The Issuer may rely on any no-action letters issued by the

SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchases or redeems the Senior Notes in the event of a takeover, recapitalization or similar transaction.

The occurrence of events which would constitute a Change of Control may constitute a default under the ABL Facility that permits the ABL Facility lenders to accelerate the maturity of borrowings thereunder. Future Indebtedness of the Issuer or the Restricted Subsidiaries may contain prohibitions on certain events which 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 Senior Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer.

The Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by their then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control purchase feature of the Senior Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers of the Senior Notes and us.

Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenants described under "*Certain Covenants—Limitation on Indebtedness*" and "*Certain Covenants—Limitation on Liens*." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Senior Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption of all outstanding Senior Notes has been given pursuant to the Indenture as described under "*Optional Redemption*," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control.

The definition of "*Change of Control*" includes a disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to certain Persons. 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 Company 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 may require the Company to make an offer to repurchase the Senior Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior 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 Senior Notes then outstanding.

If and for so long as the Senior Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, the Issuer will notify the Exchange of any Change of Control Offer.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture. For the avoidance of doubt, the consummation of the Transactions shall not be prohibited by the covenants below.

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day that:

- (a) the Senior 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 Company and the Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the "*Suspended Covenants*"):

- "*—Limitation on Indebtedness*";
- "*—Limitation on Restricted Payments*";
- "*—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*".

If at any time the Senior 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 will 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 Senior Notes subsequently attain Investment Grade Status (in which event the Suspended Covenants shall no longer be in effect for such time that the Senior 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 Senior Notes Documents with respect to the Suspended Covenants based on, and none of the Company or any of the 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 (other than any Indebtedness Incurred under the ABL Facility) will be deemed to have been outstanding on the Issue Date so that it is classified as permitted under clause (4)(a) 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 (11) 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 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 Company and the 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 Senior Notes Guarantees shall be released. All such further obligation to grant Senior Notes Guarantees shall be reinstated upon the Reversion Date.

There can be no assurance that the Senior Notes will ever achieve or maintain Investment Grade Status.

The Trustee shall have no duty to monitor the ratings of the Senior Notes, shall not be deemed to have any knowledge of the ratings of the Senior Notes and shall have no duty to notify Holders of the Senior 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 applicable covenants to be effective.

Limitation on Indebtedness

The Company will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not issue Disqualified Stock and will not permit any of the Restricted Subsidiaries to issue Preferred Stock; *provided, however*, (i) that the Company and any of the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) and the Company may issue Disqualified Stock and any of the Restricted Subsidiaries may issue Preferred Stock, if on the date of such determination and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries is at least 2.00 to 1.00; and (ii) the amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to clause (i) above shall not cause the Non Guarantor Debt Cap to be exceeded.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, “*Permitted Debt*”):

- (1) the Incurrence by the Company or any of the Restricted Subsidiaries of Indebtedness under any Credit Facility (and the issuance and creation of letters of credit, guarantees and bankers’ acceptances thereunder) in an aggregate principal amount at any time outstanding not to exceed the sum of:
 - (a) the aggregate of the greater of (x) \$330.0 million and (y) the Borrowing Base; *plus*

- (b) the maximum amount of Secured Indebtedness such that after giving *pro forma* effect to such Incurrence the Consolidated Secured Net Leverage Ratio of the Company and the Restricted Subsidiaries do not exceed 4.80 to 1.00 (with any Indebtedness Incurred under clause (a) above on the date of determination of the Consolidated Secured Net Leverage Ratio not being included in the calculation of Consolidated Secured Net Leverage Ratio under this subclause (b) on such date of determination but not, for the avoidance of doubt, excluded from any such calculation made on any such subsequent date); *plus*
- (c) the maximum amount of Indebtedness that is not Secured Indebtedness such that, on the date of determination, after giving *pro forma* effect to such Incurrence, the Consolidated Total Net Leverage Ratio of the Company and the Restricted Subsidiaries does not exceed 5.90 to 1.00 (with any Indebtedness Incurred under clause (a) above on the date of determination of the Consolidated Total Net Leverage Ratio not being included in the calculation of Consolidated Total Net Leverage Ratio under this clause (c) on such date of determination but not, for the avoidance of doubt, excluded from any such calculation made on any such subsequent date),

provided that (i) any Indebtedness Incurred pursuant to this clause (1) may be refinanced at any time if such refinancing does not exceed the greater of (I) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to this clause (1) on the date of determination for such refinancing and (II) the aggregate principal amount of the Indebtedness being refinanced at such time (together with an amount necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred in connection with such refinancing) and (ii) the amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to clauses (1)(b) and (1)(c) shall not cause the Non Guarantor Debt Cap to be exceeded;

- (2) Guarantees by the Company or any Restricted Subsidiary of Indebtedness or other obligations of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness or other obligations is not prohibited by the terms of the Indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary;
- (4) Indebtedness represented by (a) Indebtedness, and any Guarantees thereof, in each case of the Company, the Ardagh Carve-out Business and Exal, outstanding on the Completion Date (or Incurred under a facility committed and as in effect as of the Completion Date), after giving *pro forma* effect to the Transactions and the application of the proceeds therefrom (as described under “*Use of Proceeds*” in this Offering Memorandum), (b)(i) the Senior Notes (other than any Additional Senior Notes), including any Senior Notes Guarantee, (ii) the Senior Secured Notes (other than any Additional Senior Secured Notes as defined in the “*Description of the Senior Secured Notes*”), including any related Guarantees and (iii) any loans pursuant to which proceeds of any Indebtedness of a Parent Entity that are lent to the Company, to the extent that such Indebtedness is Guaranteed by the Company or any Restricted Subsidiary or is otherwise considered Indebtedness of the Company or any Restricted Subsidiary, and such Guarantees or the Incurrence of such Indebtedness, as the case may be, as are not prohibited by the Indenture, (c) Refinancing Indebtedness (including with respect to the Senior Notes and any Guarantee thereof) Incurred in respect of any Indebtedness described in this clause (4) and clause (5)(b) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) other Indebtedness Incurred to finance Management Advances;
- (5) Indebtedness (x) of the Company or any Restricted Subsidiary Incurred or issued to finance an acquisition (including an acquisition of any assets) or other transaction or (y) of Persons that are,

or secured by any assets that are, acquired by the Company or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Company or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that (A) Indebtedness Incurred pursuant to this clause (5) is in an aggregate amount not to exceed (a) the greater of (i) \$50.0 million and (ii) 10.0% of LTM EBITDA at the time of Incurrence, *plus* (b) unlimited additional Indebtedness to the extent that after giving effect to such acquisition, transaction, merger, amalgamation or consolidation and without giving effect to any Indebtedness Incurred or issued pursuant to subclause (5)(A)(a) above on the date of determination, either: (i) the Company would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant and, if such Indebtedness is Secured Indebtedness the Company would be permitted to Incur at least \$1.00 of additional Secured Indebtedness pursuant to clause (1)(b) of the second paragraph of this covenant, or (ii) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower, and, if such Indebtedness is Secured Indebtedness, the Consolidated Secured Net Leverage Ratio of the Company and the Restricted Subsidiaries would not be higher, in each case, than it was immediately prior to such acquisition, merger, amalgamation or consolidation and (B) the amount of Indebtedness Incurred pursuant to subclause (x) of this clause (5) shall not cause the Non Guarantor Debt Cap to be exceeded;

- (6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes as determined in good faith by the Company);
- (7) Indebtedness (a) represented by Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets (*provided* that, in each case, the Indebtedness exists on the date of such purchase, lease, rental, construction, design, installation or improvement or is created within 180 days thereafter), 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)(a) and then outstanding, does not exceed the greater of (i) \$190.0 million and (ii) 40.0% of LTM EBITDA at the time of Incurrence, and any Refinancing Indebtedness in respect thereof or (b) arising out of Sale and Leaseback Transactions;
- (8) Indebtedness in respect of (a) workers' compensation claims, old-age-part-time arrangements, self-insurance obligations, unemployment insurance (including premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other employee benefits, customer guarantees performance, indemnity, surety, judgment, appeal, advance payment (including progress premiums), customs, value added or similar tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice; (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice; *provided* that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice and manufacturer, vendor financing, customer and supply arrangements in the ordinary course of business or consistent with past practice; (d) letters of credit, bankers' acceptances, warehouse receipts,

guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or consistent with past practice; (e) the financing of insurance premiums, take-or-pay obligations contained in supply arrangements, 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 the ordinary course of business or consistent with past practice; (f) Indebtedness representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Entity, the Company or any of its Subsidiaries in the ordinary course of business or consistent with past practice or (ii) deferred compensation or other similar arrangements in connection with any Investment or acquisition permitted hereby; and (g) Settlement Indebtedness;

- (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 Company and the 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 Company and the Restricted Subsidiaries in connection with such disposition;
- (10) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (10) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock or otherwise contributed to the equity (in each case, other than through the issuance of Disqualified Stock, Designated Preferred Stock, or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date, and any Refinancing Indebtedness in respect thereof; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Company and the Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause to the extent such Net Cash Proceeds or cash have been applied to make Restricted Payments;
- (11) Indebtedness of Restricted Subsidiaries that are not Guarantors and Guarantees by the Company or any Restricted Subsidiary of Indebtedness of joint ventures, in each case, which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this paragraph (11) and then outstanding, will not exceed the greater of (a) \$95.0 million and (b) 20.0% of LTM EBITDA at any time outstanding, and any Refinancing Indebtedness in respect thereof;
- (12) Indebtedness consisting of promissory notes issued by the Company or any of the Restricted Subsidiaries to any future, present or former employee, director, contractor or consultant of the Company, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, director, contractor or consultant), to finance the purchase or redemption of Capital Stock of the Company or any Parent Entity that is permitted by the covenant described below under “—*Limitation on Restricted Payments*”;

- (13) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed the greater of (a) \$190.0 million and (b) 40.0% of LTM EBITDA; *provided* that the amount of Indebtedness Incurred pursuant to this clause (13) shall not cause the Non Guarantor Debt Cap to be exceeded;
- (14) Indebtedness Incurred pursuant to factoring financings, securitizations, receivables financings or similar arrangements, in each case, that are either: (a) not recourse to the Company and the Restricted Subsidiaries other than a Securitization Subsidiary (except to the extent customary in the good faith determination of the Company for such type of arrangement and except for Standard Securitization Undertakings); or (b) not in excess of the greater of (x) \$95.0 million and (y) 20.0% of LTM EBITDA at any time outstanding;
- (15) any obligation, or guaranty of any obligation, of the Company or any Restricted Subsidiary to reimburse or indemnify a Person extending credit to customers of the Company or a Restricted Subsidiary Incurred in the ordinary course of business or consistent with past practice for all or any portion of the amounts payable by such customers to the Person extending such credit;
- (16) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; *provided* that the terms of such Indebtedness are consistent with those entered into with respect to similar Indebtedness prior to the Issue Date, including that (a) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (b) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;
- (17) Indebtedness of the Company or any of the Restricted Subsidiaries arising pursuant to any Permitted Tax Restructuring; and
- (18) 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 (18) and then outstanding, will not exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) subject to clause (3) below, in the event that all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include, in any manner that complies with this covenant, the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in the first paragraph above or one of the clauses of the second paragraph of this covenant, and Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
- (2) with respect to clauses (5)(a), (7), (11), (13) or (18) of the second paragraph of this covenant, if at any time that the Company would be entitled to have Incurred any then outstanding item of Indebtedness pursuant to the first paragraph of this covenant or pursuant to clause (1)(b) or clause (1)(c) of the second paragraph of this covenant, such item of Indebtedness shall (unless otherwise elected by the Company) be automatically reclassified into an item of Indebtedness

Incurred pursuant to the first paragraph of this covenant or pursuant to clause (1)(b) or clause (1)(c) of the second paragraph of this covenant, as applicable;

- (3) all Indebtedness under the ABL Facility Incurred as of the Completion Date shall be deemed to have been Incurred pursuant to clause (1)(a) of the second paragraph of this covenant, and the Company shall not be permitted to reclassify all or any portion of such Indebtedness;
- (4) for purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to “cash sweep” or “clean down” provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid periodically shall only be deemed for the purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent re-borrowing thereof;
- (5) in the case of any Refinancing Indebtedness, when measuring the outstanding amount of such Indebtedness, such amount shall not include any amounts necessary to pay accrued and unpaid interest and any fees and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (6) 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;
- (7) 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;
- (8) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (9) in the event that the Company or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (29) of the definition of “*Permitted Liens*,” the Incurrence or issuance thereof for all purposes under the Indenture, including for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or usage of clauses (1) through (18) of the preceding paragraph (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (a) be determined (i) on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof (or, at the option of the Company, a portion thereof) has been borrowed as of such date) or other Indebtedness, Disqualified Stock or Preferred Stock (in each case, pursuant to any letter, agreement or instrument, which may be conditional, including as to documentation) and/or (ii) on the date on which such facility or commitments become available, and, if such Fixed Charge Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the Fixed Charge Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, or other provision

of the Indenture at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "*Reserved Indebtedness Amount*" as of such date for purposes of the Fixed Charge Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, and, to the extent of the usage of clauses (1) through (18) of the preceding paragraph (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in each case, the Company may revoke such determination at any time and from time to time;

- (10) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of LTM EBITDA at the time of Incurrence, if such refinancing would cause the percentage of LTM EBITDA restriction to be exceeded if calculated based on the percentage of LTM EBITDA on the date of such refinancing, such percentage of LTM EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing; and
- (11) 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 and/or capitalization 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*"; *provided* that the amount of any Refinancing Indebtedness in respect of any outstanding Indebtedness may (in the Company's sole discretion) be increased by the amount of all such accrued and/or capitalized interest, accreted value, original issue discount and/or additional Indebtedness in respect of such Indebtedness and such increased amount will not be deemed to be Indebtedness for the purpose of calculating any basket, permission or threshold under which such Refinancing Indebtedness is permitted to be Incurred.

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 Company shall be in default of this covenant).

For purposes of determining compliance with any U.S. Dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. Dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was first committed or first Incurred (whichever yields the lower U.S. Dollar equivalent); *provided* that for the purpose of the Incurrence of any other Indebtedness, the Company may elect to account for any such Indebtedness denominated in a foreign currency at the relevant currency exchange rate in effect on the determination date for the Incurrence of such other Indebtedness; *provided, further*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any such payment in connection with any merger or consolidation involving the Company or any of the Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding;
 - (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of the Company or any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis); and
 - (c) dividends or distributions payable to any Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity which is Guaranteed by the Company or any Restricted Subsidiary or is otherwise considered Indebtedness of the Company or any Restricted Subsidiary (*provided* that (x) any net proceeds from such Indebtedness are contributed to the equity of the Company or any Restricted Subsidiary in any form or otherwise received by the Company or any Restricted Subsidiary; (y) any net proceeds described in subclause (x) above shall be excluded for purposes of increasing the amount available for distribution pursuant to clause (c) of this paragraph, shall not be Excluded Contributions and shall not be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under "—Limitation on Indebtedness); and (z) in the case that any net proceeds described in subclause (x) above are contributed to or received by the Company or the Restricted Subsidiaries in the form of Indebtedness, there shall be no double-counting of interest paid on such Indebtedness and any dividends or distributions payable to the relevant Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity;
- (2) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Company or any Parent Entity held by Persons other than the Company or a Restricted Subsidiary;
- (3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness

Incurred pursuant to clause (3) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”);

- (4) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

- (5) make any Restricted Investment,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a “*Restricted Payment*”), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would immediately thereafter result therefrom);
- (b) the Company is not able to Incur an additional \$1.00 of Indebtedness pursuant to the first paragraph under the “—*Limitation on Indebtedness*” covenant immediately after giving effect, on a *pro forma* basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments (as defined below) made pursuant to clauses (1), (10), (17)(ii) and 17(iii) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph) would 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 in which the Completion Date occurs, 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 Company are available (if positive); *plus*
 - (ii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Company from the issue or sale of its Subordinated Shareholder Funding or Capital Stock or as the result of a merger or consolidation with another Person subsequent to the Completion Date or otherwise contributed to the equity (in each case other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company subsequent to the Completion Date (other than (u) any amounts used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*, (v) Subordinated Shareholder Funding or Capital Stock sold to a Subsidiary of the Company, (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 Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary, (x) cash or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph and (y) Excluded Contributions; *plus*
 - (iii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than (y) Subordinated Shareholder Funding or (z) Capital Stock sold to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of their

employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Completion Date of any Indebtedness, Disqualified Stock or Designated Preferred Stock that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preferred Stock) plus, without duplication, the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange; *plus*

- (iv) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Company, of marketable securities or other property received by the Company or any Restricted Subsidiary by means of: (i) the sale or other disposition (other than to the Company or a Restricted Subsidiary) of Restricted Investments made by the Company or the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Company or the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Company or the Restricted Subsidiaries, in each case after the Completion Date; or (ii) the sale (other than to the Company or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from a Person that is not a Restricted Subsidiary after the Completion Date (in each case, other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of “Permitted Investment” or clause (17) of the next succeeding paragraph, as the case may be); *plus*
- (v) in the case of the re-designation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Company or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Company or a Restricted Subsidiary after the Completion Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith by the Company at the time of the re-designation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation or consolidation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged, amalgamated or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (17) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of “Permitted Investment” or clause (17) of the next succeeding paragraph, as the case may be.

The first paragraph of this covenant will not prohibit any of the following (collectively, “*Permitted Payments*”):

- (1) the payment of any dividend or distribution within 180 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture, or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;
- (2) (a) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock (“*Treasury Capital Stock*”) or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Subordinated Shareholder Funding or Capital

Stock of the Company (other than Disqualified Stock or Designated Preferred Stock) (“*Refunding Capital Stock*”) or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, or through an Excluded Contribution) of the Company; *provided* that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Subordinated Shareholder Funding or Capital Stock or such contribution will be excluded from clause (c) of the preceding paragraph and shall not be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”, and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of a Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (5) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness (other than Subordinated Shareholder Funding) or Disqualified Stock or Preferred Stock of a Restricted Subsidiary:
 - (a) from Net Available Cash to the extent permitted under “—*Limitation on Sales of Assets and Subsidiary Stock*” below, but only if (and to the extent required) the Company shall have first complied with the terms described under “—*Limitation on Sales of Assets and Subsidiary Stock*” and purchased all Senior Notes tendered pursuant to any offer to repurchase all the Senior Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock;
 - (b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of (i) a Change of Control (or other similar event described therein as a “change of control”) or (ii) an Asset Disposition (or other similar event described therein as an “asset disposition” or “asset sale”), but only if (and to the extent required) the Company shall have first complied with the terms described under “*Change of Control*” or “—*Limitation on Sales of Assets and Subsidiary Stock*,” as applicable, and purchased all Senior Notes tendered pursuant to the offer to repurchase all the Senior Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock; or
 - (c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise

acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition);

- (6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (including any options, warrants or other rights in respect thereof) (other than Disqualified Stock) of the Company or any Parent Entity held by any future, present or former employee, director or consultant of the Company, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, trusts or heirs of such employee, director, contractor or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director, contractor or consultant's employment or directorship; *provided, however*, that the aggregate Restricted Payments made under this clause (6) do not exceed (x) the greater of (i) \$35.0 million and (ii) 7.5% of LTM EBITDA in any fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year) or (y) subsequent to the consummation of an underwritten public Equity Offering of common stock of the Company or any Parent Entity, the greater of (i) \$70.0 million and (ii) 15.0% of LTM EBITDA in any fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year); *provided, further*, that such amount in any fiscal year may be increased by an amount not to exceed:
- (a) the cash proceeds from the issuance or sale of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock, or Excluded Contributions) of the Company and, to the extent contributed to the capital of the Company (other than through the issuance of Disqualified Stock or Designated Preferred Stock, or an Excluded Contribution), Subordinated Shareholder Funding or Capital Stock of any Parent Entity, in each case to members of management, directors or consultants of the Company, any of its Subsidiaries or any Parent Entity that occurred after the Completion Date, to the extent the cash proceeds from the sale of such Capital Stock or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (c) of the preceding paragraph or used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”; *plus*
 - (b) the cash proceeds of key man life insurance policies received by the Company and the Restricted Subsidiaries after the Completion Date,
- provided further* that cancellation of Indebtedness owing to the Company or any Restricted Subsidiary from any future, present or former members of management, directors, employees, contractors or consultants of the Company or Restricted Subsidiaries or any Parent Entity in connection with a repurchase of Capital Stock of the Company or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;
- (7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above;
- (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof or withholding or similar taxes in respect thereof and payments in respect of withholding or similar taxes payable upon exercise or vesting thereof;

- (9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):
- (a) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes; and
 - (b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (11), (12), (13) and (17)(a) (but only in respect of the parenthetical thereto) of the second paragraph under “—*Limitation on Affiliate Transactions*,” *provided* that any such dividends, loans, advances or distributions to make payments in respect of annual management fees specified in paragraph (11)(a) of the second paragraph under “—*Limitation on Affiliate Transactions*” below and made pursuant to this clause (9)(b) shall not exceed an aggregate amount equal to the greater of (x) \$15.0 million and (y) 2.50% of LTM EBITDA per fiscal year (with unused amounts in any fiscal year being carried forward to the next succeeding fiscal year and amounts that will not be used in the subsequent fiscal year being carried back to the immediately preceding fiscal year) and shall not be made as long as any Default has occurred and is continuing unless it is funded with the proceeds of an Equity Contribution;
- (10) so long as no Default has occurred and is continuing the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Capital Stock, common stock or common equity interests of the Company, any Parent Entity or any IPO Entity following a Public Offering of such Capital Stock, common stock or common equity interests; *provided* that the aggregate amount of all such dividends or distributions shall not exceed in any fiscal year the greater of: (a) 6.0% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by the Company or contributed to the capital of the Company by any Parent Entity in any form other than Indebtedness or Excluded Contributions to the extent that any of the proceeds used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”; and (b) following an Initial Public Offering, an amount equal to (i) where, after giving *pro forma* effect to such dividends, distributions, cash payments, loans or expense reimbursements, the Consolidated Total Net Leverage Ratio shall be equal to or less than 5.40 to 1.00, the greater of (x) 7.0% of the Market Capitalization and (y) 7.0% of the IPO Market Capitalization; and (ii) where, after giving *pro forma* effect to such dividends, distributions, cash payments, loans or expense reimbursements, the Consolidated Total Net Leverage Ratio shall be greater than 5.40 to 1.00, but equal to or less than 5.65 to 1.00, the greater of (x) 5.0% of the Market Capitalization and (y) 5.0% of the IPO Market Capitalization;
- (11) payments by the Company, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Company or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Company);
- (12) Restricted Payments in an amount not to exceed the amount of Excluded Contributions;
- (13) the declaration and payment of dividends (i) on Designated Preferred Stock of the Company issued after the Completion Date; (ii) to a Parent Entity in an amount sufficient to allow the Parent Entity to pay dividends to holders of its Designated Preferred Stock issued after the Completion Date; and (iii) on Refunding Capital Stock that is Preferred Stock; *provided, however*, that, in the case of clauses (i) and (ii) of this clause (13), the amount of all dividends declared or paid to a Person pursuant to such clauses shall not exceed the cash proceeds received by the Company or the aggregate amount contributed as Subordinated Shareholder Funding or in cash

to the equity of the Company (other than through the issuance of Disqualified Stock, or an Excluded Contribution or to the extent that any of the proceeds are used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”), from the issuance or sale of such Designated Preferred Stock; *provided further*, in the case of clauses (i), (ii) and (iii) of this clause (13), that for the Relevant Testing Period immediately preceding the date of issuance of such Designated Preferred Stock or declaration of such dividends on such Refunding Capital Stock, after giving effect to such payment on a *pro forma* basis the Company would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the test set forth in the first paragraph of the covenant described under “—*Limitation on Indebtedness*”;

- (14) distributions, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock, of equity interests in, or Indebtedness owed to the Company or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents) or proceeds thereof;
- (15) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;
- (16) any Restricted Payment made in connection with the Transactions, (including, for the avoidance of doubt, any interest and principal on any Indebtedness Incurred in connection with the Transactions and any payments contemplated by the Transaction Agreement) and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto or used to fund amounts owed to Affiliates in connection with the Transactions (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);
- (17) so long as no Default has occurred and is continuing (i) any Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed (x) at any time prior to the Consolidated Total Net Leverage Ratio first being equal to or less than 5.40 to 1.00, the greater of (a) \$70.0 million and (b) 15.0% of LTM EBITDA or (y) at any time from and after the Consolidated Total Net Leverage Ratio first being equal or less than 5.40 to 1.00, the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA or (ii) any Restricted Payments described in clause (3) of the first paragraph of this “*Limitation on Restricted Payments*” covenant so long as, immediately after giving pro forma effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Net Leverage Ratio shall be no greater than 5.15 to 1.00; or (iii) any Restricted Payments, so long as, immediately after giving pro forma effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Net Leverage Ratio shall be no greater than 4.90 to 1.00;
- (18) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;
- (19) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Company and the Restricted Subsidiaries, taken as a whole, that complies with the covenants described under “*Merger and Consolidation*”;

- (20) Restricted Payments to a Parent Entity to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Company; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (b) such Parent Entity shall, promptly following the closing thereof, cause (i) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of the Restricted Subsidiaries or (ii) the merger or amalgamation of the Person formed or acquired into the Company or one of the Restricted Subsidiaries (to the extent not prohibited by the covenant described under “*Merger and Consolidation*”) to consummate such Investment, (c) such Parent Entity and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (d) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (c) of the preceding paragraph, clauses (2) or (6) above or be deemed to be an Excluded Contribution or be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “*—Limitation on Indebtedness*”; and (e) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (12) hereof) or pursuant to the definition of “*Permitted Investment*” (other than pursuant to clause (12) thereof);
- (21) any Restricted Payment made with Net Available Cash from any Asset Disposition and permitted pursuant to clause (3) of the first paragraph under “*—Limitation on Sales of Assets and Subsidiary Stock*”; and
- (22) Permitted Tax Distributions.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (22) above, and/or is permitted pursuant to the first paragraph of this covenant and/or constitutes a Permitted Investment, the Company 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 a Permitted Investment.

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 Company 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 Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “*Initial Lien*”), except (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Senior Notes, the Senior Notes Guarantees and the Indenture are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, or equal with, or prior to, in the case of Liens with respect to Pari Passu Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured.

Any such Lien created in favor of the Senior Notes, the Senior Notes Guarantees and the Indenture under clause (a)(2) in the preceding paragraph 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 the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and/or under the relevant security document.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “*Increased Amount*” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Limitation on Layered Debt

The Issuer will not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is or purports by its terms (or by the terms of any agreement governing such Indebtedness) to be contractually subordinated in right of payment to any other Indebtedness of the Issuer unless such Indebtedness is also contractually subordinated in right of payment to the Senior Notes on substantially identical terms.

The Company will not, and will not permit any Guarantor to, and no Guarantor will, incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is or purports by its terms (or by the terms of any agreement governing such Indebtedness) to be contractually subordinated in right of payment to Senior Indebtedness of such Guarantor and senior in right of payment to such Guarantor’s Senior Note Guarantee. No such Indebtedness will be considered to be contractually subordinated in right of payment to any Senior Indebtedness of any Guarantor by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (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 Company or any Restricted Subsidiary;
- (2) make any loans or advances to the Company or any Restricted Subsidiary; or
- (3) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The first paragraph of this covenant will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the ABL Facility), (b) the Intercreditor Agreement and any Additional Intercreditor Agreement and (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

- (2) any encumbrance or restriction pursuant to (a) the Indenture, the Senior Notes or the Senior Notes Guarantees and (b) the Senior Secured Indenture, the Security Documents (as defined in the Senior Secured Notes Indenture), the Senior Secured Notes or the related Guarantees thereof;
- (3) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;
- (4) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the Successor Company (as defined below), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;
- (5) any encumbrance, restriction or condition:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;
 - (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements;
 - (c) contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Company or any of the Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Company or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Company or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary; or
 - (d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (6) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired;
- (7) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of the Company or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

- (8) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments;
- (9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, licensing requirement or order, or required by any regulatory authority;
- (10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice;
- (11) any encumbrance or restriction pursuant to Hedging Obligations;
- (12) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Company, are necessary or advisable to effect such Securitization Facility or Receivables Facility;
- (13) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders (taken as a whole) than (i) the encumbrances and restrictions contained in (A) the agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility, together with the security documents associated therewith, and (B) the Intercreditor Agreement, in each case, as in effect on the Completion Date or (ii) as is customary in comparable financings (as determined in good faith by the Company) and where, in the case of this sub-clause (ii), either (x) the Company determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Company’s ability to make principal or interest payments on the Senior Notes or (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument, or (b) constituting an Additional Intercreditor Agreement;
- (14) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*”; or
- (15) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) to (14) of this paragraph or this clause (an “*Initial Agreement*”) or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) to (14) of this paragraph or this clause (15); *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 Company).

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of the Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in

good faith by the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap or relates to Non-Core Assets), with a purchase price in excess of the greater of (a) \$35.0 million and (b) 7.5% of LTM EBITDA, at least 75% of the consideration from such Asset Disposition (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied:
 - (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of the Company or a Restricted Subsidiary), within 450 days from the later of (1) the date of such Asset Disposition and (2) the receipt of such Net Available Cash, (A) to prepay, repay, purchase or redeem Indebtedness of the Company or a Restricted Subsidiary secured by a Lien or (B) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor; *provided, however*, that, in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be reduced (including by a reduction in borrowing base or similar term in conjunction with such Asset Sale or otherwise) in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed or (C) to repay, prepay, purchase or redeem Pari Passu Indebtedness or (D) to redeem or purchase Senior Notes; or
 - (b) to the extent the Company or any Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary equal to the amount of Net Available Cash received by the Company or another Restricted Subsidiary) within 450 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that an amount equal to Net Available Cash will be applied to satisfy such commitment within 180 days of such commitment (an “*Acceptable Commitment*”) and, in the event any *Acceptable Commitment* is later cancelled or terminated for any reason before such amount is applied, then such Net Available Cash shall constitute *Excess Proceeds*,

provided further that, pending the final application of the amount of any such Net Available Cash in accordance with clause (a) or (b) above, the Company and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture.

Notwithstanding the foregoing, to the extent that (x) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Company or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors) or (y) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Company or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as reasonably determined by the Company in its sole discretion, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant.

The amount of any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the first paragraph of this covenant will be deemed to constitute “*Excess Proceeds*” under the Indenture; *provided* that, if at the time of any definitive agreement, put option or similar arrangement in respect of any Asset Disposition or (at the option of the Company) the date on which Net Available Cash from an Asset Disposition is received, the Consolidated Total Net Leverage Ratio of the Company and the Restricted Subsidiaries is no greater than 4.90 to 1.00, 50.0% of the Net Available Cash from such Asset Disposition shall be deemed not to constitute Excess Proceeds and may be used by the Company or any of its Restricted Subsidiaries for any purpose not prohibited by the Indenture. On the 451st day (or such longer period permitted by clause (3)(b) of the first paragraph of this covenant) after the later of an Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of *Excess Proceeds* under the Indenture exceeds the greater of \$120.0 million and 25.0% of LTM EBITDA, the Company will be required to make an offer (“*Asset Disposition Offer*”) within 10 Business Days to all Holders under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to repay, prepay or purchase the maximum aggregate principal amount of Senior Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be repaid, prepaid or purchased out of the Excess Proceeds, at an offer price in respect of the Senior Notes in an amount equal to 100% of the principal amount of the Senior Notes (and, in the case of any Pari Passu Indebtedness, an offer price of no more than 100% of the principal amount of such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest, if any, to, but not including, the date of repayment, prepayment or purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and with respect to the Senior Notes, in minimum denominations of \$200,000 and in integral *multiples* of \$1,000 in excess thereof; *provided* that if such Excess Proceeds are required to be offered first to the holders of the Senior Secured Notes or the holders of any other Secured Indebtedness under the terms thereof, the Company shall only be required to make an Asset Disposition Offer following the closing of the offer period in relation to the ABL Facility, the Senior Secured Notes or such other Secured Indebtedness. The Company will deliver notice of such Asset Disposition Offer electronically or by first-class mail, with a copy to the Trustee, the Paying Agent and each Holder at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of DTC, describing the transaction or transactions that constitute the Asset Disposition and offering to repurchase the Senior Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. The Company may satisfy the foregoing obligations with respect to any Net Available Cash from an Asset Disposition by making an Asset Disposition Offer with respect to all Net Available Cash prior to the expiration of the relevant 450 days (or such longer period as provided above) or with respect to any unapplied Excess Proceeds.

To the extent that the aggregate amount of Senior 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 Company and the Restricted Subsidiaries may use any remaining Excess Proceeds for any purpose not prohibited by the Indenture. If the aggregate principal amount of the Senior 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 Company shall allocate the Excess Proceeds among the Senior Notes and Pari Passu Indebtedness to be repaid, prepaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Senior Notes and Pari Passu Indebtedness; *provided* that the Company shall not be required to select and purchase Senior Notes or other Pari Passu Indebtedness in an unauthorized denomination. 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 Senior Notes is denominated in a currency other than U.S. Dollars, the amount thereof payable in respect of the Senior

Notes shall not exceed the net amount of funds in U.S. Dollars that is actually received by the Company upon converting such portion into U.S. Dollars.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness or other liabilities, contingent or otherwise, of the Company or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;
- (2) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant during the same fiscal year, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

To the extent that the provisions of any securities laws or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws, rules and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

Notwithstanding any other provision in the Indenture to the contrary, the provisions of the Indenture relative to the Company's obligation to make an offer to repurchase the Senior Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in principal amount of the Senior Notes then outstanding.

The agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility may prohibit or limit, and future credit agreements or other agreements to which the Company becomes a party may prohibit or limit, the Company from purchasing any Senior Notes pursuant to this covenant. In the event the Company is prohibited from purchasing the Senior Notes, the Company could seek the consent of its lenders to the purchase of the Senior Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Senior Notes under such instruments.

Limitation on Affiliate Transactions

The Company will not, and will not permit any Restricted Subsidiary to enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (any such transaction or series of related

transactions being an “*Affiliate Transaction*”) involving aggregate value in excess of the greater of (i) \$50.0 million and (ii) 10.0% of LTM EBITDA unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm’s length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of (a) \$70.0 million and (b) 15.0% of LTM EBITDA, the terms of such Affiliate Transaction have been approved by a majority of the members of the Board of Directors of the Company.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) above if such Affiliate Transaction is approved by a majority of the Disinterested Directors of the Company, if any.

The first paragraph of this covenant will not prohibit:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*,” or any Permitted Investment;
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants’ plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, 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 (a) transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries and (b) merger, amalgamation or consolidation with any Parent Entity, *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Company and such merger, amalgamation or consolidation is otherwise permitted under the Indenture;
- (5) the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, contractors, consultants, distributors or employees of the Company, any Parent Entity or any Restricted Subsidiary (whether directly or indirectly and including through any Controlled Investment Affiliate of such directors, officers, contractors, consultants, distributors or employees);
- (6) the entry into and performance of obligations of the Company or any of the Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders (taken as a whole) in any material respect;

- (7) any transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing or Receivables Facility, any disposition or repurchase of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;
- (8) transactions with customers, clients, joint venture partners, suppliers, 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 Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Company or the senior management of the Company 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 Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity which would constitute an Affiliate Transaction solely (i) because the Company or a Restricted Subsidiary or any Affiliate of the Company 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 Company or any direct or indirect Parent Entity of the Company (*provided, however*, that such director abstains from voting as a director of the Company or such direct or indirect Parent Entity of the Company, as the case may be, on any matter involving such other Person);
- (10) any (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company 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 Company or any Restricted Subsidiary and (b) 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 of “*Subordinated Shareholder Funding*”;
- (11) (a) any payments by the Company 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 and reasonable expenses and indemnities in connection therewith and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an Initial Public Offering) and (b) any customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which are in the case of each of clauses (a) and (b) approved by a majority of the Board of Directors of the Company in good faith;
- (12) payment to any Permitted Holder of all out of pocket expenses incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;
- (13) (i) the Transactions and the payment of all costs and expenses (including all legal, accounting and other professional fees and expenses) related to the Transactions or any payment as contemplated by the Transaction Agreement; and (ii) any transactions or services pursuant to the Mutual Services Agreement and any services or transactions that are similar or incidental to the services or transactions contemplated therein provided on an arm’s length basis; and (iii) any transactions

or services pursuant to the IP Cross-License Agreement and any services or transactions that are similar or incidental to the services or transactions contemplated therein provided on an arm's length basis;

- (14) transactions in which the Company or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;
- (15) the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under the terms of, any equityholders agreement (including the Transaction Agreement, any registration rights agreement or purchase agreements related thereto) to which it is party as of the Issue Date, and any similar agreement that it may enter into thereafter; *provided, however*, that the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Issue Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders (taken as a whole) in any material respect as determined in good faith by the Company;
- (16) any purchases by the Company's Affiliates of Indebtedness or Disqualified Stock of the Company or any of the Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Company's Affiliates; *provided* that such purchases by the Company's Affiliates are on the same terms as such purchases by such Persons who are not the Company's Affiliates;
- (17) any (a) Investments by Affiliates in securities of the Company or any of the Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses Incurred by such Affiliates in connection therewith) so long as the Investment is being offered by the Company or such Restricted Subsidiary generally to other non-affiliated third party investors on the same or more favorable terms; (b) payments to Affiliates in respect of securities of the Company or any of the Restricted Subsidiaries contemplated in the foregoing clause (17)(a) or that were acquired from Persons other than the Company and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities; and (c) payments by any Parent Entity, the Company and/or the Restricted Subsidiaries pursuant to any tax sharing agreements or other equity agreements in respect of Related Taxes among any such Parent Entity, the Company and/or the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Company and its Subsidiaries;
- (18) payments, Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Company and the Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any of its Parent Entities pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Company in good faith;
- (19) employment and severance arrangements between the Company or the 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;

- (20) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Capital Stock in any Restricted Subsidiary permitted under “—*Limitation on Sales of Assets and Subsidiary Stock*” or entered into with any Business Successor, in each case, that the Company determines in good faith is either fair to the Company or otherwise on customary terms for such type of arrangements in connection with similar transactions;
- (21) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “—*Designation of Restricted and Unrestricted Subsidiaries*” and pledges of Capital Stock of Unrestricted Subsidiaries;
- (22) any lease entered into between the Company or any Restricted Subsidiary, as lessee, and any Affiliate of the Company that is not a Restricted Subsidiary, as lessor, which is approved by a majority of the members of the Board of Directors of the Company;
- (23) intellectual property licenses in the ordinary course of business or consistent with past practice;
- (24) payments to or from, and transactions with, any joint venture in the ordinary course of business or consistent with past practice (including any cash management activities related thereto);
- (25) the payment of costs and expenses related to registration rights and customary indemnities provided to shareholders under any shareholder agreement; and
- (26) any Permitted Tax Restructuring.

Designation of Restricted and Unrestricted Subsidiaries

The Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary and any Unrestricted Subsidiary to be a Restricted Subsidiary, in each case, 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 Company and the 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 Investment*”, as determined by the Company. 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.

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 Company will be in default of such covenant.

If an Unrestricted Subsidiary is designated as a Restricted Subsidiary, that 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 designation 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 Relevant Testing Period; and (2) no Default or Event of Default would be in existence immediately following such designation. Any such designation by the Company or the re-designation of an Unrestricted Subsidiary to a Restricted Subsidiary as contemplated hereby shall be evidenced to the Trustee on the date of such

designation or re-designation by filing with the Trustee an Officer's Certificate certifying that such designation or re-designation complies with the preceding conditions.

Reports

So long as any Senior Notes are outstanding, the Issuer will furnish to the Trustee the following reports following the Issue Date:

- (1) within 150 days after the end of the *Company's* fiscal year ending December 31, 2019, and within 120 days after the end of each subsequent fiscal year of the Company, beginning with the fiscal year ending December 31, 2019, annual reports (the "*Annual Financial Statements*") containing:
(i) the audited consolidated balance sheet of the Company as at the end of the most recent two fiscal years (to the extent in existence) and audited consolidated income statements and statements of cash flow of the Company 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; (ii) an operating and financial review of the audited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Company; (iii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Combination) 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 or burden, in which case the Company will provide, in the case of a material acquisition, acquired company financials; and (iv) a brief description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material debt instruments; *provided* that the information described in clause (iv) may be provided in the footnotes to the audited financial statements;
- (2) within 60 days (or, in the case of the fiscal quarter ending September 30, 2019, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Company, beginning with the first such fiscal quarter ending September 30, 2019, quarterly year-to-date financial statements (the "*Quarterly Financial Statements*") containing the following information: (i) the Company'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 (other than any comparable period falling prior to the Completion Date or that would require the creation of new consolidated financial statements), together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Combination) 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 or burden, in which case the Company will provide, in the case of a material acquisition, acquired company financials; and (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Company; and
- (3) promptly after the occurrence of a material event that the Company announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Company and the Restricted Subsidiaries, taken as a whole, or a change in a senior executive officer of the Company or a change in auditors of the Company, a report containing a description of such event.

In addition, the Company shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Senior Notes are not freely transferable under the Exchange Act by persons who are not “affiliates” under the Securities Act.

All financial statement information (excluding, for the avoidance of doubt, the calculations made under any incurrence covenant, which shall be prepared in accordance with the terms of the Indenture) shall be prepared in accordance with IFRS as in effect, including, to the extent adopted at such time, the application of IFRS 15 (*Revenue from Contracts with Customers*) and IFRS 16 (*Leases*) and any successor standard thereto (or any equivalent measure under GAAP), 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 Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20.0% of the Company’s LTM EBITDA (calculated (i) in the case of an acquisition, including any *pro forma* adjustments in respect of such acquisition and (ii) in the case of a disposal, excluding any *pro forma* adjustments in respect of such disposal) 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 Company’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 Company, then the Annual Financial Statements and Quarterly Financial Statements 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 Company and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In the event that (i) the Company 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 Company elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Company) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Company will make available to the Trustee such annual reports, information, documents and other reports that the Company 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 Company or any Parent Entity (into which the financial results of the Company are consolidated) or IPO Entity are listed on the Main Market of the London Stock Exchange (or one or more of the equivalent regulated markets of Euronext, the Frankfurt Stock Exchange, the Stockholm Stock Exchange, Euronext Dublin, the Luxembourg Stock Exchange, the Swiss Stock Exchange, the New York Stock Exchange or NASDAQ) (each a “*Regulated Market*”) and the Company or such Parent Entity or IPO Entity is subject to the admission and disclosure standards applicable to Issuer of equity securities admitted to trading on a Regulated Market, for so long as it elects, the Company will make available to the

Trustee such annual reports, information, documents and other reports that the Company or such Parent Entity or such IPO Entity is, or would be, required to file with the applicable Regulated Market pursuant to such admission and disclosure standards. Upon complying with the foregoing requirements, and *provided* that such requirements require the Company or any Parent Entity or IPO Entity to prepare and file annual reports, information, documents and other reports with the applicable Regulated Market, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Company may comply with any requirement to provide reports or financial statements under this covenant by providing any report or financial statements of a direct or indirect Parent Entity (into which the financial results of the Company are consolidated) 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 Company therein were references to such Parent Entity and (b) are accompanied by condensed consolidated financial information together with separate columns for: (i) such Parent Entity; (ii) the Company and the Restricted Subsidiaries on a combined basis; (iii) any other Subsidiaries of any applicable Parent Entity that are not the Company or Subsidiaries of the Company on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts, none of which shall be required to be audited. Upon complying with the foregoing requirement, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs. For the avoidance of doubt, only Indebtedness of the Company and the Restricted Subsidiaries shall be taken into account when making any calculations required under the Indenture.

Notwithstanding the foregoing, (x) the Company may comply with the requirements of clause (2) of the first paragraph of this covenant with respect to periods ending prior to the Completion Date by providing the revenue and EBITDA of each of the Ardagh Carve-out Business and Exal for such period ended together with management's commentary thereon in a level of detail consistent with that provided in "*Summary—Recent Developments and Trading*" in this Offering Memorandum or (y) for purposes of this covenant, the Company shall (i) be permitted to provide unaudited financial information of the Ardagh Carve-out Business and Exal (on a consolidated, standalone, combined, pro forma or other basis) to satisfy any requirement to provide financial information for periods (whether full, partial or comparative periods) commencing prior to, or that include, the Completion Date, *provided* that, for any applicable quarterly period, the Company shall provide quarterly financial statements for Exal to the extent such statements are otherwise prepared and provided to creditors, (ii) be permitted for such periods to provide financial information in the same format as the financial statements of the Ardagh Carve-out Business and Exal, as the case may be and (iii) not be required to provide any footnotes with respect to any such financial information.

Additional Guarantees

No Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the ABL Facility, any other Credit Facility or any Public Debt (including the Senior Secured Notes), in each case of the Issuer or a Guarantor, unless such Restricted Subsidiary is or becomes a Guarantor on the date on which the Guarantee of such other Indebtedness is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture substantially in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Senior Notes Guarantee, which Senior Notes Guarantee will be *pari passu* in right of payment with (in the case such Guarantee of such other Indebtedness constitutes *Pari Passu* Indebtedness) or senior to (in the case such Guarantee of such other Indebtedness constitutes Subordinated Indebtedness) as applicable, such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided, however*, that such Restricted Subsidiary shall not be obligated to become a Guarantor to the extent and for so long as the Incurrence of such Senior Notes Guarantee is contrary to the Agreed Security Principles or 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 Company, any Senior 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 Senior Notes Guarantees granted pursuant to this provision shall be released as set forth under “*Senior Notes Guarantees—Senior Notes Guarantee Release.*” The Trustee shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, reasonably requested by, and at the cost of, the Company to effectuate any release of a Senior Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

The validity and enforceability of the Senior Notes Guarantees and the liability of each Guarantor will be subject to the limitations as described and set out in “*Risk Factors—Risks relating to Our Debt, the Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees and the Security Interests and may adversely affect the validity and enforceability of the Guarantees of the Notes and the Security Interests.*”

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Company, in connection with the Incurrence by the Company or any Restricted Subsidiary of (x) any Indebtedness secured on collateral securing the ABL Facility or the Senior Secured Notes or as otherwise required herein and (y) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x), the Company, the relevant Restricted Subsidiaries and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an “*Additional Intercreditor Agreement*”) or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders (taken as a whole)), including substantially the same terms with respect to release of Senior Notes Guarantees; *provided* that (1) such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement and (2) if more than one such intercreditor agreement is outstanding at any time, the correlative terms of such intercreditor agreements must not conflict.

The Indenture also will provide that, at the direction of the Company and without the consent of Holders and the Trustee shall from time to time enter into one or more amendments to the 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 Company 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 Senior Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) secure the Senior Notes (including any Additional Senior Notes) or further secure the ABL Facility or Senior Secured Notes (including any Additional Senior Secured Notes as defined in the “*Description of the Senior Secured Notes*”), (5) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (6) make any other change to any such agreement that does not adversely affect the Holders (taken as a whole) in any material

respect. The Company shall not otherwise direct the Trustee 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 Senior Notes then outstanding, except as otherwise permitted below under “*Amendments and Waivers*,” and the Company may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect their respective rights, duties, liabilities, indemnities 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 shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Senior 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 Senior Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement and 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 to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement and 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.

Financial Calculations

In the event that the Company or a Restricted Subsidiary (w) Incurs Indebtedness to finance an acquisition (including an acquisition of assets) or other transaction or (x) assumes Indebtedness of Persons that are, or secured by assets that are, acquired by the Company or any Restricted Subsidiary or merged into, amalgamated or consolidated with, the Company or a Restricted Subsidiary in accordance with the terms of the Indenture or (y) commits to an acquisition or transaction pursuant to which it may Incur Acquired Indebtedness or (z) is subject to a Change of Control, the date of determination of LTM EBITDA, the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, shall, at the option of the Company, be (a) the date that a definitive agreement, put option or similar arrangement for such acquisition, transaction, merger, amalgamation, consolidation or Change of Control is entered into and the LTM EBITDA, Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, shall be calculated giving *pro forma* effect to such acquisition, Change of Control and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) consistent with the definitions of “*LTM EBITDA*”, “*Fixed Charge Coverage Ratio*” and “*pro forma*” as applicable, and, for the avoidance of doubt, (A) if any such ratios are exceeded as a result of fluctuations in such ratio (including due to fluctuations in the Consolidated EBITDA of the Company or the target company) at or prior to the consummation of the relevant acquisition or Change of Control, such ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether such acquisition and any related transactions are permitted hereunder and (B) such ratios shall not be tested at the time of consummation of such acquisition, transaction, merger, amalgamation or consolidation; *provided* that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, put option or similar arrangement, (i) any such transaction shall be deemed to have occurred on the date the definitive agreement, put option or similar arrangement is entered into and to be outstanding thereafter for purposes of calculating any ratios under the Indenture after the date of such agreement and before the earlier of the date of consummation of such acquisition or the date such agreement is terminated or expires without consummation of such acquisition and (ii) to the extent any covenant baskets were utilized in satisfying any

covenants, such baskets shall be deemed utilized until the earlier of the date of consummation of such acquisition or the date such agreement is terminated or expires without consummation of such acquisition, but any calculation of LTM EBITDA or Consolidated EBITDA for purposes of other Incurrences of Indebtedness or Liens or making of Restricted Payments (not related to such acquisition) shall not reflect such acquisition until it has been consummated unless such other Incurrence of Indebtedness or Liens is conditional or contingent on the occurrence of such acquisition or Change of Control or (b) the date such Indebtedness is borrowed or assumed or such Change of Control occurs;

Merger and Consolidation

The Company will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets, in one transaction or a series of related transactions, to any Person, unless:

- (1) the resulting, surviving or transferee Person (the “*Successor Company*”) will be (x) a Person organized and existing under the laws of England and Wales, Germany, any member state of the European Union or the European Economic Area, or 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 or Australia or Bermuda and (y) the Successor Company (if not the Company) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Company under the Senior Notes and the Indenture and all obligations of the Company 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 applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), no Default has occurred and is continuing;
- (3) immediately after giving effect to such transaction, either (a) the Company or the applicable Successor Company would be able to Incur at least an additional \$1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*” or (b) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction;
- (4) any Guarantor (other than the Company), unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Senior Note Guarantee will apply to such Person’s obligations under the Indenture and the Senior Notes;
- (5) the Company or the Successor Company, 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 Company) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (in the case of a Successor Company) is a legal and binding agreement enforceable against the Successor Company, *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; and
- (6) the Holders (or the security agent in respect of the Senior Notes (if applicable) on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods) guarantees and security (if any) over the same or substantially equivalent assets and over the shares (or other interests) in the Company or the Successor Company, save to

the extent such assets or shares (or other interests) cease to exist (*provided* that if the shares (or other interests) in the Company cease to exist, security will be granted (subject to the Agreed Security Principles) over the shares (or other interests) in the Successor Company).

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Senior Notes and the Indenture.

The provisions set forth in this “*Merger and Consolidation*” covenant shall not restrict (and shall not apply to): (i) any Guarantor other than the Company from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor other than the Company; or (ii) any consolidation or merger of the Issuer into any Guarantor other than the Company; *provided* that (A) if the Issuer is not the surviving entities of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Senior Notes, the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement.

The foregoing provisions 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.

Events of Default

Each of the following is an Event of Default under the Indenture:

- (1) default in any payment of interest on any Senior Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Senior Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer or any Guarantor to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Senior Notes with any agreement or obligation contained in the Indenture, other than those set out in clauses (1) or (2) above;
- (4) the occurrence of any default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed which is Incurred or Guaranteed by the Company or any Significant Subsidiary, other than Indebtedness owed to the Company or a Restricted Subsidiary, which:
 - (a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness (a “*payment default*”); or
 - (b) results in the acceleration of such Indebtedness prior to its stated final maturity (the “*cross acceleration provision*”),

and, in each case, the aggregate principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default of principal at its stated final maturity (after giving effect to any applicable grace periods) or the maturity of which has been accelerated, is in excess of the greater of (x) \$140.0 million and (y) 30.0% of LTM EBITDA;

- (5) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary (the “*bankruptcy provisions*”);
- (6) failure by the Company, the Issuer or a Significant Subsidiary to pay final judgments aggregating in excess of the greater of (x) \$140.0 million and (y) 30.0% of LTM EBITDA, other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days (after receipt of notice as described in the next succeeding paragraph) after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the “*judgment default provision*”);
- (7) the Escrow Charge shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Escrow Agreement, the Escrow Charge, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) 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 Escrow Charge or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 30 days;
- (8) except as permitted under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement (including with respect to any limitations), any Senior Notes Guarantee of one or more Guarantors that together constitute a Significant Subsidiary (a “*Significant Guarantor*”) is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or is denied or disaffirmed by such Significant Guarantor or any Person acting on behalf of it; and
- (9) failure by the Issuer to consummate a Special Mandatory Redemption on the Special Mandatory Redemption Date as described above under “*Escrow of Proceeds; Special Mandatory Redemption.*”

However, a Default under clauses (4) or (6) of the above paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Senior Notes notify the Issuer of the Default and, with respect to clauses (4) and (6), the Company does not cure such Default within 60 days after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by written notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Senior 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 Senior 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 Senior Notes because an Event of Default described in clause (4) under “*Events of Default*” has occurred and is continuing, the declaration of acceleration of the Senior Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and the annulment of the acceleration of the Senior Notes would not conflict with any judgment or decree of a court of competent jurisdiction.

If an Event of Default described in clause (5) above with respect to the Issuer occurs and is continuing, the principal of and accrued and unpaid interest, if any, on all the Senior Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders may not enforce the Indenture or the Senior Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Senior Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any, on any Senior Note held by a non-consenting Holder, which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Senior Notes) and rescind any such acceleration with respect to such Senior Notes and its consequences (including the payment default that resulted from such acceleration) 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 Senior Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in principal amount of the outstanding Senior Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing and, if requested, provided to the Trustee security and/or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the security and/or indemnity; and
- (5) the Holders of a majority in principal amount of the outstanding Senior 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 Senior 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 Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Senior 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 Company 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 Company 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 Company is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Senior Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Senior Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior 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 Senior Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (9) below, 75%) of the then outstanding principal amount of the Senior Notes, an amendment or waiver may not, with respect to any Senior Notes held by a non-consenting Holder:

- (1) reduce the stated rate of or extend the stated time for payment of interest on any such Senior Note (other than provisions relating to Change of Control and Asset Dispositions);
- (2) reduce the principal of or extend the Stated Maturity of any such Senior Note (other than provisions relating to Change of Control and Asset Dispositions);
- (3) reduce the premium payable upon the redemption of any such Senior Note or change the time at which any such Senior Note may be redeemed, in each case as described above under "*Optional Redemption*" or "*Redemption for Taxation Reasons*";
- (4) make any such Senior Note payable in currency other than that stated in such Senior Note;
- (5) impair the right of any Holder to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on such Holder's Senior Notes on or after the due dates therefor;
- (6) make any change in the provision of the Indenture described under "*Withholding Taxes*" that adversely affects the right of any Holder of such Senior Notes in any material respect or amends the terms of such Senior Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

- (7) release all or substantially all security interests granted for the benefit of the Holders in the Escrow Collateral other than in accordance with the Escrow Agreement, the Escrow Charge, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement and the Indenture;
- (8) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any (except pursuant to a rescission of acceleration of the Senior Notes by the Holders of at least a majority in principal amount of such Senior Notes and a waiver of the payment default that resulted from such acceleration);
- (9) release any Guarantor from any of its obligations under its Senior Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or
- (10) reduce the principal amount of Senior Notes whose holders must consent to any amendment, waiver or modification or make any other change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

For the avoidance of doubt, no amendment to, or deletion of, or actions taken in compliance with, the covenants described under "*Certain Covenants*" shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or interest or premium, if any, on the Senior Notes.

Notwithstanding the foregoing, if (a) any amendment, waiver or other modification affects the rights of the Senior Notes the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the Senior Notes shall be required to consent thereto and (b) any amendment, waiver or other modification affects only the rights of the Senior Notes, the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the Senior Notes, as applicable, shall be required to consent thereto (and in such case, the consent of a majority of 90% or 75%, as the case may be, in aggregate principal amount of the unaffected series of Senior Notes shall not be required to consent thereto).

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Issuer, the Trustee and the other parties thereto, as applicable, may amend or supplement any Senior Notes Documents to:

- (1) cure any ambiguity, omission, mistake, defect, error or inconsistency;
- (2) provide for the assumption by a successor Person of the obligations of the Issuer or a Guarantor under any Senior Notes Document;
- (3) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;
- (4) make any change that would provide additional rights or benefits to the Trustee or the Holders or make any change (including changing the ISIN, CUSIP or other identifying number on any Senior Notes) that does not adversely affect the rights of the Trustee or any Holder in any material respect;
- (5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of senior management of the Company) for the issuance of Additional Senior Notes that may be issued in compliance with the Indenture;
- (6) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under "*Certain Covenants—Limitation on Indebtedness*" or "*Certain Covenants—Additional Guarantees*," to add Senior Notes Guarantees with respect to the Senior Notes, to add security to or for the benefit of the Senior Notes, or to confirm and evidence the release, termination, discharge or retaking of any Senior Notes Guarantee or Lien with respect to or securing the Senior Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

- (7) to conform the text of the Indenture or the Senior Notes to any provision of this “*Description of the Senior Notes*” to the extent that such provision in this “*Description of the Senior Notes*” was intended to be a verbatim recitation of a provision of the Indenture or the Senior Notes;
- (8) evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Senior Notes Document;
- (9) make any amendment to the provisions of the Indenture relating to the transfer and legending of Senior Notes as permitted by the Indenture, including to facilitate the issuance and administration of Senior Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Senior Notes being transferred in violation of the Securities Act or any other applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Senior Notes in any material respect;
- (10) facilitate any transaction that complies with (a) the definition of “*Permitted Reorganization*” or (b) the covenants described under the headings “*Merger and Consolidation*” and “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” relating to mergers, consolidations and sales of assets;
- (11) as provided in “*Certain Covenants—Additional Intercreditor Agreements*”; or
- (12) to amend, supplement or otherwise modify the Escrow Agreement or the Escrow Charge in ways that would not be adverse to the Holders of Senior Notes in any material respect.

In formulating its decisions on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer’s Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Senior 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 given in connection with a tender of such Holder’s Senior 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.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Senior 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 Senior Notes, registrations of Senior Notes, mutilated, destroyed, lost or stolen Senior 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 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 it and the Restricted Subsidiaries under the covenants described under “*Certain Covenants*” (other than clauses (1), (2) and (5) of the first paragraph of “*Merger and Consolidation*”) and “*Change of Control*” and the default provisions relating to such covenants described under “*Events of Default*” above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions (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 their prior exercise of their covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Senior Notes may not be accelerated because of an Event of Default with respect to the Senior Notes. If the Issuer exercises its covenant defeasance option with respect to the Senior Notes, payment of the Senior Notes may not be accelerated because of an Event of Default specified in clause (3) (other than clauses (1), (2) and (5) of the first paragraph of “*Merger and Consolidation*”), (4), (5) (with respect only to the Issuer and Significant Subsidiaries (or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and the Restricted Subsidiaries) would constitute a Significant Subsidiary) of the Issuer), (6), (7) or (8) under “*Events of Default*” above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the “*defeasance trust*”) with the Trustee cash in U.S. dollars, U.S. Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the Senior 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 beneficial owners of Senior Notes 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 Senior Notes);
- (2) an Officer’s Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Company; 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 will be discharged and cease to be of further effect (except as to surviving rights of transfer or exchange of the Senior Notes and rights of the Trustee, as expressly provided for in the Indenture) as to all Senior Notes of a series issued thereunder when (1) either (a) all the Senior Notes of that series previously authenticated and delivered (other than certain lost, stolen or destroyed Senior Notes and certain Senior Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Senior Notes of that series not previously delivered to the Trustee 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 satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee, money in U.S. dollars, U.S. Government Obligations or a combination thereof as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Senior Notes of that series not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Senior 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 Senior Notes of that series 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 stating that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)). If requested in writing by the Issuer, the Trustee may distribute any amounts deposited to the Holders prior to Stated Maturity or the redemption date, as the case may be; *provided, however*, that the Holders shall have received at least three Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Senior 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 Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior 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

Citibank, N.A., London Branch 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 Senior 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 Senior Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, notices of the Issuer with respect to the Senior Notes will be sent to the Authority.

All notices to Holders 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 Senior Notes are represented by global Senior Notes, all notices to Holders will be delivered to DTC, which will give such notices to the Holders of book-entry interests in accordance with the applicable procedures of DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph.

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 DTC, it is duly given on the day the notice is given to DTC.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium, if any, or Additional Amounts, if any, on the Senior Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Senior Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Restrictions

Any payment on account of an amount that is payable in U.S. Dollars with respect to the Senior Notes (the “*Required Currency*”) which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the “*Other Currency*”) whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any of the Issuer, Company or any other Guarantor shall constitute a discharge of the Issuer’s, Company’s or such Guarantor’s obligation under the Indenture, the Senior Notes or, the Senior Notes Guarantees, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first day (other than a Saturday or Sunday) on which banks in New York, are generally open for business following receipt of the payment first referred to above. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, the Issuer, Company or such other Guarantor, as the case may be, shall indemnify and save harmless such Holder or the Trustee, as applicable from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Senior Notes or the Senior Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee or any Holder of a Senior Note from time to time and shall continue in full force and effect notwithstanding any

judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar equivalent amount for purposes hereof that is denominated in a non- U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non- U.S. Dollar amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Senior Notes on Euronext Dublin and for permission to be granted to deal in the Senior Notes on the Exchange. There can be no assurance that the application to list the Senior Notes on Euronext Dublin will be approved or that permission to deal in the Senior Notes thereon will be granted, and settlement of the Senior 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 Senior 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 Senior 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, County and State of New York, in the United States of America. The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Senior Notes and the Senior Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Senior Notes, and the rights and duties of the parties thereunder, and the Senior Notes Guarantees thereunder, the Intercreditor Agreement 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 Senior Notes may be amended with the consent of Holders of at least a majority in principal amount of the Senior Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes). The Escrow Agreement and the Escrow Charge and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England.

Certain Definitions

“30% Rule” means: in the case of Ontario Teachers’ Pension Plan Board, Section 79 of regulation 909 under Section 62 of the Pension Benefits Act (Ontario) which prohibits Ontario Teachers’ Plan Investment Board and its Affiliates from, directly or indirectly, investing the moneys of the plan in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect or remove the directors of a corporation.

“*30% Rule Designee*” means any person or entity which holds share capital in the Company, any of its Parent Entities and/or any of its Subsidiaries for the purposes of compliance with the 30% Rule and over which Ontario Teachers’ Pension Plan Board or an Affiliate thereof has a contractual right to direct the voting or transfer or such share capital.

“*ABL Facility*” means the French Facility together with the General Facility (each as defined in this Offering Memorandum) to be entered into on or around the Completion Date.

“*Acquired Indebtedness*” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary; (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 or such acquisition; or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company 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, 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.

“*ABL Security Agent*” means Citibank, N.A. (or an affiliate thereof).

“*Additional Assets*” means:

- (1) any property or assets (other than Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

“*Affiliate*” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Agreed Security Principles*” means the agreed security principles contained in the Indenture, as of the Issue Date.

“*Applicable Premium*” means with respect to any Senior Note the greater of:

- (1) 1% of the principal amount of such Senior Note; and
- (2) the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (A) the redemption price of such Senior Note at , 2022 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “*Optional Redemption*” (excluding accrued and unpaid interest)), plus (B) all required interest payments due on such Senior Note to and including , 2022 (excluding accrued but unpaid interest), computed upon the redemption

date using a discount rate equal to the Treasury Rate at the date of such notice date plus 50 basis points; over

(b) the outstanding principal amount of such Senior 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, calculation of the Applicable Premium shall not be an obligation of the Trustee or any Paying Agent.

“*Ardagh Carve-out Business*” means the Ardagh Carve-out Business as defined in this Offering Memorandum.

“*Ardagh Group S.A.*” or “*Ardagh Group*” means the public parent company of the Ardagh Carve-out Business, a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 56, rue Charles Martel, L-2134 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 53248.

“*Asset Disposition*” means:

- (1) the voluntary sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of the Company or any of the Restricted Subsidiaries (in each case other than Capital Stock of the Company) (each referred to in this definition as a “*disposition*”); or
- (2) the issuance, sale, transfer or other disposition of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under “*Certain Covenants—Limitation on Indebtedness*” or directors’ qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions,

in each case, other than:

- (a) a disposition by the Company or a Restricted Subsidiary to the Company or a Restricted Subsidiary;
- (b) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (c) a disposition of inventory or other assets (including Settlement Assets) in the ordinary course of business or consistent with past practice or held for sale or no longer used in the ordinary course of business, including any disposition of disposed, abandoned or discontinued operations;
- (d) 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 commercially desirable to maintain or used or useful in the business of the Company and the 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 Company and the 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 Company or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Company or any Restricted Subsidiary determines in its reasonable judgment that such action or inaction is desirable);
- (e) transactions permitted under “*Merger and Consolidation*” or a transaction that constitutes a Change of Control;

- (f) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;
- (g) 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 Company) of less than the greater of (a) \$35.0 million and (b) 7.5% of LTM EBITDA;
- (h) any Restricted Payment that is permitted to be made, and is made, under the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the third paragraph under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used within 450 days of receipt of such proceeds to make such Restricted Payments, Permitted Payments or Permitted Investments;
- (i) dispositions in connection with Permitted Liens and sales of assets received by the Company or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Company or any Restricted Subsidiary;
- (j) 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;
- (k) 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, (x) 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 or (y) to the extent that such license does not prohibit the Company or any of its Restricted Subsidiaries from using the technologies licensed (other than pursuant to exclusivity or non-competition arrangements negotiated on an arm’s-length basis) or require the Company or any of its Restricted Subsidiaries to pay any fees for any such use;
- (l) the lease, assignment, license, sublease or sublicense of any real or personal property in the ordinary course of business;
- (m) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;
- (n) 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;
- (o) any issuance or sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary or Permitted Joint Venture or any other disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary, Permitted Joint Venture or an Immaterial Subsidiary;
- (p) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company 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;

- (q) dispositions of property to the extent (i) that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased; (ii) that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased); or (iii) allowable under Section 1031 of the Code (or any similar provision under applicable tax law) and constituting any exchange of like property (excluding any boot thereon) for use in a Similar Business;
- (r) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility, or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with past practice;
- (s) any disposition pursuant to a financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Company or any Restricted Subsidiary after the Issue Date, including Sale and Leaseback Transactions and asset securitizations, permitted by the Indenture;
- (t) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;
- (u) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind; and
- (v) the unwinding of any Cash Management Services or Hedging Obligations.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted under “*Certain Covenants—Limitation on Restricted Payments*,” the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Disposition and/or one or more of the types of Permitted Investments or Investments permitted under “*Certain Covenants—Limitation on Restricted Payments*.”

“*Associate*” means (i) any Person engaged in a Similar Business of which the Company or the Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary.

“*Authority*” means Euronext Dublin.

“*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 Company.

“*Borrowing Base*” means, as of any date, the sum of (a) 85.0% of the book value of the accounts receivable plus (b) the lesser of (1) 75.0% of the cost of inventory and (2) 85.0% of the net orderly liquidation value of inventory, in each case of the Company and its Restricted Subsidiaries; *provided that* the Borrowing Base shall be adjusted to reflect such pro forma adjustments as are appropriate and

consistent with the pro forma adjustment provisions set forth in the definition of “*Fixed Charge Coverage Ratio*.”

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in (i) Amsterdam, Netherlands, (ii) London, United Kingdom, (iii) New York, New York, United States or (iv) Delaware, United States; are authorized or required by law to close.

“*Business Successor*” means (i) any former Subsidiary of the Company and (ii) any Person that, after the Issue Date, has acquired, merged or consolidated with a Subsidiary of the Company (that results in such Subsidiary ceasing to be a Subsidiary of the Company), or acquired (in one transaction or a series of transactions) all or substantially all of the property and assets or business of a Subsidiary or assets constituting a business unit, line of business or division of a Subsidiary of the Company.

“*Capital Stock*” of any Person means any and all shares of, rights to purchase or acquire, warrants, options or depositary receipts for, or other equivalents of, or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

“*Capitalized Lease Obligations*” means, as the case may be and subject to (as applicable) the Election Option, in relation to any determination, an obligation that is required to be classified and accounted for as either (i) a finance lease or a capital lease for financial reporting purposes on the basis of IAS 17 (*Leases*) (or any equivalent measure under GAAP), or (ii) lease liabilities on the balance sheet in accordance with IFRS 16 (*Leases*) (or any equivalent measure under GAAP). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of either IAS 17 (*Leases*) (or any equivalent measure under GAAP) or IFRS 16 (*Leases*) (or any equivalent measure under GAAP) as the case may be and always subject (as applicable) to the Election Option; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

- (1) (a) Euros, Canadian dollars, Swiss Francs, United Kingdom pounds, Japanese Yen, U.S. Dollars, Australian dollars or any national currency of any member state of the European Union; or (b) any other foreign currency held by the Company and the Restricted Subsidiaries in the ordinary course of business;
- (2) securities or other direct obligations, issued or directly and fully Guaranteed or insured by the government of Australia, Canada, Japan, Norway, Switzerland, the United Kingdom or the United States of America, the European Union or any member state of the European Union on the Issue Date or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), with maturities of 24 months or less from the date of acquisition;
- (3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender 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;
- (4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;

- (5) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Person referenced in clause (3) above;
- (6) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (3) above (or by the Parent Entity thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by a corporation rated at least "A-1" or higher by S&P or "P-1" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) maturing within one year after the date of creation thereof;
- (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;
- (8) for purposes of clause (b) of the definition of "*Asset Disposition*," the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date;
- (9) any investments classified as cash equivalents under IFRS.

"*Cash Management Services*" means any products, services or facilities relating to the following: automated clearing house transactions, treasury, depository, disbursement, credit or debit card, purchasing card, stored value card, merchant card, electronic fund transfer services, daylight or overnight draft facilities and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit, operating, collections, payroll, trust, disbursement and other accounts, information reporting, lockbox and stop payment services and merchant services or other cash management arrangements, banking products or banking services in the ordinary course of business or consistent with past practice.

"*Change of Control*" means:

- (1) the Company 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 Rule 13d-3 of the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Company other than in connection with any transaction or series of transactions in which the Company shall become the wholly owned subsidiary of a Parent Entity so long as no Person or group, as noted above, other than a Permitted Holder, holds more than 50% of the total voting power of the Voting Stock of such Parent Entity; 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 Company and the Restricted Subsidiaries taken as a whole to a Person, other than the Company or any of the Restricted Subsidiaries or one or more Permitted Holders.

Notwithstanding the foregoing, (a) a transaction will not be deemed to involve a Change of Control solely as a result of the Company becoming a direct or indirect wholly owned subsidiary of a holding company if (A) 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 Company's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence (together with any 30% Rule Designee)) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company

and (b) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

“*Clearstream*” means Clearstream Banking, S.A., or any successor thereof.

“*Combination*” means the contribution of the Ardagh Carve-out Business and Exal to the Company as set forth in this Offering Memorandum, under “*Summary—the Combination*.”

“*Completion Date*” means the date on which the Combination is completed.

“*Consolidated Depreciation and Amortization Expense*” means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including amortization or write-off of (i) intangibles and non-cash organization costs, (ii) deferred financing fees or costs and (iii) capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities, of such Person and the Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS and any write down of assets or asset value carried on the balance sheet.

“*Consolidated EBITDA*” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

- (a) provision for taxes based on income or profits, including federal, state, provincial, territorial, local, foreign, unitary, franchise and similar taxes and foreign withholding and similar taxes of such Person paid or accrued during such period, including any penalties and interest relating to any examinations in respect of any such taxes (including any additions to such taxes, and any penalties and interest with respect thereto), deducted (and not added back) in computing Consolidated Net Income; *plus*
- (b) Fixed Charges of such Person for such period (including (x) net losses on any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of “*Consolidated Interest Expense*” pursuant to clauses (r) through (z) in clause (1) thereof), in each case, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; *plus*
- (c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*
- (d) any (x) Transaction Expenses and (y) any fees, costs, expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed or contemplated Equity Offering (including any expense relating to enhanced accounting functions or other transactions costs associated with becoming a public company), Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of Indebtedness permitted to be Incurred by the Indenture (including a refinancing thereof) (whether or not successful), in each case, including (i) such fees, expenses or charges (including rating agency fees and related expenses) related to the offering of the Senior Notes, the ABL Facility, any other Credit Facility, any Receivables Facility, any Securitization Facility, any other Indebtedness permitted to be Incurred under the Indenture or any Equity Offering and any amendment, waiver or other modification of any of the foregoing, in each case, whether or

not consummated, to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*

- (e) (i) the amount of any restructuring charge, accrual or reserve (and adjustments to existing reserves), integration cost or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives) that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs Incurred in connection with acquisitions or divestitures after the Issue Date, including those related to any severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), systems development and establishment costs, future lease commitments and costs related to the opening and closure and/or consolidation of facilities and to exiting lines of business and consulting fees Incurred with any of the foregoing and (ii) fees, costs and expenses associated with acquisition related litigation and settlements thereof; *plus*
- (f) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting; *provided* that if any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period then the cash payment in such future period shall be subtracted from Consolidated EBITDA when paid or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period); *plus*
- (g) the amount of board of director fees, management, monitoring, advisory, consulting, refinancing, subsequent transaction, advisory and exit fees (including termination fees) and related indemnities and expenses paid or accrued in such period to any member of the Board of Directors of the Company, any Permitted Holder or any Affiliate of a Permitted Holder to the extent permitted under “*Certain Covenants—Limitation on Affiliate Transactions*”; *plus*
- (h) the “run rate” cost savings, operating expense reductions, restructuring charges and expenses and synergies that are expected (in good faith) to be realized as a result of actions taken or expected to be taken 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), net of the amount of actual benefits realized during such period from such actions; *provided* that (i) such actions are expected to be taken after the consummation of the acquisition, disposition, restructuring or the implementation of an initiative, as applicable, which is expected to result in cost savings, operating expense reductions, restructuring charges and expenses or synergies, and (ii) 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 EBITDA, whether through a *pro forma* adjustment or otherwise, for such period (which adjustments, without double counting, may be incremental to *pro forma* adjustments made pursuant to the definition of “*Fixed Charge Coverage Ratio*”); *plus*
- (i) the “run rate” expected cost savings, operating expense reductions including costs and expenses related to information and technology systems establishment, modernization or modification, restructuring charges and expenses and synergies related to the Transactions projected by the Company in good faith to result from actions with respect to which

substantial steps have been, will be, or are expected to be, taken (in the good faith determination of the Company), 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, net of the amount of actual benefits realized during such period from such actions, and which adjustments, without double counting, may be incremental to *pro forma* adjustments made pursuant to the definition of “*Fixed Charge Coverage Ratio*”; *plus*

- (j) the amount of loss or discount on sale of Securitization Assets, Receivables Assets and related assets to the Securitization Subsidiary in connection with a Qualified Securitization Financing or Receivables Facility; *plus*
- (k) any costs or expense Incurred by the Company or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Company or Net Cash Proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Company solely to the extent that such Net Cash Proceeds are excluded from the calculation set forth in clause (c) of the first paragraph under “*Certain Covenants—Limitation on Restricted Payments*”; *plus*
- (l) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*
- (m) any net loss included in the Consolidated Net Income attributable to non-controlling interests; *plus*
- (n) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Company and the Restricted Subsidiaries; *plus*
- (o) net realized losses from Hedging Obligations or embedded derivatives; *plus*
- (p) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary, and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto; *plus*
- (q) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Company’s and the Restricted Subsidiaries’ proportionate share of such joint venture’s Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent the same was deducted (and not added back) in calculating Consolidated Net Income; *plus*
- (r) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; *plus*
- (s) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost), and any other items of a similar nature; *plus*

- (t) the amount of expenses relating to payments made to option holders of the Company or any Parent Entity in connection with, or as a result of, any distribution being made to equityholders of such Person or its Parent Entities, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; *plus*
 - (u) to the extent not already otherwise included herein, adjustments and add-backs made in calculating “Pro Forma Supplemental Adjusted EBITDA” for the *pro forma* twelve months ended March 31, 2019, included in this Offering Memorandum; *plus*
 - (v) earn out obligations Incurred in connection with any permitted acquisition or other Investment permitted under the Indenture and paid or accrued during such period; *plus*
 - (w) losses, charges and expenses related to the pre-opening and opening of new facilities, and start-up period prior to opening, that are operated, or to be operated, by the Company or any Restricted Subsidiary; and
- (2) decreased (without duplication) by non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period.

“*Consolidated Interest Expense*” means, with respect to any Person for any period, without duplication, the sum of:

- (1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period (in each case, determined on the basis of IFRS, but including for the avoidance of doubt, any consolidated interest expense related to Indebtedness of any Parent Entity which such Person or any of its Restricted Subsidiaries guarantees), to the extent such expense was deducted (and not added back) in computing Consolidated Net Income, including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to IFRS), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (r) Securitization Fees, (s) penalties and interest relating to taxes (but excluding, for the avoidance of doubt, any Additional Amounts paid with respect to the Senior Notes or the Senior Notes Guarantees), (t) any additional cash interest owing pursuant to any registration rights agreement, (u) accretion or accrual of discounted liabilities other than Indebtedness, (v) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with the Transactions or any acquisition, (w) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated Hedging Obligations and other commissions, financing fees and expenses and original issue discount with respect to Indebtedness and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program, (x) any expensing of bridge, commitment and other financing fees, (y) subject (as applicable) to the Election Option, any interest component of any operating lease and (z) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; *plus*

- (2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including for the avoidance of doubt, any consolidated capitalized interest related to Indebtedness of any Parent Entity which such Person or any of its Restricted Subsidiaries guarantees (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding); *less*
- (3) interest income for such period.

For purposes of this definition, interest on a lease (including any 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 lease in accordance with IFRS.

“*Consolidated Net Income*” means, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis on the basis of IFRS after any reduction in respect of Preferred Stock dividends; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from Investments recorded in such Person under the equity method of accounting), except that the Company’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that (as reasonably determined by an Officer of the Company) could have been distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause (c) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*,” such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under the definition of “*Permitted Investment*”;
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*,” any net income (loss) of any Restricted Subsidiary (other than the Issuer and the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer or a Guarantor by operation of the terms of such Restricted Subsidiary’s articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the agreements, documents and instruments entered into in connection with, or pursuant to, the ABL Facility, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Secured Notes or the Indenture and (c) restrictions specified in clause (13)(a) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*”) except that the Company’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 Company 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 gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed or discontinued operations of the

Company or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Company);

- (4) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense, including Transaction Expenses or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities' opening costs and other business optimization expenses and operating improvements (including related to new product introductions), systems development and establishment costs, accruals or reserves (including restructuring and integration costs related to acquisitions after the Issue Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), contract terminations and professional and consulting fees Incurred with any of the foregoing;
- (5) the cumulative effect of a change in law, regulation or accounting principles, including any impact resulting from an election by the Company to apply GAAP at any time following the Issue Date;
- (6) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the re-valuation of any benefit plan obligation and (ii) income (loss) attributable to deferred compensation plans or trusts;
- (7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of any Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;
- (9) any fees and expenses (including any transaction or retention bonus or similar payment) Incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, disposition of assets or securities, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction, in each case whether or not successful;
- (10) any unrealized 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 Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;
- (11) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with IFRS;
- (12) any recapitalization accounting or purchase accounting effects, including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative

pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition (including the Transactions), or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

- (13) any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and the amortization of intangibles arising pursuant to IFRS;
- (14) any effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;
- (15) accruals and reserves that are established or adjusted (including any adjustment of estimated pay-outs on existing earn-outs) that are so required to be established as a result of the Transactions in accordance with IFRS, or changes as a result of adoption or modification of accounting policies;
- (16) any costs associated with the Transactions;
- (17) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures and any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowances related to such item;
- (18) any (i) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed and (ii) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates);
- (19) any net gain (or loss) from disposed, abandoned or discontinued operations and any net gain (or loss) on disposal of disposed, discontinued or abandoned operations; and
- (20) 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 Company 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 Company 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 Secured Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) the sum of (a) Secured Indebtedness as of such date and (b) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Secured Indebtedness, *less* the aggregate amount of cash and Cash Equivalents of the Company and the Restricted Subsidiaries on a

consolidated basis, to (y) LTM EBITDA; *provided, however*, that, solely for the purpose of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Indebtedness Incurred pursuant to clauses (1)(b) or (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”), or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than the discharge of Indebtedness using proceeds of Indebtedness Incurred pursuant to clauses (1)(b) and (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”).

“*Consolidated Total Indebtedness*” means, as of any date of determination, the aggregate principal amount of Indebtedness for borrowed money but excluding any Indebtedness under or with respect to Cash Management Services, intercompany Indebtedness of the Company and the Restricted Subsidiaries, Hedging Obligations, Receivables Facilities or Securitization Facilities.

“*Consolidated Total Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) the sum of (a) Consolidated Total Indebtedness as of such date and (b) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Consolidated Total Indebtedness, less the aggregate amount of cash and Cash Equivalents of the Company and the Restricted Subsidiaries on a consolidated basis, to (y) LTM EBITDA; *provided, however*, that, solely for the purpose of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) or (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”), or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than the discharge of Indebtedness using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”).

“*Contingent Obligations*” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease (subject, as applicable, to the Election Option), dividend or other obligation that does not constitute Indebtedness (“*primary obligations*”) of any other Person (the “*primary obligor*”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“*Controlled Investment Affiliate*” means, as to any Person, any other Person, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such

Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Company and/or other companies.

“*Credit Facility*” means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the ABL Facility or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original ABL Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “*Credit Facility*” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company 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.

“*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 Company or any Restricted Subsidiary) of non-cash consideration received by the Company or any of the Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Designated Preferred Stock*” means Preferred Stock of the Company or a Parent Entity (other than Disqualified Stock) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and that is designated as “*Designated Preferred Stock*” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(iii) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments.*”

“*Disinterested Director*” means, with respect to any Affiliate Transaction, a member of the Board of Directors having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors shall be deemed not to have such a financial interest by reason of such member’s holding Capital Stock of the Company or any of its Affiliates, or any options, warrants or other rights in respect of such Capital Stock.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or
- (2) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Senior Notes or (b) the date on which there are no Senior Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “*Certain Covenants—Limitation on Restricted Payments*”; *provided further, however*, that if such Capital Stock is issued to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, contractor or consultant)) or Immediate Family Members), of the Company, any of its Subsidiaries, any Parent Entity or any other entity in which the Company or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Directors (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory, contractual or regulatory obligations.

“*Equity Contribution*” means any subscription for shares issued by, any capital contributions (including by way of premium and/or contribution to the capital reserves) to, the Company (but excluding any such amounts funded from the proceeds of any Indebtedness of any Parent Entity (x) which is guaranteed by the Company or any Restricted Subsidiary, and (y) in respect of which dividends or distributions on the Company’s Capital Stock are permitted to be paid from cash by the Company or any Restricted Subsidiary pursuant to clause (1)(c) of the first paragraph under “*Certain Covenants—Limitation on Restricted Payments*” and excluding the issuance of any Disqualified Stock or Designated Preferred Stock) or any Subordinated Shareholder Funding of the Company (in each case, other than Excluded Contributions).

“*Equity Offering*” means (x) a sale of Capital Stock of the Company (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 Company or any of the Restricted Subsidiaries by any Parent Entity in any form other than Indebtedness or the Excluded Contributions.

“*Escrowed Proceeds*” means the proceeds from the offering or incurrence of any debt securities or other Indebtedness paid into an escrow account 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 account 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 the European Union.

“Euroclear” means Euroclear Bank SA/NV or any successor thereof.

“Exal” means The Exal Group that will be contributed to Trivium Packaging B.V. in the Combination, as described in this Offering Memorandum under “*The Combination*.”.

“Exchange” means Euronext Dublin.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company after the Completion Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) or Subordinated Shareholder Funding of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company.

“fair market value” wherever such term is used in this “*Description of the Senior Notes*” or the Indenture (except as otherwise specifically provided in this “*Description of the Senior 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 Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“Fitch” means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Fixed Charge Coverage Ratio” means, with respect to any Person on any determination date, the ratio of LTM EBITDA to the Fixed Charges of such Person for the Relevant Testing Period. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such Relevant Testing Period or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the Relevant Testing Period but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “*Fixed Charge Coverage Ratio Calculation Date*”), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, Guarantee, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the Relevant Testing Period; *provided* that the *pro forma* calculation shall not give effect to: (i) any Fixed Charges attributable to Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Fixed Charges attributable to Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(A)(b) thereof) or (ii) Fixed Charges attributable to any Indebtedness discharged on such determination date to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described under the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” (other than Fixed Charges attributable to Indebtedness discharged on such determination date using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(A)(b) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”).

For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed operations that have been made by the Company or any of the Restricted Subsidiaries, during the Relevant Testing Period or subsequent to the Relevant Testing Period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in LTM EBITDA resulting therefrom) had occurred on the first day of the Relevant Testing Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Company or any of the Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation had occurred at the beginning of the Relevant Testing Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (and may include cost savings, expense reductions and synergies reasonably expected to occur within 24 months from the date of completion of such action or transaction (or, if later, the last day of the Relevant Testing Period), including from the result of a disposition or ceased or discontinued operations, as though such cost savings, expense reduction and synergies had been achieved on the first day of the Relevant Testing Period). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated, at the Company's option, either (x) as if the rate in effect on the determination date had been the applicable rate for the entire Relevant Testing Period or (y) using the average rate in effect over the Relevant Testing Period, in each case taking into account any Hedging Obligations applicable to such Indebtedness. As determined in accordance with the Election Option (as applicable), interest on a lease (including any Capitalized Lease Obligations) shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such lease in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the Relevant Testing Period except to the extent such revolving credit facility has been permanently repaid and the commitments thereunder cancelled. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

“DTC” means The Depository Trust Company or any successor, analogous replacement or alternative securities clearing agency (including Euroclear and/or Clearstream), in each case, or any successor thereto.

“Fixed Charges” means, with respect to any Person for any period, the sum of:

- (1) Consolidated Interest Expense of such Person for such period;
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such Person during such period; and
- (3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

“GAAP” means generally accepted accounting principles in the United States of America.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, however, that the term “*Guarantee*” will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and *provided further* that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term “*Guarantee*” used as a verb has a corresponding meaning.

“*Guarantor*” means the Company and any Restricted Subsidiary that Guarantees the Senior Notes, until such Senior Notes Guarantee is released in accordance with the terms of the Indenture.

“*Hedging Obligations*” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contracts, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“*Holder*” means each Person in whose name the Senior Notes are registered on the Registrar’s books, which shall be the respective nominee of DTC, 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 Company or the 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 (or, as applicable, GAAP) contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date (or, as applicable, GAAP as in effect at the date specified by the Company in its election to adopt GAAP in accordance with the fourth sentence of this definition). At any time after the Issue Date, the Company may elect to implement any new measures or other changes to IFRS (or, as applicable, GAAP) in effect on or prior to the date of such election; *provided* that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Company may elect to apply GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean GAAP (except as otherwise provided in the Indenture), including as to the ability of the Company to make an election pursuant to the previous sentence; *provided* that any such election, once made, shall be irrevocable; *provided, further*, that any calculation or determination in the Indenture that require the application of IFRS for periods that include fiscal quarters ended prior to the Company’s election to apply GAAP shall remain as previously calculated or determined in accordance with IFRS; *provided, further again*, that the Company may only make such election if it also elects to report any subsequent financial

reports required to be made by the Company. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders. Notwithstanding any of the foregoing, (i) in relation to the making of any determination or calculation under the Indenture, the Company shall be required to elect (the “*Election Option*”), from time to time and each time, either (A) to apply IFRS 16 (*Leases*) or (B) to apply IAS 17 (*Leases*) (or, in each case, the equivalent measure under GAAP) to the making of such determination or calculation, *provided* that, if such determination or calculation involves more than one element (including for the calculation of a financial ratio), such selected accounting standard shall be consistently applied to each element of such determination or calculation (other than, for the avoidance of doubt, in relation to the covenant described under the caption “*Reports*”); and (ii) any adverse impact directly or indirectly relating to or resulting from the implementation of IFRS 15 (*Revenue from Contracts with Customers*) and any successor standard thereto (or any equivalent measure under GAAP) shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Indenture (other than, for the avoidance of doubt, in relation to the covenant described under the caption “*Reports*”).

“*Immaterial Subsidiary*” means, at any date of determination, each Restricted Subsidiary that (i) has not guaranteed any other Indebtedness of the Company and (ii) has LTM EBITDA of less than 5.0% of LTM EBITDA of the Company and the Restricted Subsidiaries taken as a whole, in each case, measured at the end of the Relevant Testing Period and revenues on a *pro forma* basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such Relevant Testing Period, as applicable, and on or prior to the date of acquisition of such Subsidiary.

“*Immediate Family Members*” means, with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “*Incurred*” and “*Incurrence*” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “*Incurred*” at the time any funds are borrowed thereunder, subject to the definition of Reserved Indebtedness Amount and related provisions.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligation, including accrued expenses owed, to a trade creditor), 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 Company) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of the type referred to in clauses (1), (2), (3), (4), (5) and (9) of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement),

with respect to clauses (1), (2), (4) and (5) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS.

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:

- (a) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, other than Guarantees or other assumptions of Indebtedness;
- (b) Cash Management Services;
- (c) any lease, concession or licence of property (or Guarantee thereof) which would, in accordance with the Election Option, be considered an operating lease or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice;
- (d) 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;
- (e) in connection with the purchase by the Company 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;
- (f) 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;
- (g) obligations under or in respect of Qualified Securitization Financings or Receivables Facilities;

- (h) Indebtedness of any Parent Entity appearing on the balance sheet of the Company solely by reason of push down accounting under IFRS;
- (i) Capital Stock (other than Disqualified Stock of the Company and Preferred Stock of a Restricted Subsidiary);
- (j) 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 Company and the Restricted Subsidiaries, taken as a whole, that complies with the covenant described under “*Merger and Consolidation*”;
- (k) Subordinated Shareholder Funding; or
- (l) any joint and several or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity for corporate income tax, trade tax or value added tax purposes or similar purposes or any analogous arrangement.

“*Indenture*” means the indenture with respect to the Senior Notes to be entered into on or about the Issue Date, by and among, *inter alios*, the Company, the Issuer and the Trustee.

“*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 individually or collectively, (x) Ardagh Group S.A., and/or Ontario Teachers’ Pension Plan Board, and/or any one or more investment funds or limited partnerships advised or managed by such entities and, in each case, any of their Affiliates or direct or indirect Subsidiaries (but excluding, in each case, any portfolio company which is an obligor (and any of its Subsidiaries) in respect of any third party financing provided to that portfolio company (or any of its Subsidiaries) in which such investment funds or limited partnerships and other entities advised or managed by Ardagh Group S.A. or such Affiliates, Subsidiaries or investors hold an investment or interest in or Ontario Teachers’ Pension Plan Board or) or (y)(a) Yeoman Capital S.A., (b) any of Paul Coulson, Brendan Dowling, Houghton Fry, Edward Kilty, John Riordan or Niall Wall, and any trust created for the benefit of one or more of the foregoing or their respective natural person Affiliates, or the estate, executor, administrator, committee or beneficiaries of any thereof, and (c) any of their respective Affiliates.

“*Initial Public Offering*” means an Equity Offering of common stock or other common equity interests of the Company or any Parent Entity or any successor of the Company or any Parent Entity (the “*IPO Entity*”) following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“*Intercreditor Agreement*” means the Intercreditor Agreement to be entered into on or about the Completion Date, by and among, *inter alios*, Citibank, N.A., London Branch as the trustee for the Senior Secured Notes Citibank, N.A., London Branch, as the trustee for the Senior Notes, the ABL Security Agent and Citibank, N.A., London as the security agent, as amended from time to time in accordance with its terms.

“*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 Company 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 Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of “*Certain Covenants—Limitation on Restricted Payments*” and “*—Designation of Restricted and Unrestricted Subsidiaries*”:

- (1) “*Investment*” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a re-designation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “*Investment*” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “*Investment*” in such Subsidiary at the time of such re-designation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as determined by the Company) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined by the Company.

“*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 state of the European Union, Australia, Japan, Norway, Switzerland or the United Kingdom 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 Company 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 the Senior Notes receive two of the following:

- (1) a rating of “BBB –” or higher from S&P;
- (2) a rating of “Baa3” or higher from Moody’s; or
- (3) a rating of “BBB –” or higher from Fitch,

or the equivalent of such rating by such rating organization or, if no rating of S&P, Moody’s or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

“*IP Cross-License Agreement*” means the IP Cross-License Agreement, as defined in this Offering Memorandum.

“*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 , 2019.

“*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 (subject, as applicable, to the Election Option) be deemed to constitute a Lien.

“*LTM EBITDA*” means Consolidated EBITDA of the Company measured for the Relevant Testing Period ending prior to the date of such determination, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such Relevant Testing Period and as are consistent with the *pro forma* adjustments set forth in the definition of “*Fixed Charge Coverage Ratio*.”

“*Management Advances*” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Company or any Restricted Subsidiary, or to any management equity plan, stock option plan, any other management or employee benefit, bonus or incentive plan or any trust, partnership or other entity of, established for the benefit of, or the beneficial owner of which (directly or indirectly) is, any of the foregoing:

- (1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or consistent with past practice or (b) for purposes of funding any such person’s purchase (or the purchase by any management equity plan) of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent Entity with the approval of the Board of Directors of the Company;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding the greater of (i) \$35.0 million and (ii) 7.5% of LTM EBITDA in the aggregate outstanding at the time of Incurrence.

“*Management Stockholders*” means the members of management of the Company (or any Parent Entity) or its Subsidiaries who are holders of Capital Stock of the Company or of any Parent Entity on the Issue Date or will become holders of such Capital Stock in connection with the Transactions.

“*Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interest 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.

“*Mutual Services Agreement*” means the Mutual Services Agreement defined in this Offering Memorandum and any modification, amendment, replacement or extension or any similar agreement.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under IFRS (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Company and after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition, including distributions for Related Taxes;
- (2) all payments made on any Indebtedness which 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 Entity, the Company 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 Company 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 Company and after taking into account any available tax credit or deductions and any tax sharing agreements, and including distributions for Related Taxes).

“*Non-Core Assets*” means any assets of the Company or any Restricted Subsidiary and designated in good faith as “non-core” to the material business activities of the Company and its Restricted Subsidiaries (taken as a whole) pursuant to an Officer’s Certificate delivered by the Company to the Trustee.

“*Non Guarantor Debt Cap*” means an amount of Indebtedness Incurred and Disqualified Stock or Preferred Stock issued pursuant to the first paragraph and clauses (1)(b), (1)(c), (5)(x) and (13) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”, in each case by Restricted Subsidiaries that are not Guarantors, which shall not in aggregate exceed the greater of (x) \$300.0 million and (y) 64.0% of LTM EBITDA at any time outstanding.

“*Obligations*” means any principal, interest (including Post-Petition Interest and fees accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor

whether or not a claim for Post-Petition Interest or fees is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

“*Offering Memorandum*” mean this offering memorandum, dated as of _____, 2019, relating to the offering of the Senior Notes.

“*Officer*” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, any Managing Director, the Secretary or any Assistant Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person.

“*Officer's Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*Opinion of Counsel*” means a written opinion from legal counsel that is reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“*Parent Entity*” means any direct or indirect parent of the Company, including Ardagh Group S.A. and Element Holdings II, L.P, in each case including any successors or assigns.

“*Parent Entity Expenses*” means:

- (1) costs (including all legal, accounting and other professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to the Senior Notes, the Senior Notes Guarantees or any other Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its articles, charter, by-laws, partnership agreement or other organizational documents or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;
- (4) any (x) general corporate overhead expenses, including all legal, accounting and other professional fees and expenses and (y) other operational expenses of any Parent Entity related to the ownership or operation of the business of the Company or any of the Restricted Subsidiaries;
- (5) expenses Incurred by any Parent Entity in connection with (i) any offering, sale, conversion or exchange of Subordinated Shareholder Funding, Capital Stock or Indebtedness and (ii) any related compensation paid to officers, directors and employees of such Parent Entity; and
- (6) amounts to finance Investments that would otherwise be permitted to be made pursuant to the covenant described above under “*Certain Covenants—Limitation on Restricted Payments*” if made by the Company or a Restricted Subsidiary; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such direct or indirect parent company shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of the Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or

acquired into the Company or one of the Restricted Subsidiaries in order to consummate such Investment, (C) such direct or indirect parent company and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture and such consideration or other payment is included as a Restricted Payment under the Indenture, (D) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (c) of the first paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” or be an Excluded Contribution or be used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*” and (E) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to a provision of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*” or pursuant to the definition of “*Permitted Investments*.”

“*Pari Passu Indebtedness*” means Indebtedness (a) of the Issuer which ranks equally in right of payment to the Senior Notes or (b) of any Guarantor which ranks equally in right of payment to the Senior Notes Guarantee of such Guarantor.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Senior Note on behalf of the Issuer.

“*Permitted Asset Swap*” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents between the Company or any of the Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.”

“*Permitted Holders*” means, collectively, (i) the Initial Investors, (ii) any 30% Rule Designee, (iii) any one or more Persons, together with such Persons’ Affiliates, whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, (iv) the Management Stockholders, (v) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Company, acting in such capacity, and (vi) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (i) through (v), collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Company or any Parent Entity held by such group. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control which is not a Change of Control, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Company or any of the Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person and as a result of such Investment such other Person is merged, amalgamated, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice;
- (5) Investments in payroll, travel, relocation, entertainment 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 Company or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Company 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 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 not prohibited under the Indenture;
- (10) Hedging Obligations, which transactions or obligations are Incurred in compliance with “*Certain Covenants—Limitation on Indebtedness*”;
- (11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “*Permitted Liens*” or made in connection with Liens permitted under the covenant described under “*Certain Covenants—Limitation on Liens*”;
- (12) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent Entity as consideration;
- (13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (6), (7), (8), (9), (12) and (14) of that paragraph);
- (14) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business or consistent with past practices, and in accordance with the Indenture;
- (15) any (a) Guarantees of Indebtedness not prohibited by the covenant described under “*Certain Covenants—Limitation on Indebtedness*” and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business, and (b) performance guarantees and contingent obligations with respect to obligations that are not prohibited by the Indenture;
- (16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

- (17) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into the Company or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (18) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;
- (19) contributions to a “rabbi” trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Company;
- (20) Investments in joint ventures and similar entities and Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (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 (x) if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company 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 Company or a Restricted Subsidiary and (y) no Investment in an Unrestricted Subsidiary made pursuant to this clause (20) shall be made for the purpose of making an indirect dividend or distribution from the Company or any Restricted Subsidiary in respect of the Company’s or any Restricted Subsidiary’s Capital Stock that would be permitted under clause (14) of the second paragraph of the covenant, described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” or that would otherwise be prohibited under such covenant;
- (21) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (a) \$140.0 million and (b) 30.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (c) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and shall cease to have been made pursuant for so long as such Person continues to be the Company or a Restricted Subsidiary;

- (22) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of (a) \$120.0 million and (b) 25.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “*Certain Covenants—Limitation on Restricted Payments*” of any amounts applied pursuant to clause (c) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company 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 Company or a Restricted Subsidiary;
- (23) Investments (a) arising in connection with a Qualified Securitization Financing or Receivables Facility and (b) constituting distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;
- (24) Investments in connection with the Transactions;
- (25) Investments (including repurchases) in Indebtedness of the Company and the Restricted Subsidiaries;
- (26) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*”;
- (27) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business;
- (28) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors in the ordinary course of business;
- (29) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;
- (30) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection of deposit and Article 4 customary trade arrangements with customers consistent with past practices;
- (31) transactions entered into in order to consummate a Permitted Tax Restructuring.
- (32) Investments made in the ordinary course of business, the fair market value of which in the aggregate does not exceed the greater of \$10.0 million and 2.0% of LTM EBITDA in any transaction or series of related transactions;
- (33) Investments in a Person to the extent that the consideration therefor consists of the issue and sale (other than to any Subsidiary) of shares of the Company’s Capital Stock or Subordinated Shareholder Funding or the net proceeds thereof (other than any Excluded Contribution or to

the extent any of the proceeds are used to Incur Indebtedness under clause (10) of the second paragraph of the covenant described under “Certain Covenants—Limitation on Indebtedness”); *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (c)(ii) of “—Certain Covenants—Limitation on Restricted Payments”;

- (34) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;
- (35) loans or advances to (i) directors, officers or employees of the Company or any Restricted Subsidiary to pay for the purchase of Capital Stock of the Company or any direct or indirect parent company thereof pursuant to management equity plans or similar management or employee benefit arrangement or (ii) stock option plans, trust and similar asset pools to pay for the purchase of Capital Stock of the Company or any direct or indirect parent company thereof not to exceed the greater of \$15.0 million and 3.0% of LTM EBITDA in the aggregate outstanding at any one time;
- (36) any Investments received in comprise or resolution of litigation, arbitration or other disputes;
- (37) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and advance payment made and deferred consideration and performance guarantees, in each case in the ordinary course of business;
- (38) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business; and
- (39) so long as no Default has occurred or is continuing, additional Investments; *provided* that immediately after giving *pro forma* effect such Investment, the Consolidated Total Net Leverage Ratio shall not be greater than 5.15 to 1.00.

“*Permitted Joint Venture*” means any joint venture or similar combinations or other transaction pursuant to which the Company or any Restricted Subsidiary enters into, acquires or subscribes for any shares, stock, securities or other interest in or transfers any assets to any joint venture; *provided, however*, that the primary business of such joint venture is a Similar Business.

“*Permitted Liens*” means, with respect to any Person

- (1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness and other Obligations of any Restricted Subsidiary that is not a Guarantor;
- (2) pledges, deposits or Liens under workmen’s compensation laws, old-age-part-time arrangements, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or pension related liabilities and obligations, 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 with respect to outstanding motor vehicle fines and Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors' or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for Taxes, assessments or governmental charges which are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS (or other applicable accounting principles) have been made in respect thereof;
- (5) encumbrances, charges, 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 Company and the 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 Company and the Restricted Subsidiaries;
- (6) Liens (a) on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services permitted under the Indenture; (b) that are statutory, common law or contractual rights of set-off (including, for the avoidance of doubt, Liens arising under the general terms and conditions of banks or saving banks) or, in the case of clause (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations Incurred in the ordinary course of business of the Company or any Subsidiary of the Company or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any Restricted Subsidiary in the ordinary course of business; (c) on cash accounts securing Indebtedness and other Obligations permitted to be Incurred under clauses (8)(d) or (8)(e) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Indebtedness*" with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts Incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; (e) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection; (f) 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/ or (g) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness;
- (7) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (8) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default so long as (a) any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated, (b) the period within which such proceedings may be initiated has not expired or (c) no more than 60 days have passed after (i) such judgment, decree, order or award has become final or (ii) such period within which such proceedings may be initiated has expired;

- (9) Liens (i) on assets or property of the Company 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 Company 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 Capitalized Lease Obligations or operating lease;
- (10) Liens perfected or evidenced by UCC financing statement filings, including precautionary UCC financing statements (or similar filings in other applicable jurisdictions) regarding operating leases (subject, as applicable, to the Election Option) entered into by the Company and the Restricted Subsidiaries in the ordinary course of business;
- (11) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;
- (12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company 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 Company 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;
- (13) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other Obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;
- (14) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that were previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness or other Obligations being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (15) Liens constituting (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 Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (16) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

- (17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (19) Liens securing Indebtedness and other Obligations under clauses (3), (11) or (18); *provided that*, in the case of clause (11), such Liens cover only the assets of such Subsidiary) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*”;
- (20) [reserved];
- (21) Liens (a) on Capital Stock or other securities or assets of any Unrestricted Subsidiary or Permitted Joint Venture that secure Indebtedness of such Unrestricted Subsidiary or Permitted Joint Venture and (b) then existing with respect to assets of an Unrestricted Subsidiary on the day such Unrestricted Subsidiary is re-designated as a Restricted Subsidiary as described under “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*”;
- (22) any security granted over the marketable securities portfolio described in clause (8) of the definition of “*Cash Equivalents*” in connection with the disposal thereof to a third party;
- (23) Liens on (a) goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Company or any Restricted Subsidiary or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments and (b) specific items of inventory of other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (24) Liens on equipment of the Company or any Restricted Subsidiary in the ordinary course of business;
- (25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;
- (26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;
- (27) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;
- (28) Liens (a) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (b) consisting of an agreement to sell any property in an asset sale permitted under the covenant described under “*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;
- (29) Liens securing Indebtedness and other Obligations in an aggregate principal amount not to exceed the greater of (a) \$140.0 million and (b) 30.0% of LTM EBITDA at the time Incurred;

- (30) Liens deemed to exist in connection with Investments in repurchase agreements permitted by the covenant described under “*Certain Covenants—Limitation on Indebtedness*” *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
- (31) Liens arising in connection with a Qualified Securitization Financing or a Receivables Facility;
- (32) Settlement Liens;
- (33) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any government, statutory or regulatory authority;
- (34) the rights reserved to or vested in any Person or government, statutory or regulatory authority by the terms of any lease, license, franchise, grant or permit held by the Company or any Restricted Subsidiary or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (35) restrictive covenants affecting the use to which real property may be put;
- (36) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; *provided* that such Liens or covenants do not interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiary;
- (37) Liens arising in connection with any Permitted Tax Restructuring;
- (38) Liens on Escrowed Proceeds or Liens 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 are held in an escrow account or similar arrangement, including in each case any interest or premium thereon;
- (39) Liens arising in connection with any joint and several liability or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity for corporate income tax, trade tax or value added tax or similar purposes or any analogous arrangement;
- (40) Liens securing any Indebtedness (including the ABL Facility and the Senior Secured Notes (including any Additional Senior Secured Notes as defined in the “*Description of the Senior Secured Notes*”)) permitted to be incurred pursuant to clauses (1)(a), (1)(b) and (5) of the second paragraph of the “*Limitation on Indebtedness*” and any related guarantee thereof
- (41) Liens on any of the Company’s or any Restricted Subsidiary’s property or assets securing the Senior Notes or any Senior Notes Guarantees; and
- (42) any extension, renewal or replacement, in whole or in part, of any Permitted Lien; *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Company 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 Liens*” to which such Permitted Lien has been classified or reclassified.

“Permitted Reorganization” means:

- (1) any transfer of the shares in, or issue of shares by, the Company or any Restricted Subsidiary or any step, action or transaction including share issue or acquisition or consumption of debt, for the purpose of compliance with the 30% Rule, including the payment by the Company or any Restricted Subsidiary of an annual dividend to each 30% Rule Designee in an amount equal to CDN\$10,000 (or the foreign currency equivalent thereof) grossed up for any applicable taxes: *provided* that, in respect of any shares which are transferred or issued to a 30% Rule Designee, to the extent any Security Interest had previously been granted over such shares (or, in the case of any new share issue, had previously been granted over 100% of the share capital of the relevant company) the 30% Rule Designee shall provide a pledge (or other similar security) over such shares transferred or issued to that 30% Rule Designee, with recourse limited to enforcement of the pledge (or other similar security) over those shares and on terms satisfactory to the 30% Rule Designee (acting reasonably), which terms shall be in any case not materially worse to the Holders than the terms of the original share pledge; or
- (2) any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction, directly or indirectly, in one or a series of related transactions involving the Company or any of the Restricted Subsidiaries (a *“Reorganization”*) that is made on a solvent basis; *provided* that:
 - (i) any payments or assets distributed in connection with such Reorganization remain within the Company and the Restricted Subsidiaries; and
 - (ii) if any shares or other assets form part of the collateral securing the Senior Notes, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the collateral securing the Senior Notes,

provided further that no Permitted Reorganization may override the provisions of the covenant described under *“Merger and Consolidation”* and, for the avoidance of doubt, the term *“Permitted Reorganization”* shall include the closure of bank accounts and the conversion of debt instruments into Capital Stock or other equity instruments.

“Permitted Tax Distribution” means:

- (1) for any taxable year (or portion thereof) ending after the Issue Date for which the Company is a member of a fiscal unity (whether resulting from a domination and profit or loss pooling agreement or otherwise) or a group filing a consolidated or combined tax return with any Parent Entity for federal, state, provincial, territorial, and/or local income Tax purposes, any dividends, intercompany loans, other intercompany balances or other distributions to such Parent Entity to fund any such income Taxes of such Parent Entity that are attributable to the taxable income of the Company and its applicable Subsidiaries, in an amount not to exceed the amount of any such Taxes that the Company (and its applicable Subsidiaries) would have been required to pay if it had been a separate stand-alone company (or a separate consolidated, combined, group, affiliated or unitary group consisting only of the Company and its applicable Subsidiaries) for all applicable taxable periods after the Issue Date; and
- (2) for any taxable year (or portion thereof) ending after the Issue Date for which the Company is treated as a disregarded entity, partnership, or other flow-through entity for federal, state, provincial, territorial, and/or local income Tax purposes, any dividends or other distributions to the Company’s direct owner(s) to fund such income Tax liability of such owner(s) (or, if a direct owner is a pass-through entity, of the indirect owner(s)) for such taxable year (or portion thereof) attributable to the taxable income of the Company and its applicable Subsidiaries, in an aggregate amount not to exceed the product of (x) the highest combined applicable marginal federal and state, provincial, territorial, and/or local statutory income Tax rate (for purposes of such tax)

(after taking into account any deductibility of U.S. state and local income Tax for U.S. federal income Tax purposes and the character of the income in question) and (y) the taxable income of the Company (for purposes of such tax) for such taxable year (or portion thereof), reduced by all taxable losses of the Company (for purposes of such tax) with respect to any prior taxable year ending after the Issue Date to the extent such losses were not previously taken into account for purposes of computing Permitted Tax Distributions pursuant to this clause (2) and such losses would be deductible against such income of the Company for such taxable year (or portion thereof) if in all relevant taxable years the applicable Parent Entity had no items of income, gain, loss, deduction or credit other than allocations to such Parent Entity of such items by the Company; *provided* that Permitted Taxable Distributions pursuant to this clause (2) shall be reduced by the amount of any such Taxes paid or payable by the Company or any Subsidiary directly to taxing authorities on behalf of any such owner(s).

“Permitted Tax Restructuring” means any reorganizations and other activities related to tax planning and tax reorganization entered into prior to, on or after the date hereof so long as such Permitted Tax Restructuring is not materially adverse to the Holders (as determined by the Company in good faith).

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Post-Petition Interest” means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

“Preferred Stock,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“pro forma” means, with respect to any calculation made or required to be made pursuant to the terms of the Indenture, a calculation made in good faith by a responsible financial or accounting officer of the Company; provided that, any such calculation shall (x) give effect to any realized or expected synergies, cost efficiencies and cost savings relating to, or directly or indirectly resulting from, or associated with, any Asset Disposition, Investment, acquisition, reorganization, restructuring or operational improvement initiative that has occurred during the period included in the calculation or any prior period or would reasonably be expected to occur in connection with an acquisition or other transaction in relation to which “pro forma” effect is given, as if such synergies, cost efficiencies or cost savings had been effective throughout the period included in the calculation and (y) eliminate any extraordinary, exceptional, unusual or nonrecurring loss, expense or charge (including severance, relocation, plant closure, operational improvement or restructuring costs or reserves therefor) relating to, or directly or indirectly resulting from, or Incurred in connection with, any Asset Disposition, Investment, acquisition, reorganization, restructuring or operational improvement initiative, or offering of debt or equity securities.

“Public Debt” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act and/or (ii) a private placement to institutional and other investors, in each case, that are not Affiliates of the Company, in accordance with Rule 144A and/or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Securitization Financing” means any Securitization Facility that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Company or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Company) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

“Receivables Assets” means (a) any accounts receivable owed to the Company or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Company or such Restricted Subsidiary (as applicable) in a transaction or series of transactions in connection with a Receivables Facility.

“Receivables Facility” means an arrangement between the Company or a Restricted Subsidiary and a counterparty pursuant to which (a) the Company or such Restricted Subsidiary, as applicable, sells (directly or indirectly) accounts receivable owing by customers, together with Receivables Assets related thereto, (b) the obligations of the Company or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Company and such Restricted Subsidiary and (c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

“Refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms *“refinances,” “refinanced”* and *“refinancing”* as used for any purpose in the Indenture shall have a correlative meaning.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company 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 Senior Notes and/or the Senior Notes Guarantees (as applicable) 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:
- (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Guarantor; or
 - (b) Indebtedness, Disqualified Stock or Preferred Stock of the Company 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.

“*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 and other fees and expenses (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* that such Taxes are in fact paid) by any Parent Entity by virtue of its:

- (1) being incorporated, organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries) or otherwise maintain its existence or good standing under applicable law;
- (2) being a holding company parent, directly or indirectly, of the Company or any Subsidiaries of the Company;
- (3) issuing or holding Subordinated Shareholder Funding;
- (4) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any Subsidiaries of the Company; or
- (5) having made any (i) payment in respect to any of the items for which the Company is permitted to make payments to any Parent Entity pursuant to “*Certain Covenants—Limitation on Restricted Payments*” or (ii) Permitted Tax Distribution.

“*Relevant Testing Period*” means, for purposes of the calculation of any applicable financial covenant, test, basket or ratio (including those based on LTM EBITDA, Fixed Charge Coverage Ratio and/or Consolidated Total Net Leverage Ratio), the most recently completed four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter (or fiscal year, if later) for which financial statements have been delivered pursuant to covenant described under the caption “*Reports*” or, at the option of the Company, the most recently completed twelve consecutive months ending on the last day of a calendar month for which the Company has, in its sole determination, sufficient available information to be able to determine any applicable financial covenant, test, basket or ratio.

“*Reserved Indebtedness Amount*” has the meaning set forth in the covenant described under “*Certain Covenants—Limitation on Indebtedness*.”

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Sale and Leaseback Transaction*” means any arrangement providing for the leasing by the Company or any of the Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Company or such Restricted Subsidiary to a third Person in contemplation of such leasing.

“SEC” means the Securities and Exchange Commission or any successor thereto.

“*Secured Indebtedness*” means Indebtedness of the type referred to in the definition of “*Consolidated Total Indebtedness*” that is secured by a Lien on any assets of the Company or any of its Restricted Subsidiaries and not contractually subordinated to obligations under the Senior Notes or the Senior Notes Guarantees as of such date and that (x) is Incurred under the first paragraph described under “*Certain Covenants—Limitation on Indebtedness*” or clauses (1)(a), (1)(b), (4), (5), (7), (10), (11), (13) or (18) of the second paragraph of the covenant described under “*Certain Covenants—Limitation on Indebtedness*,” (y) is a Guarantee of any Indebtedness set forth in clause (x) that has been Incurred by the Company or a Restricted Subsidiary where such Guarantee is not contractually subordinated to the obligations under the Senior Notes or the Senior Notes Guarantees, or (z) is Refinancing Indebtedness in respect thereof, in all cases without double-counting.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Securitization Asset*” means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

“*Securitization Facility*” means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Company or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other Person.

“*Securitization Fees*” means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Receivables Facility.

“*Securitization Repurchase Obligation*” means any obligation of a seller of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase or otherwise make payments with respect to Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“*Securitization Subsidiary*” means any Subsidiary of the Company in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for this purpose.

“*Senior Indebtedness*” means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all other Indebtedness of any Restricted Subsidiary, including

premium and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Restricted Subsidiary at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided* that Senior Indebtedness will not include:

- (1) any Indebtedness Incurred in violation of the Indenture;
- (2) any obligation of any Guarantor to any Restricted Subsidiary;
- (3) any liability for taxes owed or owing by any Guarantor;
- (4) Pari Passu Indebtedness, any Indebtedness expressly junior in right of payment to any other Indebtedness of such Restricted Subsidiary, any Subordinated Shareholder Funding, any Subordinated Indebtedness and any Capital Stock; or
- (5) any accounts payable or other liability to trade creditor arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities).

“*Senior Notes Documents*” means the Senior Notes (including Additional Senior Notes), the Escrow Agreement, Escrow Charge, the Indenture (including the Senior Notes Guarantees), the Intercreditor Agreement and any Additional Intercreditor Agreements.

“*Senior Notes Guarantee*” means the joint and several guarantee of the obligations under the Senior Notes and the Indenture on a senior basis by each Guarantor.

“*Senior Secured Indenture*” means the indenture with respect to the Senior Secured Notes to be entered into on or about the Issue Date, by and among, *inter alios*, the Company, the Issuer and the trustee of the Senior Secured Notes.

“*Senior Secured Notes*” means the Issuer’s \$ million in aggregate principal amount of % Senior Secured Notes due 2026, € million in aggregate principal amount of % Senior Secured Notes due 2026 and € million in aggregate principal amount of Senior Secured Floating Rate Notes due 2026, in each case, issued on the Issue Date.

“*Settlement*” means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business.

“*Settlement Asset*” means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

“*Settlement Indebtedness*” means any payment or reimbursement obligation in respect of a Settlement Payment.

“*Settlement Lien*” means any Lien relating to any Settlement or Settlement Indebtedness (and may include, for the avoidance of doubt, the grant of a Lien in or other assignment of a Settlement Asset in consideration of a Settlement Payment, Liens securing intraday and overnight overdraft and automated clearing house exposure, and similar Liens).

“*Settlement Payment*” means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

“*Settlement Receivable*” means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

“Significant Subsidiary” means any Restricted Subsidiary or group of Restricted Subsidiaries (taken together) that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date, tested by reference to (a) the most recent annual financial statements delivered in accordance with clause (1) of the covenant described under the caption *“Reports”*; or (b) prior to the delivery of the first set of annual financial statements in accordance with clause (1) of the covenant described under the caption *“Reports,”* the unaudited pro forma combined financial information of the Company for the financial year ended December 31, 2018 (or, at the option of the Company, such other financial statements of the Company and the Restricted Subsidiaries or the Ardagh Carve-out Business and Exal for the most recently completed four consecutive fiscal quarters prior to the date of determination, for which the Company has sufficient available information to be able to determine whether a Restricted Subsidiary or group of Restricted Subsidiaries shall constitute a Significant Subsidiary).

“Similar Business” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) any business that, in the good faith business judgment of the Company, constitutes a reasonable diversification of business conducted by the Company and its Subsidiaries and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“Standard Securitization Undertakings” means representations, warranties, covenants, guarantees and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Securitization Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking or, in the case of a Receivables Facility, a non-credit related recourse accounts receivable factoring arrangement.

“Stated Maturity” means, with respect to any Indebtedness, the date specified in the instrument governing such Indebtedness as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any Contingent Obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Indebtedness” means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Senior Notes or the Senior Notes Guarantees pursuant to a written agreement.

“Subordinated Shareholder Funding” means, collectively, any funds provided to the Company by any Parent Entity, any Affiliate of any Parent Entity or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the date that is six months after the Stated Maturity of the Senior Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months after the Stated Maturity of the Senior Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

- (2) does not require, prior to the date that is six months after the Stated Maturity of the Senior Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the date that is six months after the Stated Maturity of the Senior Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (3) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months after the Stated Maturity of the Senior Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the date that is six months after the Stated Maturity of the Senior 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 Company or any of its Subsidiaries;
- (5) pursuant to the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Notes and any Senior Notes Guarantee pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Completion Date;
- (6) is not Guaranteed by any Subsidiary of the Company;
- (7) contains restrictions on transfer to a Person who is not a Parent Entity, any Affiliate of any Parent Entity, any holder of Capital Stock of a Parent Entity or any Affiliate of a Parent Entity or any Permitted Holder or any Affiliate thereof; *provided* that any transfer of Subordinated Shareholder Funding to any of the foregoing Persons shall not be deemed to be materially adverse to the interests of the Holders; and
- (8) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Notes or any Senior Notes Guarantee or compliance by the Issuer or any Guarantor with its obligations under the Senior Notes, any Senior Notes Guarantee or the Indenture.

“*Subsidiary*” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and
 - (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties and other liabilities 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 European Union member state, (iii) the United Kingdom, (iv) Australia, Japan, Norway or Switzerland, (v) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (vi) 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 ABL 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 \$250.0 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 Company or any of the 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, Australia, Canada, Japan, Norway, Switzerland, the United Kingdom or any European Union member state 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 of America, Australia, Canada, a member state of the European Union, the United Kingdom, 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 \$250.0 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 90% 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 Agreement*” means the transaction agreement dated July 14, 2019, among Ardagh Group S.A., Element Holdings II L.P. and Trivium Packaging B.V. in connection with the Combination as set forth in this Offering Memorandum.

“*Transaction Expenses*” means any fees or expenses Incurred or paid by the Company or any Restricted Subsidiary in connection with the Transactions, including any fees, costs and expenses associated with settling any claims or action arising from a dissenting stockholder exercising its appraisal rights.

“*Transactions*” shall have the meaning assigned to such term in this Offering Memorandum.

“*Treasury Rate*” means, as selected by the Company, the greater of (x) the yield to maturity as of the date of the relevant redemption notice of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (or is obtainable from the Federal Reserve System’s Data Download Program as of the date of such H.15) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the date of such redemption notice, to _____, 2022; provided, however, that if the period from such date to _____, 2022 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used and (y) zero.

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Company in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of the Company other than 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 Company or any other Subsidiary of the Company 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 Company in such Subsidiary complies with “*Certain Covenants—Limitation on Restricted Payments.*”

“*U.S. Bankruptcy Code*” means Title 11 of the United States Code, as amended.

“*U.S. Dollars*” means the lawful currency of the United States of America.

“*U.S. Government Obligations*” means securities that are: (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer(s) thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

“*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.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary, all of the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

General

The Senior Secured Euro Floating Rate Notes sold to QIBs in reliance on Rule 144A will be represented by a global note in registered form without coupons attached (the “Rule 144A Floating Rate Secured Note”). The Senior Secured Euro Floating Rate Notes sold to persons outside the United States to non-U.S. persons in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “Regulation S Floating Rate Secured Global Note”).

The Senior Secured Dollar Notes sold to QIBs in reliance on Rule 144A will be represented by a global note in registered form without coupons attached (the “Rule 144A Dollar Secured Global Note”). The Senior Secured Dollar Notes sold to persons outside the United States to non-U.S. persons in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “Regulation S Dollar Secured Global Note”).

The Senior Secured Euro Fixed Rate Notes sold to QIBs in reliance on Rule 144A will be represented by a global note in registered form without interest coupons attached (the “Rule 144A Fixed Rate Euro Global Note” and together with the Rule 144A Floating Rate Secured Global Note, the “Rule 144A Euro Global Notes”). The Senior Secured Euro Fixed Rate Notes sold to persons outside the United States to non-U.S. persons in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “Regulation S Fixed Rate Euro Global Global Note” and together with the Regulation S Floating Rate Secured Note, the “Regulation S Euro Global Notes”).

The Senior Notes sold to QIBs in reliance on Rule 144A will be represented by a global note in registered form without coupons attached (the “Rule 144A Senior Global Note” and, together with the Rule 144A Dollar Secured Note, the “Rule 144A Dollar Global Notes”). The Senior Notes sold to persons outside the United States to non-U.S. persons in reliance on Regulation S will be represented by a global note in registered form without interest coupons attached (the “Regulation S Senior Global Note” and, together with the Regulation S Dollar Secured Global Note, the “Regulation S Dollar Global Notes”).

The Rule 144A Dollar Global Notes and the Rule 144A Euro Global Notes are collectively referred to as the “144A Global Notes.” The Regulation S Dollar Global Notes and the Regulation S Euro Global Notes are collectively referred to as the “Regulation S Global Notes.” The Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to as the “Global Notes.”

The Rule 144A Dollar Global Notes and the Regulation S Dollar Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC. The Rule 144A Euro Global Notes and the Regulation S Euro Global Notes will be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking.

Ownership of interests in the Rule 144A Global Notes (the “Rule 144A Book-entry Interests”) and in the Regulation S Global Notes (the “Regulation S Book-entry Interests”) and, together with the Rule 144A Book-entry Interests, the “Book-entry Interests”) will be limited to persons who have accounts with DTC, Euroclear and/or Clearstream Banking, or persons who hold interests through such participants. DTC, Euroclear and Clearstream Banking will hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-entry Interests will not be held in definitive certificated form.

Book-entry Interests will be shown on, and transfers thereof will be done only through, records maintained in the book-entry form by DTC, Euroclear and Clearstream Banking and their participants. 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 certificated 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, holders of Book-entry Interests will not be considered the owners or “holders” of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream Banking, as applicable (or their respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Indentures. In addition, participants must rely on the procedures of DTC, Euroclear and/or Clearstream Banking, and indirect participants must rely on the procedures of DTC, Euroclear, Clearstream Banking and the participants through which they own Book-entry Interests, to transfer their interests or to exercise any rights of holders under the Indentures.

Neither we nor the Trustee, the Principal Paying Agent, the Transfer Agent or the Registrar 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.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream Banking, as applicable, will redeem an equal amount 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 DTC, Euroclear and Clearstream Banking, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream Banking, if fewer than all of a series of Notes are to be redeemed at any time, DTC, Euroclear and Clearstream Banking will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-entry Interest of less than €100,000 or \$200,000, as applicable, may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to DTC or its nominee (in the case of the Rule 144A Dollar Global Notes and the Regulation S Dollar Global Notes) and to the common depositary or its nominee for Euroclear and Clearstream Banking (in the case of Rule 144A Euro Global Notes and Regulation S Euro Global Notes), which will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under “Description of the Senior Secured Notes—Withholding Taxes” and “Description of the Senior Notes—Withholding Taxes.” If any such deduction or withholding is required to be made, then, to the extent described under “Description of the Senior Secured Notes—Withholding Taxes” and “Description of the Senior Notes—Withholding Taxes,” we will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-entry Interests held through such participants.

Under the terms of the Secured Indenture and the Senior Indenture, the Issuer and the Trustee will treat the registered holder of the Global Notes (e.g., DTC, Euroclear or Clearstream Banking (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 Trustee, the Principal Paying Agent, the Transfer Agent,

the Registrar or any of their respective agents has or will have any responsibility or liability for any aspect of the records of DTC, Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-entry Interest or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-entry Interest, or DTC, Euroclear, Clearstream Banking or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Rule 144A Dollar Global Notes and the Regulation S Dollar Global Notes, will be paid to holders of interests in such Notes through DTC in U.S. dollars. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Rule 144A Euro Global Notes and the Regulation S Euro Global Notes, will be paid to holders of interests in such Notes through Euroclear and/or Clearstream Banking in euro.

Action by Owners of Book-entry Interests

DTC, Euroclear and Clearstream Banking have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the Book-entry Interests 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. DTC, Euroclear and Clearstream Banking 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 Secured Indenture or the Senior Indenture, each of DTC, Euroclear and Clearstream Banking reserves the right to exchange the Global Notes for definitive registered notes in certificated form (“Definitive Registered Notes”) and to distribute Definitive Registered Notes to its participants.

Transfers

Transfers between participants in DTC, Euroclear and Clearstream Banking will be effected in accordance with DTC, Euroclear and Clearstream Banking rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Notes, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream Banking and in accordance with the procedures set forth in the Secured Indenture or the Senior Indenture, as applicable.

The Global Notes for Rule 144A Book-entry Interests will have a legend to the effect set forth under “Notice to Investors.” Book-entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “Notice to Investors.”

Through and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the offering (the “Distribution Compliance Period”), Regulation S Book-entry Interests may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “Notice to Investors” and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the Distribution Compliance Period, Regulation S Book-entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-entry Interest without compliance with these certification requirements.

Rule 144A Book-entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

In connection with transfers involving an exchange of a Regulation S Book-entry Interest for a Rule 144A Book-entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Notes and a corresponding increase in the principal amount of the Rule 144A Global Notes.

Any Book-entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-entry Interest in any other Global Note will, upon transfer, cease to be a Book-entry Interest in the first mentioned Global Note and become a Book-entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-entry Interests in such other Global Note for as long as it remains such a Book-entry Interest.

Definitive Registered Notes

Under the terms of the Secured Indenture and the Senior Indenture, owners of the Book-entry Interests will receive Definitive Registered Notes:

- if DTC, Euroclear or Clearstream Banking notifies either Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days; or
- if the owner of a Book-entry Interest requests such an exchange in writing delivered through DTC, Euroclear or Clearstream Banking following an Event of Default under the Secured Indenture or the Senior Indenture, as applicable.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the registrar or transfer agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; *provided* that no Definitive Registered Note in a denomination less than €100,000 or \$200,000, as applicable, will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the applicable series of Notes, (ii) any date fixed for redemption of the applicable series of Notes or (iii) the date fixed for selection of the applicable series of Notes to be redeemed in part. Also, we are not required to register the transfer or exchange of any Notes selected for redemption. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the applicable Indenture. We may require a holder to pay any taxes and fees required by law and permitted by the applicable Indenture and the applicable series of Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the registrar or at the office of the transfer agent, we will issue and the Trustee, upon

receipt of an authentication order, will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. Either the Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect us, the Trustee or the Principal Paying Agent appointed pursuant to the Indentures governing the Notes from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by us in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by either Issuer pursuant to the provisions of the Indentures, such Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indentures) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "Notice to Investors."

So long as the Notes are listed on Euronext Dublin and the rules of such exchange so require, we will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulation in Ireland (which we expect to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of Euronext Dublin (<http://www.ise.ie>).

Information Concerning DTC, Euroclear and Clearstream Banking

DTC is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" under the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations such as the Initial Purchasers. Others, such as banks, brokers, dealers, trust companies and clearing corporations, that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Because DTC 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 the DTC system or otherwise take actions in respect of such interest may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Rule 144A Global Note only through DTC participants.

The address of DTC in New York is 55 Water Street, New York, New York 10041.

Euroclear and Clearstream Banking

Our understanding with respect to the organization and operations of Euroclear and Clearstream Banking is as follows. Euroclear and Clearstream Banking hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream Banking provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking interface with domestic securities markets. Euroclear and Clearstream Banking participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream Banking is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream Banking participant, either directly or indirectly.

Global Clearance and Settlement under the Book-entry System

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

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

Although DTC, Euroclear and Clearstream Banking are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear or Clearstream Banking, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar, the Transfer Agent, the Principal Paying Agent or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream Banking or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

TAXATION

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein.

References in this discussion to Notes acquired, owned, held or disposed of by noteholders include, except where otherwise expressly stated, the Book-entry Interests held by purchasers in the Notes in global form deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC.

Netherlands Taxation

General

The information set out below is a general summary of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of the Notes. This summary is not a comprehensive or complete description of all the Dutch tax considerations that may be relevant for a particular holder of Notes and it does not address the tax consequences that may arise in any jurisdiction other than The Netherlands in connection with the acquisition, ownership and transfer of the notes. For Dutch tax purposes, a holder of Notes may include an individual who or an entity that does not have the legal title to the Notes, but to whom nevertheless the Notes, or the income thereof, are attributed based either on such individual or entity holding a beneficial interest in the Notes or based on specific statutory provisions.

This summary is based on the tax laws of The Netherlands as in effect on the date of this offering memorandum, including regulations, rulings and decisions of its taxing and other authorities available in printed form on or before this date and now in effect, in each case as applied and interpreted by Dutch courts, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this summary to The Netherlands and to Netherlands or Dutch tax law are to the European part of the Kingdom of The Netherlands and its law, respectively, only.

As this summary is intended as general information only, (prospective) holders of Notes should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Notes, including, in particular, the application to their particular situations of the tax considerations discussed below.

Holders of Notes may be subject to a special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Notes.

Withholding tax

All payments to be made by the Issuer under the Notes may be made free from withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

For developments and risks in relation to the application of the proposed withholding tax on interest payments see “Risk Factors—Risks Relating to Our Debt, the Notes and the Guarantees—Certain changes in Dutch tax law related to The Netherlands government’s plan to combat tax avoidance may have an adverse effect on us and may entitle us to redeem the Notes”

Taxes on Income and Capital Gains

General

This summary is not intended for any holder of Notes:

- (i) who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in The Netherlands;
- (ii) who has, or that has, a Substantial Interest or a deemed Substantial Interest (as defined and explained below) in the Issuer;
- (iii) that is an entity that is resident or deemed to be resident in The Netherlands and that is, in whole or in part, not subject to or exempt from Dutch corporate income tax (such as qualifying pension funds);
- (iv) that is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in articles 6a and 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*, “CITA”), respectively; or
- (v) who is, or that is, not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the income and/or capital gains derived from the Notes.

Generally a holder of Notes will have a substantial interest (*aanmerkelijk belang*) in the Issuer if he holds, alone or, in case the holder is an individual, together with his partner (statutorily defined term in Dutch tax law), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit or to 5% or more of the liquidation proceeds of the Issuer (a “Substantial Interest”).

A holder of Notes may also have a Substantial Interest in the Issuer if one of certain relatives of that holder or of his partner has a Substantial Interest in the Issuer. If a holder of Notes does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing a taxable gain.

Dutch Resident Individuals

A holder of Notes who is an individual and who is resident or deemed to be resident in The Netherlands for purposes of Dutch taxation (a “Dutch Resident Individual”), will generally be subject to Dutch income tax with respect to income and capital gains derived or deemed to be derived from the Notes at the progressive rates up to 51.75% (maximum rate for 2019) if:

- (i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Notes are attributable or deemed to be attributable; or
- (ii) the holder derives income or capital gains from the Notes, as the case may be, that are taxable as benefits from ‘miscellaneous activities’ (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)), which include the performance of activities with respect to the Notes, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (i) nor condition (ii) mentioned above applies, a Dutch Resident Individual will generally be subject to Dutch income tax on a deemed return, regardless of the actual income or capital gains derived from the Notes. This deemed return is calculated by applying the applicable deemed return percentage(s) to the individual's yield basis (*rendementsgrondslag*), insofar as this exceeds a certain threshold (*heffingsvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Notes) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on January 1 of the relevant year. The deemed return percentages to be applied to the yield basis increases progressively from 1.94% to 5.60% (2019 deemed return percentages), depending on such individual's yield basis. The deemed return percentages will be adjusted annually. The deemed return will be taxed at a rate of 30% (rate for 2019).

Dutch Resident Entities

A holder of Notes that is an entity and that is resident or deemed to be resident in The Netherlands for purposes of Dutch taxation (a "Dutch Resident Entity"), will generally be subject to Dutch corporate income tax with respect to income and capital gains derived or deemed to be derived from the Notes. The Dutch corporate income tax rate is 19% for the first €200,000 of the taxable amount and 25% of the taxable amount exceeding €200,000 (rates for 2019).

Non-Dutch Residents

A holder of Notes who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity (a "Non-Dutch Resident"), is generally not subject to Dutch income tax or Dutch corporate income tax with respect to income and capital gains derived from the Notes, *provided that*:

- (i) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable or deemed attributable;
- (ii) in case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Notes, as the case may be, that are taxable as benefits from 'miscellaneous activities performed in The Netherlands' (*resultaat uit overige werkzaamheden in Nederland*, as defined in The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)), which include the performance of activities in respect of the Notes, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);
- (iii) in case of a Non-Dutch Resident who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the Notes or payments in respect of the Notes are attributable; and
- (iv) in case of a Non-Dutch Resident that is an entity, such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities, to which enterprise the Notes or payments in respect of the Notes are attributable.

Gift and Inheritance Taxes

No Dutch gift or inheritance taxes will be levied on the transfer of Notes by way of gift by, or on the death of, a holder who is neither resident nor deemed to be resident in The Netherlands for the purpose of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest, or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions;
- (ii) such holder dies while being resident or deemed resident in The Netherlands within 180 days after the date of a gift of the Notes; or
- (iii) the gift is made under a condition precedent and such holder is or is deemed to be resident in The Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift and inheritance tax, an individual who is of the Dutch nationality will be deemed to be resident in The Netherlands if he/she has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his/her death.

For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident in The Netherlands if he/she has been resident in The Netherlands at any time during the twelve months preceding the date of the gift. The same twelve month rule may apply to entities that have transferred their seat of residence out of The Netherlands. Applicable tax treaties concluded by The Netherlands may override such deemed residency.

Value Added Tax

No Dutch value added tax (*omzetbelasting*) is payable by a holder of Notes in respect of the purchase of the Notes pursuant to this offering (other than value added taxes due on fees payable in respect of additional services not exempt from Dutch value added tax).

Other Taxes or Duties

No Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty, other than court fees, will be payable in The Netherlands by a holder of Notes in respect of or in connection with the acquisition, ownership or transfer of the Notes.

Residence

A holder of Notes will not become or be deemed to become a resident of The Netherlands solely by reason of the acquisition, holding or disposal of the Notes.

United States Federal Income Taxation

The following summary describes certain U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary applies only to U.S. Holders who purchase Notes for cash in this offering at the applicable price indicated on the cover of this Offering Memorandum and who will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, this summary does not address tax considerations applicable to U.S. Holders that may be subject to special tax rules including, without limitation, the following: (i) banks or other financial institutions; (ii) insurance companies; (iii) dealers or traders in securities or currencies; (iv) tax exempt entities; (v) persons who will hold Notes as part of a “hedging” or “conversion” transaction or as a position in a “straddle” or as part of a “synthetic security” or other integrated transaction for U.S. federal income tax purposes; (vi) U.S. Holders who have a “functional currency” other

than the U.S. dollar; (vii) regulated investment companies; (viii) partnerships and other pass-through entities or arrangements (and investors therein); (ix) persons who have ceased to be U.S. citizens or lawful permanent residents of the United States; (x) U.S. Holders who hold Notes through a non-U.S. broker or other non-U.S. intermediary; and (xi) persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an “applicable financial statement” (as defined in Section 451 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)). Further, this summary does not address alternative minimum tax consequences or any U.S. federal tax consequences other than U.S. federal income tax consequences (such as, U.S. federal estate and gift tax consequences, or the Medicare tax on certain investment income) or any U.S. state and local or foreign tax consequences of acquiring, owning or disposing of Notes.

This summary is based on the Code and U.S. Treasury regulations and judicial and administrative interpretations thereof, as of the date of this Offering Memorandum. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of a Note that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a U.S. person.

If any entity or arrangement treated as a partnership or other pass-through entity or arrangement for U.S. federal income tax purposes holds Notes, the tax treatment of a partner in or owner of the partnership or other pass-through entity or arrangement generally will depend upon the status of the partner or owner and the activities of the entity. A person that is a partner in a partnership or other pass-through entity or arrangement that is considering investing in Notes should consult its own tax adviser.

Each prospective investor should consult its own tax adviser with respect to the U.S. federal (including income, Medicare, estate and gift), state, local and foreign tax consequences of acquiring, owning and disposing of Notes. Holders should also review the discussion under “Netherlands Taxation” for the Dutch tax consequences to a holder of the ownership of Notes.

In certain circumstances, we may be obligated to pay amounts in excess of stated principal on the Notes or retire the Notes before their stated maturity dates. See, e.g., “Description of the Senior Secured Notes—Change of Control” and “Description of the Senior Notes—Change of Control.” Notwithstanding these possibilities, we do not believe that the Notes are contingent payment debt instruments for U.S. federal income tax purposes, and, consequently, we do not intend to treat the Notes as contingent payment debt instruments. If, notwithstanding our view, any of the Notes were treated as contingent payment debt instruments, a U.S. Holder generally would be required to accrue ordinary income at a rate in excess of the stated interest rate on such Notes and to treat as ordinary income (rather than capital gain) any gain recognized on a sale or other taxable disposition of such Notes. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

This discussion assumes that the Notes will be issued with no more than a *de minimis* amount of original issue discount (“OID”) for U.S. federal income tax purposes. This will be the case if the excess, if any, of the Notes’ stated principal amount over their issue price is less than .25% of the Notes’ stated principal amount multiplied by the number of complete years from the issue date to maturity. U.S. Holders of Notes issued with more than a *de minimis* amount of OID generally will be required to include such OID in income (as ordinary income) as it accrues (on a constant yield to maturity basis), in advance of the receipt of any cash attributable to such OID, regardless of their regular method of tax accounting for U.S.

federal income tax purposes. U.S. Holders should consult their own tax advisers as to the particular U.S. federal income tax consequences applicable to them if the Notes are issued with OID.

Payments of Stated Interest

Stated interest paid on a Note generally will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder who uses the cash method of accounting for U.S. federal income tax purposes and who receives a payment of stated interest in Euro (including a payment attributable to accrued but unpaid stated interest upon the sale, exchange, redemption, retirement or other taxable disposition of a Note) will be required to include in income the U.S. dollar value of the Euro payment received (determined based on the spot rate of exchange on the date the payment is received), regardless of whether the payment is in fact converted to U.S. dollars at that time. A cash basis U.S. Holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposition of the Euro received.

A U.S. Holder who uses the accrual method of accounting for U.S. federal income tax purposes will accrue euro-denominated stated interest income in euro and translate that amount into U.S. dollars based on the average spot rate of exchange in effect for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within the applicable taxable year. Alternatively, an accrual method U.S. Holder may elect to translate stated interest income received in euro into U.S. dollars at the spot rate of exchange on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate of exchange on the last day of such partial accrual period) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate of exchange on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments held by the U.S. Holder from year to year and cannot change the election without the consent of the U.S. Internal Revenue Service (the "IRS").

A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes will recognize foreign currency exchange gain or loss with respect to accrued euro-denominated stated interest income on the date the interest payment (or proceeds from a sale, exchange, redemption, retirement or other disposition attributable to accrued but unpaid stated interest) is actually received. The amount of foreign currency exchange gain or loss recognized will equal the difference between the U.S. dollar value of the euro payment received (determined based on the spot rate of exchange on the date the payment is received) in respect of the accrual period and the U.S. dollar value of stated interest income that has accrued during the accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars. This foreign currency gain or loss generally will be treated, for U.S. foreign tax credit purposes, as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

For most U.S. Holders, interest income with respect to the Notes will constitute "passive category" income, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their own tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Disposition of a Note

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on such disposition (except to the extent any amount realized is attributable to accrued but unpaid stated interest, which is taxable as described under "—Payments of Stated Interest") and the U.S. Holder's adjusted tax basis in the Note.

A U.S. Holder's adjusted tax basis generally will be (i) with respect to a dollar-denominated Note, the cost at which a U.S. Holder acquires such Note or (ii) with respect to a euro-denominated Note, the U.S. dollar value of the euro paid for the Note, determined at the spot rate of exchange on the date of purchase (which generally should be the closing date). The amount realized on the sale, exchange, redemption, retirement or other taxable disposition of a Note for an amount of foreign currency generally will be the U.S. dollar value of such foreign currency based on the spot rate of exchange on the date the Note is disposed of; *provided, however*, that if the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of such foreign currency on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments held by the U.S. Holder and cannot be changed without the consent of the IRS. If a Note is not traded on an established securities market (or, if a Note is so traded, but a U.S. Holder is an accrual basis taxpayer that has not made the settlement date election), a U.S. Holder will recognize foreign currency exchange gain or loss (taxable as ordinary income or loss not treated as interest income or expense) to the extent that the U.S. dollar value of the euro received (based on the spot rate of exchange on the settlement date) differs from the U.S. dollar value of the amount realized.

Except as discussed below with respect to foreign currency exchange gain or loss, any gain or loss realized by a U.S. Holder on the disposition of a Note will be U.S. source capital gain or loss and will be treated as long-term capital gain or loss if the Note has been held for more than one year at the time of the disposition of the Note. For certain non-corporate holders (including individuals), any such long-term capital gain is subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

Gain or loss realized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss not treated as interest income or expense. Gain or loss attributable to fluctuations in currency exchange rates generally will equal the difference, if any, between (i) the U.S. dollar value of the purchase price for the Note, determined at the spot rate of exchange on the date the Note is disposed of, and (ii) the U.S. dollar value of the purchase price for the Note, determined at the spot rate of exchange on the date the Note was acquired (or, in each case, determined on the settlement date if the Notes are traded on an established securities market and the holder is either a cash basis or an electing accrual basis holder). Payments received that are attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest described above. Any foreign currency exchange gain or loss (including with respect to accrued interest) will be recognized only to the extent of the total gain or loss realized by a U.S. Holder on the sale, exchange, retirement, redemption or other taxable disposition of the Note. Generally, the foreign currency exchange gain or loss will be U.S. source ordinary income or loss for U.S. foreign tax credit purposes.

Exchange of Foreign Currencies

A U.S. Holder's tax basis in any euro received as interest or on the sale or other disposition of a Note will be the U.S. dollar value of such euro at the spot rate of exchange in effect on the date of receipt of the euro. Any gain or loss recognized by a U.S. Holder on a sale, exchange or other disposition of the euro will be ordinary income or loss and generally will be U.S. source income or loss not treated as interest income or expense for U.S. foreign tax credit purposes.

Tax Return Disclosure Requirements

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions cover certain transactions generally not regarded as tax shelters, including certain foreign currency transactions giving rise to losses in excess of a certain minimum amount (e.g., \$50,000 in the case of an individual or trust), such as the receipt or accrual of interest or a sale, exchange, retirement or other taxable disposition

of a foreign currency Note or of foreign currency received in respect of a foreign currency Note. Persons considering the purchase of the Notes should consult with their own tax advisers regarding the tax return disclosure obligations, if any, with respect to an investment in the Notes or the disposition of euro, including any requirement to file IRS Form 8886 (Reportable Transaction Statement), and including the significant penalties for non-compliance with this requirement.

Foreign Financial Asset Reporting

Certain U.S. Holders may be required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain U.S. financial institutions). U.S. Holders should consult their own tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of the Notes including the significant penalties for non-compliance with this requirement.

Backup Withholding and Information Reporting

In general, information reporting requirements may apply to certain payments to a U.S. Holder of interest on the Notes and to the proceeds of a sale, exchange or other taxable disposition (including a retirement or redemption) of a Note unless such U.S. Holder is an exempt recipient, and, when required, provides evidence of such exemption. Backup withholding (currently at a rate of 24%) may be required on such amounts if the U.S. Holder fails to furnish the U.S. Holder's taxpayer identification number or otherwise comply with the applicable requirements of the backup withholding rules. Certain exempt U.S. Holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability (if any) and any excess may result in a refund, *provided* that the required information is furnished to the IRS in a timely manner.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated the date of this Offering Memorandum, the Initial Purchasers have severally agreed to purchase and we have agreed to sell to the Initial Purchasers, the entire principal amount of the Notes.

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Initial Purchasers must purchase all of the Notes if they purchase any of the Notes.

The Initial Purchasers propose to resell the Notes at the offering prices set forth on the cover page of this Offering Memorandum within the United States to QIBs in reliance on Rule 144A and to non-U.S. persons outside the United States in reliance on Regulation S. The price at which the Notes are offered may be changed at any time without notice.

The Notes and the Guarantees have not been and will not be registered under the Securities Act or any state securities laws and 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) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. See “Notice to Investors.”

The Initial Purchasers may use affiliates or other appropriately licensed entities for sales of the Secured Notes or the Senior Notes, as applicable, in jurisdictions in which they are otherwise not permitted.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Secured Notes or the Senior Notes, as applicable, within the United States by a dealer that is not participating in this offering may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Each Initial Purchaser has severally represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by them in connection with the issuance or sale of the Secured Notes or the Senior Notes, as applicable, in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Secured Notes or the Senior Notes, as applicable, in, from or otherwise involving the United Kingdom.

Delivery of the Notes will be made against payment therefor on or about , 2019 which will be the tenth business day following the date of pricing of the Notes (such settlement being referred to as “T+10”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise.

Application has been made for listing particulars to be approved by Euronext Dublin and for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market. We cannot assure you that the prices at which the Secured Notes or the Senior Notes, as applicable, will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Secured Notes or the Senior Notes, as applicable, will continue after this offering. The Initial Purchasers have advised us that they currently intend to make a market in the Secured Notes and the Senior Notes. However, they are not obligated to do so, and they may discontinue any market-making activities with respect to the Secured Notes and the Senior Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, we cannot assure you that you will be able to sell your Secured Notes or

Senior Notes, as applicable, at a particular time or that the prices that you receive when you sell will be favorable.

In connection with this offering, the Initial Purchasers are not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to their clients or for providing advice in relation to this offering.

Buyers of the Secured Notes and the Senior Notes sold by the Initial Purchasers may be required to pay stamp 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.

In connection with the offering, the Initial Purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchasers of a greater number of Notes than it is required to purchase in the offering.
- Covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time.

The Initial Purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have in the past, and may in the future, perform commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments.

Citigroup Global Markets Limited has served as financial adviser to Ardagh in connection with the Combination. In addition, an affiliate of Citigroup Global Markets Limited will serve as trustee under the Notes and act as security agent under the Indentures and administration agent under ABL Facility and will receive customary fees and commissions. One or more of the Initial Purchasers or their respective affiliates, as applicable, are or will be hedging counterparties with Ardagh. Certain of the Initial Purchasers or their respective affiliates are lenders or agents under the Ardagh Group's current asset-backed facility, a portion of which will be repaid indirectly from the proceeds of this offering. At the time of any exercise of an optional redemption or the making of an excess proceeds offer, one or more of the Initial Purchasers or their respective affiliates may hold the Ardagh Group's existing 4.625% Senior Secured Notes due 2023, 4.125% Senior Secured Notes due 2023, 4.250% Senior Secured Notes due 2022, 2.750% Senior Secured

Notes due 2024 or 6.750% Senior Notes due 2024 and as a result, indirectly receive proceeds from this offering of Notes.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities.

Canada

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

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

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO INVESTORS

The Notes have not been registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

- (1) It understands and acknowledges that the Notes have not been registered under the U.S. Securities Act or any applicable state securities law, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A under the U.S. Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.
- (2) It is not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of either Issuer or acting on either Issuer’s behalf and it is either:
 - (i) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A and the acquisition of Notes will be for its own account or for the account of another QIB; or
 - (ii) a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.
- (3) It acknowledges that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, have made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.
- (4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.
- (5) Each holder of Notes issued in reliance on Regulation S (“Regulation S Notes”) agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes during the Distribution Compliance Period, only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales to non-U.S. persons that occur outside the United States in compliance with Regulation S under the U.S. Securities Act, (v) to an institutional accredited investor

(within the meaning of Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act) that is not a qualified institutional buyer and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Notes of US\$250,000, or (vi) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposal 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 pursuant to clause (iv), (v) or (vi) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them.

- (6) Each holder of the Notes issued in reliance on Rule 144A ("Rule 144A Notes") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer; (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act; (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act; (iv) pursuant to offers and sales that occur outside the United States to non-U.S. persons in compliance with Regulation S under the U.S. Securities Act; (v) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act) that is not a QIB and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Notes of \$250,000; or (vi) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer pursuant to clause (iv), (v) or (vi) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them.
- (7) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS A NON-U.S. PERSON ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE

YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE DATE WHEN THE SECURITIES WERE FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS IN RELIANCE ON REGULATION S AND THE DATE OF THE COMPLETION OF THE DISTRIBUTION] ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

- (8) It acknowledges, represents and agrees that either (i) no assets of a Plan (as defined below) have been used by it to acquire such Notes or an interest therein or (ii) the purchase and holding of such Notes or an interest therein by it do not constitute a non-exempt prohibited transaction under ERISA (as defined below) or the Code or violation of Similar Law (as defined below), and none of the Issuer, the Initial Purchasers nor any of their respective affiliates is its fiduciary in connection with the purchase and holding of such Notes. Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (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 OR ACCOUNT WHOSE UNDERLYING ASSETS ARE DEEMED TO 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 NON-U.S., GOVERNMENTAL, CHURCH OR OTHER BENEFIT PLAN WHICH IS SUBJECT TO ANY NON-U.S. OR U.S. FEDERAL, STATE, OR LOCAL LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”) (EACH OF (I), (II), (III) AND (IV), A “PLAN”), (B) NO ASSETS OF A

PLAN HAVE BEEN USED BY IT TO ACQUIRE THIS NOTE (OR ANY INTEREST HEREIN) OR (C) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER TITLE I OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE OR VIOLATION OF ANY SIMILAR LAW, AND NONE OF THE ISSUER, THE INITIAL PURCHASERS NOR ANY OF THEIR RESPECTIVE AFFILIATES IS ITS FIDUCIARY IN CONNECTION WITH THE PURCHASE AND HOLDING OF THIS NOTE.

- (9) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
- (10) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.
- (11) It acknowledges that the Transfer Agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.
- (12) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters with respect to the Notes and the Guarantees are being passed upon for us by Shearman & Sterling (London) LLP, U.S. federal, New York and English counsel to the Issuer and the Guarantors, and Stibbe N.V., Netherlands counsel to the Issuer and the Guarantors. Certain legal matters with respect to the offering of the Notes will be passed upon for the Initial Purchasers by Cahill Gordon & Reindel (UK) LLP, U.S. federal and New York counsel to the Initial Purchasers, and Norton Rose Fulbright LLP, Netherlands counsel to the Initial Purchasers.

INDEPENDENT ACCOUNTANTS

The audited consolidated financial statements of the Ardagh Carve-out Business as of December 31, 2018, 2017, 2016, and January 1, 2016 and for each of the three years ended December 31, 2018 included in this Offering Memorandum have been audited by PricewaterhouseCoopers, Dublin, independent auditors, as stated in their report appearing herein.

The Exal Audited Annual Consolidated Financial Statements have been audited by Ernst & Young LLP, Chartered Professional Accountants, Toronto, Ontario, independent auditors, as stated in their reports appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

Trivium Packaging Finance B.V., the Issuer of the Notes, and the Parent Guarantor of the Notes are incorporated under the laws of The Netherlands. Upon issuance, the Secured Notes and the Senior Notes will be guaranteed by the Parent Guarantor. On or prior to the date required by the Secured Indenture the Secured Notes will be guaranteed on a senior basis by the Post-Completion Date Guarantors and on or prior to the date required by the Senior Indenture the Senior Notes will be guaranteed on a senior basis by the Post-Completion Date Guarantors. The Parent Guarantor and certain of the Post-Completion Date Guarantors of the Notes are incorporated under the laws of one of British Columbia (Canada), Denmark, England and Wales, France, Germany, Hungary, Italy, The Netherlands, Poland and Spain. Furthermore, most of the directors and executive officers of the Issuer and such Guarantors live outside the United States. Substantially all of the assets of Trivium Packaging Finance B.V. and the Guarantors (other than the Post-Completion Date Guarantors in Delaware and Ohio (United States)), and substantially all of the assets of their directors and executive officers, are located outside the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States. In addition, Danish, Dutch, English, French, German, Italian, Polish and Spanish counsel have informed us that it is questionable whether an Danish, Dutch, English, French, German, Italian, Polish and Spanish court would accept jurisdiction and impose civil liability if proceedings were commenced in Denmark, The Netherlands, the United Kingdom, France, Germany, Italy, Poland or Spain predicated solely upon U.S. federal securities laws.

If a judgment is obtained in a U.S. court against any Issuer, the Parent Guarantor, any Post-Completion Date Guarantor, or any of their respective directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant company or individual has assets. We have been advised by counsel that there is doubt that a foreign judgment based upon United States federal or state securities laws would be enforced in British Columbia (Canada), Denmark, England and Wales, France, Germany, Italy, Hungary, The Netherlands, Poland and Spain. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based on United States federal or state securities laws, would not be automatically enforceable in such countries. You should consult with your own advisers in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

The statute of limitations applicable to payment of interest and repayment of principal under New York law is six years.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

This Offering Memorandum contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference. While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the U.S. Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Requests for such information and requests for the agreements summarized in this Offering Memorandum should be directed to John Sheehan at +353 1568 2060.

LISTING AND GENERAL INFORMATION

1. Application has been made for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market in accordance with the rules of that exchange. This Offering Memorandum constitutes listing particulars for the purposes of such application. Notification of any optional redemption or change of control or any change in the rate of interest payable on the Notes will be provided by the Issuer to Euronext Dublin.
2. Paper copies of the following documents (or copies thereof, translated into English, where relevant) will be available for physical inspection while the Secured Notes or the Senior Notes, as applicable, remain outstanding and listed on the Global Exchange Market of Euronext Dublin at the registered office of Issuer, the registered offices of the Guarantors and the registered office of the listing agent during normal business hours on any weekday:
 - (i) the organizational documents of the Issuer and the Guarantors;
 - (ii) the Secured Indenture (which includes the Secured Notes Guarantees and the form of the Secured Notes);
 - (iii) the Senior Indenture (which includes the Senior Notes Guarantees and the form of the Senior Notes); and
 - (iv) the Ardagh Carve-out Business Combined Carve-out Financial Statements and the Exal Consolidated Financial Statements.
3. We will maintain a listing agent in Ireland for as long as any of the Secured Notes or the Senior Notes, as applicable, are listed on Euronext Dublin. We reserve the right to vary such appointment and we will provide notice of such change of appointment to holders of the Secured Notes or the Senior Notes, as applicable, and Euronext Dublin.
4. The Irish Listing Agent is J&E Davy trading as Davy and the address of its registered office is Davy House, 49 Dawson Street, Dublin 2, Ireland.
5. The Trustee for the Notes is Citibank, N.A., London Branch and its address is Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom. Such Trustee will be acting in its capacity of trustee for the holders of the Notes and will provide services to the holders of the Notes as described in the Indentures.
6. The Issuer of the Notes, Trivium Packaging Finance B.V., was incorporated in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019 as a wholly owned subsidiary of Trivium Packaging B.V. Its corporate seat is in Amsterdam, The Netherlands and it is governed by the laws of The Netherlands. Its registered office is at Strawinskylaan 3127, eighth floor, 1077 ZX Amsterdam, The Netherlands, and its registration number is 75312441. The address of its board of directors and senior management is the same as the address of its registered office.

Trivium Packaging B.V. was incorporated in The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on July 8, 2019 as a wholly owned subsidiary of Element Netherlands Holding Coöperatief U.A. Its corporate seat is in Amsterdam, The Netherlands and it is governed by the laws of The Netherlands. Its registered office is at Strawinskylaan 3127, eighth floor, 1077 ZX Amsterdam, The Netherlands, and its registration number is 75308789. The address of its board of directors and senior management is the same as the address of its registered office.
7. The Senior Secured Euro Fixed Rate Notes sold in reliance on Rule 144A have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code and the ISIN ; the Senior Secured Euro Fixed Rate Notes sold in reliance on Regulation S have been

accepted for clearance through Euroclear and Clearstream Banking under the Common Code and the ISIN ; the Senior Secured Dollar Notes sold in reliance on Rule 144A have been accepted for clearance through the book-entry facilities of DTC under the CUSIP and the ISIN ; the Senior Secured Dollar Notes sold in reliance on Regulation S have been accepted for clearance through the book-entry facilities of DTC under the CUSIP and the ISIN . The Senior Secured Euro Floating Rate Notes sold in reliance on Rule 144A have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code and the ISIN ; the Senior Secured Euro Floating Rate Notes sold in reliance on Regulation S have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code and the ISIN . The Senior Notes sold in reliance on Rule 144A have been accepted for clearance through the book-entry facilities of DTC under the CUSIP and the ISIN ; the Senior Notes sold in reliance on Regulation S have been accepted for clearance through the book-entry facilities of DTC under the CUSIP and the ISIN .

8. The gross proceeds of the offering are estimated to be approximately \$2,750 million.
9. The following contracts (not being contracts entered into in the ordinary course of business) have been entered into, or will be entered into, by the Issuer in connection with this transaction, and are or may be material:
 - (i) a purchase agreement, dated , 2019, among the Issuer, the Parent Guarantor and the Initial Purchasers, pursuant to which the Issuer will sell the Notes to the Initial Purchasers;
 - (ii) an indenture, dated , 2019, among, *inter alios*, Trivium Packaging Finance B.V., the Parent Guarantor, and Citibank, N.A., London Branch, as trustee, relating to the Secured Notes; and
 - (iii) an indenture, dated , 2019, among, *inter alios*, Trivium Packaging Finance B.V., the Parent Guarantor, and Citibank, N.A., London Branch, as trustee, relating to the Senior Notes.
10. Except as may otherwise be indicated in this Offering Memorandum, all authorizations, consents and approvals to be obtained by us for, or in connection with, the creation and issuance of the Notes, the performance of our obligations expressed to be undertaken by us and the distribution of this Offering Memorandum have been or will be obtained and are or will be in full force and effect at the pricing of the offering. The Guarantees of the Notes and the grant of Security Interests by the Post-Completion Date Guarantors will be authorized by resolutions of the board of directors of each such Post-Completion Date Guarantor on or prior to the dates required by the Secured Indenture and the Senior Indenture, as applicable.
11. There has been no significant change in the financial position or prospects of Trivium Packaging B.V., the Post-Completion Date Guarantors, and Trivium Packaging Finance B.V. and no significant change in their financial position or trading position since March 31, 2019, except as may otherwise be indicated in this Offering Memorandum.
12. There has been no significant change in the financial position or trading position of Trivium Packaging B.V. since March 31, 2019, except as may otherwise be indicated in this Offering Memorandum. Except as it may otherwise be indicated in this Offering Memorandum, none of Trivium Packaging Finance B.V., Trivium Packaging B.V. or the Post-Completion Date Guarantors has been involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Offering Memorandum which may have, or have had in the recent past, a significant effect on its financial position.

13. Management notes the following break out of Guarantor and Non-Guarantor EBITDA and Total Assets as of and for the year ended December 31, 2018.

| <u>Ardagh Carve-out Business</u> | <u>Guarantor</u> | <u>Non-Guarantor</u> |
|--|------------------|----------------------|
| Adjusted EBITDA (Millions and %) | \$ 242 and 67% | \$ 121 and 33% |
| Total Assets (Millions and %) | \$1,497 and 63% | \$ 881 and 37% |

| <u>Exal</u> | <u>Guarantor</u> | <u>Non-Guarantor</u> |
|--|------------------|----------------------|
| Adjusted EBITDA (Millions and %) | \$ 28 and 35% | \$ 52 and 65% |
| Total Assets (Millions and %) | \$190 and 48% | \$203 and 52% |

| <u>Pro Forma Financial Information</u> | <u>Guarantor</u> | <u>Non-Guarantor</u> | <u>Issuer</u> |
|---|------------------|----------------------|---------------|
| Pro Forma Adjusted EBITDA (Millions and %) \$ 270 and 61% | \$ 173 and 39% | \$0 and 0% | |
| Total Assets (Millions and %). | \$2,850 and 61% | \$1,845 and 39% | \$0 and 0% |

None of the Post-Completion Date Guarantors account for over 20% of either Pro Forma Adjusted EBITDA or pro forma Total assets.

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The Metal Food & Specialities Business

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As used herein, the “Business” refers to the Metal Food & Specialities Business, and “we”, “our”, and “us”, refer to the Metal Food and Specialities Business and the entities of which it is comprised, unless the context requires otherwise.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INTERIM INCOME STATEMENT

| | Note | Unaudited Three months ended March 31, 2019 | | | Unaudited Three months ended March 31, 2018 | | |
|---|------|---|----------------------|-----------|---|----------------------|------------|
| | | Before exceptional items | Exceptional items | Total | Before exceptional items | Exceptional items | Total |
| | | \$'m | \$'m Note 4 | \$'m | \$'m | \$'m Note 4 | \$'m |
| Revenue | 3 | 581 | — | 581 | 598 | — | 598 |
| Cost of sales | | (483) | (2) | (485) | (488) | (7) | (495) |
| Gross profit/(loss) | | 98 | (2) | 96 | 110 | (7) | 103 |
| Sales, general and administration expenses | | (35) | — | (35) | (37) | — | (37) |
| Intangible amortization | | (7) | — | (7) | (7) | — | (7) |
| Operating profit/(loss) | | 56 | (2) | 54 | 66 | (7) | 59 |
| Net finance expense | 5 | (12) | — | (12) | (11) | — | (11) |
| Profit/(loss) before tax | | 44 | (2) | 42 | 55 | (7) | 48 |
| Income tax (charge)/credit | | (12) | 1 | (11) | (14) | 2 | (12) |
| Profit/(loss) for the period | | 32 | (1) | 31 | 41 | (5) | 36 |
| Profit attributable to: | | | | | | | |
| Owner of the parent | | | | 31 | | | 36 |
| Non-controlling interests | | | | — | | | — |
| Profit for the period | | | | 31 | | | 36 |

The accompanying notes to the unaudited combined interim financial statements are an integral part of these unaudited combined interim financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INTERIM STATEMENT OF COMPREHENSIVE INCOME

| | Note | Unaudited Three months ended March 31, | |
|--|------|---|------------------|
| | | 2019 \$'m | 2018 \$'m |
| Profit for the period | | 31 | 36 |
| Other comprehensive income: | | | |
| <i>Items that may subsequently be reclassified to income statement</i> | | | |
| Foreign currency translation adjustments: | | | |
| —Arising in the period | | (8) | 6 |
| | | <u>(8)</u> | <u>6</u> |
| <i>Effective portion of changes in fair value of cash flow hedges:</i> | | | |
| —New fair value adjustments into reserve | | 6 | (7) |
| | | <u>6</u> | <u>(7)</u> |
| <i>Items that will not be reclassified to income statement</i> | | | |
| —Re-measurement of employee benefit obligations | 8 | (17) | 5 |
| —Deferred tax movement on employee benefit obligations | | 4 | (1) |
| | | <u>(13)</u> | <u>4</u> |
| Total other comprehensive (expense)/income for the period | | <u>(15)</u> | <u>3</u> |
| Total comprehensive income for the period | | <u>16</u> | <u>39</u> |
| Attributable to: | | | |
| Owner of the parent | | 16 | 39 |
| Non-controlling interests | | <u>—</u> | <u>—</u> |
| Total comprehensive income for the period | | <u>16</u> | <u>39</u> |

The accompanying notes to the unaudited combined interim financial statements are an integral part of these unaudited combined interim financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INTERIM STATEMENT OF FINANCIAL POSITION

| | Note | Unaudited At March 31, 2019 \$'m | Audited At December 31, 2018 \$'m |
|--|------|---|--|
| Non-current assets | | | |
| Intangible assets | 6 | 465 | 477 |
| Property, plant and equipment | 6 | 1,192 | 1,131 |
| Derivative financial instruments | | 3 | 1 |
| Deferred tax assets | | 58 | 53 |
| Other non-current assets | | 7 | 7 |
| | | <u>1,725</u> | <u>1,669</u> |
| Current assets | | | |
| Inventories | | 429 | 383 |
| Trade and other receivables | | 310 | 273 |
| Contract asset | | 27 | 16 |
| Derivative financial instruments | | 5 | 3 |
| Cash and cash equivalents | | 32 | 34 |
| | | <u>803</u> | <u>709</u> |
| TOTAL ASSETS | | <u>2,528</u> | <u>2,378</u> |
| Invested capital | | | |
| Invested capital attributable to the owner of the parent | | 805 | 758 |
| Non-controlling interests | | 1 | 1 |
| TOTAL INVESTED CAPITAL | | <u>806</u> | <u>759</u> |
| Non-current liabilities | | | |
| Borrowings | 7 | — | 1 |
| Related party borrowings | 7 | 399 | 402 |
| Lease obligations | 7 | 73 | 4 |
| Employee benefit obligations | 8 | 312 | 302 |
| Deferred tax liabilities | | 132 | 132 |
| Provisions | | 7 | 8 |
| | | <u>923</u> | <u>849</u> |
| Current liabilities | | | |
| Borrowings | 7 | 7 | 5 |
| Related party borrowings | 7 | 156 | 154 |
| Lease obligations | 7 | 15 | 1 |
| Derivative financial instruments | | 2 | 5 |
| Trade and other payables | | 576 | 569 |
| Income tax payable | | 26 | 19 |
| Provisions | | 17 | 17 |
| | | <u>799</u> | <u>770</u> |
| TOTAL LIABILITIES | | <u>1,722</u> | <u>1,619</u> |
| TOTAL INVESTED CAPITAL and LIABILITIES | | <u>2,528</u> | <u>2,378</u> |

The accompanying notes to the unaudited combined interim financial statements are an integral part of these unaudited combined interim financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INTERIM STATEMENT OF CHANGES IN INVESTED CAPITAL

| | Attributable to owner of the parent | | | | Non-controlling interests | Total Invested Capital |
|---|-------------------------------------|--------------------------------------|-------------------------|------------|---------------------------|------------------------|
| | Invested capital | Foreign currency translation reserve | Cash flow hedge reserve | Total | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| January 1, 2018 | 843 | 95 | (6) | 932 | 1 | 933 |
| Profit for the period | 36 | — | — | 36 | — | 36 |
| Total other comprehensive income/(expense) for the period | 4 | 6 | (7) | 3 | — | 3 |
| Decrease in invested capital | (89) | — | — | (89) | — | (89) |
| March 31, 2018 | 794 | 101 | (13) | 882 | 1 | 883 |

| | Attributable to owner of the parent | | | | Non-controlling interests | Total Invested Capital |
|---|-------------------------------------|--------------------------------------|-------------------------|------------|---------------------------|------------------------|
| | Invested capital ⁽ⁱ⁾ | Foreign currency translation reserve | Cash flow hedge reserve | Total | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| January 1, 2019 | 700 | 58 | (8) | 750 | 1 | 751 |
| Profit for the period | 31 | — | — | 31 | — | 31 |
| Total other comprehensive (expense)/income for the period | (13) | (8) | 6 | (15) | — | (15) |
| Increase in invested capital | 39 | — | — | 39 | — | 39 |
| March 31, 2019 | 757 | 50 | (2) | 805 | 1 | 806 |

(i) Invested capital at January 1, 2019 has been re-presented by \$8 million reflecting the impact of the adoption of IFRS 16 'Leases'. Please refer to note 2 for further details in respect of the impact of this recently adopted accounting standard.

The accompanying notes to the unaudited combined interim financial statements are an integral part of these unaudited combined interim financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INTERIM STATEMENT OF CASH FLOWS

| | | Unaudited Three months ended March 31, | |
|---|-------------|---|-------------|
| | Note | 2019 | 2018 |
| | | \$m | \$m |
| Cash flows from operating activities | | | |
| Cash generated from operations | 9 | — | 19 |
| Interest paid | | (10) | (9) |
| Income tax (paid)/received | | (1) | 1 |
| Net cash (used in)/from operating activities | | (11) | 11 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (36) | (25) |
| Purchase of intangibles | | (4) | (4) |
| Proceeds from disposal of property, plant and equipment | | — | 1 |
| Net cash used in investing activities | | (40) | (28) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 1 | — |
| Repayment of borrowings | | — | (1) |
| Cash remitted to Ardagh | | 53 | 22 |
| Lease payments | | (3) | — |
| Net cash inflow from financing activities | | 51 | 21 |
| Net increase in cash and cash equivalents | | — | 4 |
| Cash and cash equivalents at beginning of period | | 34 | 35 |
| Exchange (losses)/gains on cash and cash equivalents | | (2) | 1 |
| Cash and cash equivalents at end of period | | 32 | 40 |

The accompanying notes to the unaudited combined interim financial statements are an integral part of these unaudited combined interim financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS

1. General information

The Metal Food & Specialities Business (the “Business”) has historically operated as part of Ardagh Group S.A. (“Ardagh” or “the Ardagh Group”) and not as a separate stand-alone entity or group.

The Business is a leading global supplier of sustainable, innovative, value-added rigid metal packaging solutions to the consumer products industry. The Business supplies metal packaging to a wide range of consumer-driven end-use categories including food (processed food such as fruit, vegetables, soups, sauces, ready meals and pet food), seafood, aerosols (personal care and household products), nutrition and custom (including dairy and infant nutrition powders), and paints and coatings. We serve over 1,200 customers across more than 70 countries, comprised of multinational companies, large national and regional companies and small local businesses. In our principal target regions of Europe and North America, our customers include a wide variety of consumer-packaged goods companies, which own some of the best-known brands in the world. We derive approximately 93% of our annual revenues in Europe and North America, mature markets characterized by predictable consumer spending, stable supply and demand and low cyclicity.

The principal accounting policies of the Business that have been applied to the unaudited combined interim financial statements are described in note 2 below.

2. Summary of significant accounting policies

Basis of preparation

The unaudited combined interim financial statements of the Business have been prepared on a carve-out basis from the consolidated interim financial statements of Ardagh Group S.A., to represent the financial position and performance of the Business as if the Business had existed on a stand-alone basis for each of the three months ended March 31, 2019 and 2018 for the combined income statements, statements of comprehensive income and statements of cash flows and as at March 31, 2019 and December 31, 2018 for the combined statements of financial position. However, the unaudited combined interim financial statements are not necessarily indicative of the results that would have occurred if the Business had been a stand alone entity during the periods presented. After making enquiries and considering the Business’ projections in the long range plan, Management consider that the Business has adequate resources to continue operating for the foreseeable future, for this reason the unaudited combined interim financial statements have been prepared on a going concern basis.

The unaudited combined interim financial statements have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ (“IAS 34”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the combined financial statements of the Business for the year ended December 31, 2018 which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

In preparing these unaudited combined interim financial statements, the accounting policies adopted are consistent with those of the previous financial year, except for the changes in accounting policies set out below. The significant judgments made by management in applying the accounting policies of the Business and the key sources of estimation uncertainty were the same as those that applied in the preparation of the combined financial statements for the year ended December 31, 2018, except in regard to recognition of the income tax charge, as described below, where the guidance contained in IAS 34 for interim financial statements has been followed.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

The unaudited combined interim financial statements are presented in U.S. dollar, rounded to the nearest million, and have been prepared under the historical cost convention except for the following:

- derivative financial instruments are stated at fair value; and
- employee benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The preparation of unaudited combined interim financial statements in accordance with IFRS requires the use of critical accounting estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the process of applying accounting policies, which have been applied consistently through the unaudited combined interim financial statements of the Business. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. These estimates, assumptions and judgments were historically deemed to be reasonable and prudent. However, actual outcomes may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited combined interim financial statements, are discussed in the critical accounting estimates and judgments.

The unaudited combined interim financial statements have been prepared by aggregating financial information from the components of the Business, as described in note 1, together with assets, liabilities, revenues and expenses that management has determined are specifically attributable to the Business including related party borrowings, and direct and indirect costs and expenses related to the operations of the Business. The following summarizes the principles applied in preparing the unaudited combined interim financial statements:

- Controlled companies that are part of the Business and were acquired or disposed of during the financial periods presented have been included in the unaudited combined interim financial statements from and up to the date control was passed. Goodwill, customer relationship intangible assets and fair value adjustments directly attributable to the acquisition of the controlled companies that are part of the Business by Ardagh, have been included in the unaudited combined interim financial statements;
- The Business did not in the past form a separate legal group and therefore it is not possible to show issued share capital or a full analysis of reserves. The net assets of the Business are represented by the cumulative investment of Ardagh in the Business, shown as invested capital;
- Certain intercompany balances between Ardagh and the Business are deemed to be long term funding in nature and have been presented as part of invested capital in the unaudited combined interim financial statements;
- All intercompany balances, investments in subsidiaries and share capital within the Business have been eliminated upon combination in the unaudited combined interim financial statements;
- All employee benefit obligations are directly attributable to the Business and are obligations of the combined entities;

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

- Cumulative translation differences directly attributable to the controlled companies that are part of the Business, have been allocated at the amounts included in Ardagh's consolidated financial statements;
- Ardagh operates a central treasury function. Interest on related party borrowings and allocated costs and expenses as described below have generally been deemed to have been paid by the Business to Ardagh in the year in which the costs were incurred. In addition, all external debt used to fund Ardagh's operations is managed and held centrally. Related party borrowings and accrued interest payable to Ardagh, representing certain components of the Ardagh Group's corporate debt, is included in the unaudited combined interim financial statements reflecting the debt obligation and related interest costs of the Business;
- For the purposes of the preparation of these unaudited combined interim financial statements, shared corporate head office and divisional costs attributable to the Business have been included in selling, general and administration ("SGA") expenses, based primarily on revenue, Adjusted EBITDA, head count and IT users as deemed appropriate, with settlement of these costs recorded within invested capital. The allocation to the Business reflects all the costs of doing business and Management believes that the allocation is reasonable. The support functions provided to the Business by Ardagh include the following categories:
 - a) Centralized support functions;
 - b) Information technology;
 - c) Finance, tax and treasury;
 - d) Board; and
 - e) Other.

The amounts for each of these functions within the unaudited combined interim financial statements are set out below:

| | Three months ended March 31, | |
|---|------------------------------------|----------|
| | 2019 | 2018 |
| | \$'m | \$'m |
| Centralized support functions | 4 | 4 |
| Information technology | 2 | 2 |
| Finance, tax and treasury | 1 | 1 |
| Board | 1 | 1 |
| Other | 1 | 1 |
| | <u>9</u> | <u>9</u> |

These costs reflected the arrangements that existed in Ardagh for the periods presented and are not necessarily representative of costs that may arise in the future.

- In the unaudited combined interim financial statements, income tax expense is recognized based on management's estimate of the weighted average annual effective income tax rate expected for the

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

full financial year as required by IAS 34. Tax charges and credits and balances in the unaudited combined interim financial statements have been calculated as if the Business was a separate taxable entity using the separate return method. The tax charges and credits recorded in the unaudited combined income statement and tax balances recorded in the unaudited combined interim statement of financial position have been affected by the taxation arrangements within Ardagh, and are not necessarily representative of the positions that may arise in the future. Differences between the tax charges and credits and balances in the unaudited combined interim financial statements, and the tax charges and credits and balances in the historical records of the Business are included in invested capital.

- Ardagh has historically assessed and managed the hedging risks and arrangements of the Business centrally. The derivatives used in hedging transactions and relationships are highly effective in offsetting changes in fair values or cash flows of hedged items. In the unaudited combined interim financial statements the hedging arrangements entered into by the Business have been reflected based on Ardagh's previous arrangements and are not necessarily representative of the hedging arrangements that may arise in the future.

The unaudited combined interim financial statements are authorized for issuance on June 13, 2019.

Recently adopted accounting standards and changes in accounting policies

IFRS 16 'Leases'

IFRS 16, 'Leases' ("IFRS 16") sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that appropriately represents those transactions. This information provides a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. IFRS 16 replaces IAS 17, 'Leases' ("IAS 17"), and later interpretations including IFRIC 4, 'Determining whether an Arrangement contains a Lease' ("IFRIC 4"), and has resulted in the majority of the operating leases held by the Business being recognized on the combined statement of financial position. Under IFRS 16, at the lease commencement date, the Business recognizes a lease liability as the present value of expected future lease payments, excluding any amounts which are variable based on the usage of the underlying asset and a right-of-use asset generally at the same amount plus any directly attributable costs.

The Business adopted IFRS 16 effective January 1, 2019 applying the simplified approach, with the right-of-use assets being calculated as if IFRS 16 had always been applied and the lease liabilities being calculated as the present value of expected future lease payments, which resulted in the Business retaining prior period figures as reported under the previous standards and recognizing the cumulative effect of applying IFRS 16 as an adjustment to invested capital as at the date of initial adoption. Upon adoption, the Business has availed of the practical expedients to use hindsight in determining the lease term where the contract contains options to extend or terminate the lease and has also elected not to apply IFRS 16 to contracts that were not identified before as containing a lease under IAS 17 and IFRIC 4. The Business has made an accounting policy election to combine lease and non-lease components.

The Business has completed its assessment and adopted IFRS 16 as of its January 1, 2019 effective date. This involved the establishment of a cross-functional project team to implement the new standard. The Business has gathered and assessed the data relating to approximately 800 leases to which the

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

Business is party to and have designed and implemented a system solution and business process, with appropriate internal controls applied, in order to meet the new accounting and disclosure requirements post-adoption. The Business leases various types of assets, with lease terms being negotiated on an individual basis and subject to a wide range of different terms and conditions. Extension options or periods after termination options have been considered by management if it is reasonably certain that the lease is extended or not terminated.

The principal impact on the unaudited combined interim financial statement of financial position as at the adoption date of January 1, 2019, were an increase in property, plant and equipment of \$67 million due to the recognition of right-of-use assets, and an increase in borrowings, as lease liabilities of \$75 million were recognized based on the new treatment. As a result of the aforementioned impacts, deferred tax assets increased by \$2 million.

Cash generated from operations for the three months ended March 31, 2019, increased by \$4 million due to certain lease expenses no longer being recognized as operating cash outflows following the adoption of IFRS 16, however this is principally offset by a corresponding increase in cash used in financing activities due to repayments of the principal on lease liabilities.

In addition to the above impact, the adoption of IFRS 16 also had an impact on the unaudited combined interim income statement and certain of the Business' key financial metrics as a result of changes in the classification of charges recognized in the unaudited combined interim income statement. The application of the new standard decreased both cost of sales and operating costs (excluding depreciation) in the income statement, giving rise to an increase in underlying Adjusted EBITDA for the three month ended March 31, 2019 of \$5 million, offset by corresponding increases in depreciation and net finance expense.

The weighted average incremental borrowing rate applied to the lease liabilities recognized upon adoption of IFRS 16 was 5.4%. The total lease liability recognized at January 1, 2019 reconciles as follows to the total commitments under non-cancellable operating leases disclosed by the Business as of December 31, 2018:

| | <u>\$'m</u> |
|--|------------------|
| Total commitments under non-cancellable operating leases as of December 31, 2018 | 61 |
| Different treatment of extension and termination options, and non-lease components | 32 |
| Impact of discounting | <u>(18)</u> |
| Lease liabilities due to initial adoption of IFRS 16 as of January 1, 2019 | 75 |
| Finance lease obligations as of December 31, 2018 | <u>5</u> |
| Total lease liabilities as of January 1, 2019 | <u>80</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

The maturity profile of the contractual undiscounted cash flows related to the lease liabilities of the Business as of March 31, 2019 is as follows:

| | <u>\$'m</u> |
|---|-------------------|
| Not later than one year | 19 |
| Later than one year and not later than five years | 52 |
| Later than five years | <u>40</u> |
| | <u>111</u> |

Please refer to notes 5, 6 and 7 for further information related to the leasing activities of the Business.

IFRIC 23—Uncertainty over income tax treatments

The IFRS Interpretations Committee issued IFRIC 23 ‘Uncertainty over income tax treatments’ (“IFRIC 23”), which clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’ are applied where there is uncertainty over income tax treatments.

The Business applied IFRIC 23 effective January 1, 2019. The application of this interpretation does not have a material impact on the unaudited combined interim financial statements of the Business.

Recent changes in accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2019 have been assessed by the Business and, with the exception of those identified above, no new standards or amendments to existing standards effective January 1, 2019 are currently relevant for the Business. The Business’ assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Business, on the unaudited combined interim financial statements and disclosures is on-going.

3. Segment analysis

The two operating and reportable segments of the Business are Europe and North America. This reflects the basis on which the Business performance is reviewed.

Net finance expense is not allocated to segments as this is reviewed on a Business-wide basis. Performance of the segments is assessed based on Adjusted EBITDA. Adjusted EBITDA consists of profit/(loss) before income tax charge/(credit), net finance expense, depreciation and amortization and exceptional operating items. Segment revenues are derived from sales to external customers. Inter-segmental revenue is not material.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

3. Segment analysis (Continued)

Reconciliation of profit for the period to Adjusted EBITDA

| | Three months ended March 31, | |
|---|-------------------------------------|-------------|
| | 2019 | 2018 |
| | \$'m | \$'m |
| Profit for the period | 31 | 36 |
| Income tax charge | 11 | 12 |
| Net finance expense | 12 | 11 |
| Depreciation and amortization | 31 | 29 |
| Exceptional operating items | 2 | 7 |
| Adjusted EBITDA | 87 | 95 |

Segment results for the three months ended March 31, 2019 are:

| | Europe | North America | Total |
|---------------------------|---------------|----------------------|--------------|
| | \$'m | \$'m | \$'m |
| Revenue | 481 | 100 | 581 |
| Adjusted EBITDA | 72 | 15 | 87 |

Segment results for the three months ended March 31, 2018 are:

| | Europe | North America | Total |
|---------------------------|---------------|----------------------|--------------|
| | \$'m | \$'m | \$'m |
| Revenue | 493 | 105 | 598 |
| Adjusted EBITDA | 78 | 17 | 95 |

Within each reportable segment our packaging containers have similar production processes and classes of customer. Further, they have similar economic characteristics, as evidenced by similar profit margins, degrees of risk and opportunities for growth. We operate in mature markets along our reportable segments.

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2019:

| | Europe | North America | Rest of the World | Total |
|-------------------------|---------------|----------------------|--------------------------|--------------|
| | \$'m | \$'m | \$'m | \$'m |
| Europe | 438 | 2 | 41 | 481 |
| North America | — | 99 | 1 | 100 |
| Total | 438 | 101 | 42 | 581 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

3. Segment analysis (Continued)

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2018:

| | <u>Europe</u> | <u>North America</u> | <u>Rest of the World</u> | <u>Total</u> |
|-------------------------|-------------------|----------------------|--------------------------|-------------------|
| | \$'m | \$'m | \$'m | \$'m |
| Europe | 451 | 3 | 39 | 493 |
| North America | — | 104 | 1 | 105 |
| Total | <u>451</u> | <u>107</u> | <u>40</u> | <u>598</u> |

4. Exceptional items

| | <u>Three months ended March 31,</u> | |
|---|---|-----------------|
| | <u>2019</u> | <u>2018</u> |
| | \$'m | \$'m |
| Restructuring and other costs | 2 | 2 |
| Impairment of property, plant and equipment | — | 5 |
| Exceptional items—cost of sales | <u>2</u> | <u>7</u> |
| Total exceptional items | <u>2</u> | <u>7</u> |

Exceptional items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence.

Exceptional items of \$2 million have been recognized for the period ending March 31, 2019, primarily comprising of \$2 million restructuring related costs in Europe.

Exceptional items of \$7 million have been recognized in the period ending March 31, 2018 primarily comprising of \$7 million in relation to the closure of the Terminal island facility in North America.

5. Net finance expense

| | <u>Three months ended March 31,</u> | |
|--|---|------------------|
| | <u>2019</u> | <u>2018</u> |
| | \$'m | \$'m |
| Interest on related party borrowings | 9 | 9 |
| Net pension interest cost | 1 | 2 |
| Other finance expense | 2 | — |
| Net finance expense | <u>12</u> | <u>11</u> |

During the three months ended March 31, 2019, the Business recognized \$1 million related to lease liabilities within other interest expense.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

6. Intangible assets and property, plant and equipment

| | Goodwill | Customer relationships | Technology and other | Software | Total intangible assets | Property, plant and equipment |
|---|-------------------|------------------------|----------------------|------------------|-------------------------|-------------------------------|
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| Net book value at January 1, 2019 (as reported) | 334 | 69 | 45 | 29 | 477 | 1,131 |
| Impact of adoption of IFRS 16 on January 1, 2019 (Note 2) | — | — | — | — | — | 67 |
| Net book value at January 1, 2019 . . . | 334 | 69 | 45 | 29 | 477 | 1,198 |
| Additions | — | — | — | 3 | 3 | 33 |
| Charge for the period | — | (5) | (2) | — | (7) | (24) |
| Exchange | (6) | (1) | (1) | — | (8) | (15) |
| Net book value at March 31, 2019 . . . | <u>328</u> | <u>63</u> | <u>42</u> | <u>32</u> | <u>465</u> | <u>1,192</u> |

As of March 31, 2019, the following right-of-use assets were included within property, plant and equipment:

| | Land and buildings | Plant and machinery | Office equipment and vehicles | Total |
|-----------------------------|--------------------|---------------------|-------------------------------|-----------|
| | \$'m | \$'m | \$'m | \$'m |
| Net book value | | | | |
| At March 31, 2019 | 63 | 9 | 6 | 78 |

Total additions to the right-of-use assets during the three months ended March 31, 2019 were \$12 million.

The Business recognized a depreciation charge of \$24 million in the three months ended March 31, 2019, of which \$4 million related to right-of-use assets (Land and buildings: \$2 million, plant and machinery: \$1 million, office equipment and vehicles: \$1 million).

Impairment test for goodwill

Goodwill is not subject to amortization and is tested annually for impairment following the approval of the annual budget (normally at the end of the financial year), or more frequently if events or changes in circumstances indicate a potential impairment. Management has considered whether any impairment indicators existed at the reporting date noting there were none, and has considered the carrying amount of the respective goodwill and concluded that it is fully recoverable as at March 31, 2019.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

7. Financial assets and liabilities

At March 31, 2019 the net debt of the Business was as follows:

| | <u>At March 31,</u> <u>2019</u> | <u>At December 31,</u> <u>2018</u> |
|-------------------------------------|------------------------------------|---------------------------------------|
| | <u>\$'m</u> | <u>\$'m</u> |
| Related party borrowings | 555 | 556 |
| Lease obligations | 88 | 5 |
| Other borrowings | <u>7</u> | <u>6</u> |
| Total borrowings | 650 | 567 |
| Cash and cash equivalents | <u>(32)</u> | <u>(34)</u> |
| Net debt | <u>618</u> | <u>533</u> |

The Business' lease obligations of \$88 million primarily reflect \$75 million lease liabilities recognized on the initial adoption of IFRS 16 as of January 1, 2019, as well as \$12 million of new leases and \$3 million of principal repayments in the three months ended March 31, 2019.

The fair value of the non-current related party and other borrowings is as follows:

| | <u>At March 31, 2019</u> | | <u>At December 31, 2018</u> | |
|--|--------------------------|-------------------|-----------------------------|-------------------|
| | <u>Carrying value</u> | <u>Fair value</u> | <u>Carrying value</u> | <u>Fair value</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Related party and other borrowings | <u>472</u> | <u>484</u> | <u>407</u> | <u>398</u> |

The Business uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 during the period.

Fair value methodology

Fair values are calculated as follows:

- (i) Non-current related party borrowings—The fair value of the non-current related party borrowings of the Business is linked to quoted market prices for Ardagh's corporate debt, considering the credit risk of the Business and represent Level 2 inputs.
- (ii) Current related party borrowings—The fair value of the current related party borrowings are equivalent to their carrying value, given these related party borrowings are short-term in nature.
- (iii) Lease obligations and other borrowings—The carrying amount of finance leases and other borrowings is assumed to be a reasonable approximation of fair value.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

7. Financial assets and liabilities (Continued)

- (iv) Metal forward contracts and forward foreign exchange contracts—The fair value of these derivatives are based on quoted market prices and represent Level 2 inputs.

8. Employee benefit obligations

Employee benefit obligations at March 31, 2019 have been reviewed in respect of the latest discount rates and asset valuations. A re-measurement loss of \$17 million (2018: gain of \$5 million) has been recognized in the unaudited combined interim statement of comprehensive income for the three months ended March 31, 2019.

9. Cash generated from operating activities

| | Three months ended March 31, | |
|--|------------------------------------|-----------|
| | 2019 | 2018 |
| | \$'m | \$'m |
| Profit for the period | 31 | 36 |
| Income tax charge | 11 | 12 |
| Net finance expense | 12 | 11 |
| Depreciation and amortization | 31 | 29 |
| Exceptional operating items | 2 | 7 |
| Movement in working capital | (85) | (73) |
| Transaction-related, start-up and other exceptional costs paid | — | (1) |
| Exceptional restructuring paid | (2) | (2) |
| Cash generated from operations | — | 19 |

10. Related party transactions

Transactions with the Ardagh Group are included in invested capital and primarily comprise of the cash transfers to and from the Ardagh Group and intercompany charges, including allocation of the Group costs. Cash transfers and allocation of Group costs are disclosed in the unaudited combined interim statement of cash flows and note 2 respectively. In the three months ended March 31, 2018 a loan of \$109 million was transferred into the Business, other related party borrowings movements of \$8 million for the three months ended March 31, 2019 (2018: \$15 million) are also included within invested capital. Tax amounts offset to invested capital of \$4 million for the three months ended March 31, 2019 (2018: \$5 million) represent the difference between tax charges and credits and balances recorded in the unaudited combined interim financial statements and amounts recorded in the historical records of the Business. The remaining movements in invested capital for the three months ended March 31, 2019 of \$43 million (2018: \$30 million), comprise the net of comprehensive income, net cash transfers, intercompany charges and changes in intercompany positions with the Ardagh Group.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS (Continued)

11. Contingencies

Environmental issues

The Business is regulated under various national and local environmental, occupational health and safety and other governmental laws and regulations relating to:

- the operation of installations for manufacturing of metal packaging and surface treatment using solvents;
- the generation, storage, handling, use and transportation of hazardous materials;
- the emission of substances and physical agents into the environment;
- the discharge of waste water and disposal of waste;
- the remediation of contamination;
- the design, characteristics, collection and recycling of its packaging products; and
- the manufacturing, sale and servicing of machinery and equipment for the container metal packaging industry.

The Business believes, based on current information that it is in substantial compliance with applicable environmental laws and regulations and permit requirements. It does not believe it will be required, under existing or anticipated future environmental laws and regulations, to expend amounts, over and above the amounts accrued, which will have a material effect on its business, financial condition or results of operations or cash flows. In addition, no material proceedings against the Business arising under environmental laws are pending.

Legal matter

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices in Germany of metal packaging manufacturers, including Ardagh. In 2018, the European Commission took over this investigation and the German investigation is, as a result, at an end. The European Commission's investigation is ongoing, and there is at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision has been recognized.

With the exception of the above legal matter, the Business is involved in certain other legal proceedings arising in the normal course of its business. The Business believes that none of these proceedings, either individually or in aggregate, are expected to have a material adverse effect on its business, financial condition, results of operations or cash flows.

12. Seasonality of operations

The revenue and cash flows of the Business are both subject to seasonal fluctuations. Demand for our products is largely related to agricultural harvest periods. Investment in working capital generally follows the seasonal pattern of operations. The Business manages the seasonality of working capital principally by Ardagh supplementing the operating cash flows.

13. Events after the reporting period

There are no material events after the reporting period relevant to the Business which would require disclosure in these unaudited combined interim financial statements.

INDEX TO THE FINANCIAL STATEMENTS

The Metal Food & Specialities Business

Audited Financial Statements

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Independent auditors' report to the directors of Ardagh Group S.A.

Report on the audit of the combined financial statements of the Metal Food & Specialities Business

Opinion

In our opinion, the Metal Food & Specialities Business' combined financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2018 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB).

We have audited the financial statements, which comprise:

- the Combined Statement of Financial Position as at 31 December 2018; the Combined Income Statement and Combined Statement of Comprehensive Income for the year then ended;
- the Combined Statement of Cash Flows for the year then ended;
- the Combined Statement of Changes in Invested Capital for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)").

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the business in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter

The basis of preparation and accounting policies used in preparing the financial statements is described in Note 2 to the financial statements. In forming our opinion on the financial statements, which is not modified, we highlight that the Metal Food & Specialities Business has not operated as a separate entity and that the combined financial statements are not necessarily indicative of results that would have occurred if the business had been a separate stand-alone entity during the years presented or of the future results of the combined business. The financial statements are prepared for the directors for the specific

purpose as described in the Use of this report paragraph below. As a result, the financial statements may not be suitable for another purpose.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the business's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the business's ability to continue as a going concern.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the business's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the business or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (Ireland) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the directors of Ardagh Group S.A. as a body in accordance with our engagement letter dated 5 June 2019 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

PricewaterhouseCoopers
Chartered Accountants
Dublin
17 June 2019

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED INCOME STATEMENT

| | | Year ended December 31, 2018 | | | Year ended December 31, 2017 | | | Year ended December 31, 2016 | | |
|---|------|--------------------------------|----------------------|------------|--------------------------------|----------------------|------------|--------------------------------|----------------------|------------|
| | | Before exceptional items | Exceptional items | Total | Before exceptional items | Exceptional items | Total | Before exceptional items | Exceptional items | Total |
| | Note | \$'m | \$'m Note 4 | \$'m | \$'m | \$'m Note 4 | \$'m | \$'m | \$'m Note 4 | \$'m |
| Revenue | 3 | 2,421 | — | 2,421 | 2,206 | — | 2,206 | 2,150 | — | 2,150 |
| Cost of sales | | (2,031) | (16) | (2,047) | (1,801) | (22) | (1,823) | (1,778) | (23) | (1,801) |
| Gross profit/(loss) | | 390 | (16) | 374 | 405 | (22) | 383 | 372 | (23) | 349 |
| Sales, general and administration expenses | | (114) | (2) | (116) | (115) | (4) | (119) | (112) | (4) | (116) |
| Intangible amortization | 8 | (28) | — | (28) | (27) | — | (27) | (27) | — | (27) |
| Operating profit/(loss) | | 248 | (18) | 230 | 263 | (26) | 237 | 233 | (27) | 206 |
| Net finance expense | 5 | (42) | — | (42) | (35) | — | (35) | (41) | — | (41) |
| Profit/(loss) before tax | | 206 | (18) | 188 | 228 | (26) | 202 | 192 | (27) | 165 |
| Income tax (charge)/credit | 6 | (43) | 4 | (39) | (65) | 14 | (51) | (34) | 7 | (27) |
| Profit/(loss) for the year | | 163 | (14) | 149 | 163 | (12) | 151 | 158 | (20) | 138 |
| <hr/> | | | | | | | | | | |
| Profit attributable to: | | | | | | | | | | |
| Owner of the parent | | | | 149 | | | 151 | | | 138 |
| Non-controlling interests | | | | — | | | — | | | — |
| Profit for the year | | | | 149 | | | 151 | | | 138 |

The accompanying notes to the combined financial statements are an integral part of these combined financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Year ended December 31, | | |
|--|------|----------------------------|------------|-------------|
| | | 2018 | 2017 | 2016 |
| | | \$'m | \$'m | \$'m |
| Profit for the year | | 149 | 151 | 138 |
| Other comprehensive (expense)/income | | | | |
| <i>Items that may subsequently be reclassified to income statement</i> | | | | |
| Foreign currency translation adjustments: | | | | |
| —Arising in the year | | (31) | 102 | (32) |
| | | (31) | 102 | (32) |
| Effective portion of changes in fair value of cash flow hedges: | | | | |
| —New fair value adjustments into reserve | | — | 4 | — |
| | | — | 4 | — |
| <i>Items that will not be reclassified to income statement</i> | | | | |
| —Re-measurement of employee benefit obligations | 18 | (4) | 11 | (52) |
| —Deferred tax movement on employee benefit obligations | | — | (3) | 13 |
| | | (4) | 8 | (39) |
| Total other comprehensive (expense)/income for the year | | (35) | 114 | (71) |
| Total comprehensive income for the year | | 114 | 265 | 67 |
| Attributable to: | | | | |
| Owner of the parent | | 114 | 265 | 67 |
| Non-controlling interests | | — | — | — |
| Total comprehensive income for the year | | 114 | 265 | 67 |

The accompanying notes to the combined financial statements are an integral part of these combined financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED STATEMENT OF FINANCIAL POSITION

| | Note | At December 31, | | | |
|--|------|-----------------|--------------|--------------|---------------------|
| | | 2018 | 2017 | 2016 | 2015 ⁽ⁱ⁾ |
| | | \$'m | \$'m | \$'m | \$'m |
| Non-current assets | | | | | |
| Intangible assets | 8 | 477 | 502 | 463 | 502 |
| Property, plant and equipment | 9 | 1,131 | 1,170 | 1,066 | 1,132 |
| Derivative financial instruments | 17 | 1 | — | — | — |
| Deferred tax assets | 11 | 53 | 66 | 69 | 65 |
| Other non-current assets | 10 | 7 | 8 | 6 | 6 |
| | | <u>1,669</u> | <u>1,746</u> | <u>1,604</u> | <u>1,705</u> |
| Current assets | | | | | |
| Inventories | 12 | 383 | 351 | 305 | 282 |
| Trade and other receivables | 13 | 273 | 365 | 318 | 356 |
| Contract asset | 14 | 16 | 27 | 24 | 25 |
| Derivative financial instruments | 17 | 3 | 2 | 2 | — |
| Cash and cash equivalents | 15 | 34 | 35 | 41 | 103 |
| | | <u>709</u> | <u>780</u> | <u>690</u> | <u>766</u> |
| TOTAL ASSETS | | <u>2,378</u> | <u>2,526</u> | <u>2,294</u> | <u>2,471</u> |
| Invested capital | | | | | |
| Invested capital attributable to the owner of the parent | | 758 | 932 | 868 | 1,107 |
| Non-controlling interests | | 1 | 1 | 2 | 2 |
| TOTAL INVESTED CAPITAL | | <u>759</u> | <u>933</u> | <u>870</u> | <u>1,109</u> |
| Non-current liabilities | | | | | |
| Related party borrowings | 17 | 402 | 348 | 298 | 292 |
| Borrowings | 17 | 5 | 6 | 7 | 8 |
| Employee benefit obligations | 18 | 302 | 329 | 315 | 277 |
| Deferred tax liabilities | 11 | 132 | 148 | 141 | 151 |
| Provisions | 20 | 8 | 13 | 10 | 12 |
| | | <u>849</u> | <u>844</u> | <u>771</u> | <u>740</u> |
| Current liabilities | | | | | |
| Related party borrowings | 17 | 154 | 148 | 146 | 152 |
| Borrowings | 17 | 6 | 2 | 1 | 1 |
| Derivative financial instruments | 17 | 5 | — | — | 4 |
| Trade and other payables | 21 | 569 | 560 | 463 | 417 |
| Income tax payable | | 19 | 19 | 13 | 15 |
| Provisions | 20 | 17 | 20 | 30 | 33 |
| | | <u>770</u> | <u>749</u> | <u>653</u> | <u>622</u> |
| TOTAL LIABILITIES | | <u>1,619</u> | <u>1,593</u> | <u>1,424</u> | <u>1,362</u> |
| TOTAL INVESTED CAPITAL and LIABILITIES | | <u>2,378</u> | <u>2,526</u> | <u>2,294</u> | <u>2,471</u> |

(i) At January 1, 2016

The accompanying notes to the combined financial statements are an integral part of these combined financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED STATEMENT OF CHANGES IN INVESTED CAPITAL

| | Attributable to owner of the parent | | | | Non-controlling interests | Total Invested Capital |
|--|-------------------------------------|--------------------------------------|-------------------------|--------------|---------------------------|------------------------|
| | Invested capital | Foreign currency translation reserve | Cash flow hedge reserve | Total | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| January 1, 2016 | 1,088 | 25 | (6) | 1,107 | 2 | 1,109 |
| Profit for the year | 138 | — | — | 138 | — | 138 |
| Total other comprehensive expense for the year | (39) | (32) | — | (71) | — | (71) |
| Decrease in invested capital | (306) | — | — | (306) | — | (306) |
| December 31, 2016 | 881 | (7) | (6) | 868 | 2 | 870 |

| | Attributable to owner of the parent | | | | Non-controlling interests | Total Invested Capital |
|--|-------------------------------------|--------------------------------------|-------------------------|------------|---------------------------|------------------------|
| | Invested capital | Foreign currency translation reserve | Cash flow hedge reserve | Total | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| January 1, 2017 | 881 | (7) | (6) | 868 | 2 | 870 |
| Profit for the year | 151 | — | — | 151 | — | 151 |
| Total other comprehensive income for the year | 8 | 102 | 4 | 114 | — | 114 |
| Hedging gains transferred to cost of inventory | — | — | (4) | (4) | — | (4) |
| Non-controlling interest in disposed business | — | — | — | — | (1) | (1) |
| Decrease in invested capital | (197) | — | — | (197) | — | (197) |
| December 31, 2017 | 843 | 95 | (6) | 932 | 1 | 933 |

| | Attributable to owner of the parent | | | | Non-controlling interests | Total Invested Capital |
|---|-------------------------------------|--------------------------------------|-------------------------|------------|---------------------------|------------------------|
| | Invested capital | Foreign currency translation reserve | Cash flow hedge reserve | Total | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| January 1, 2018 | 843 | 95 | (6) | 932 | 1 | 933 |
| Profit for the year | 149 | — | — | 149 | — | 149 |
| Total other comprehensive (expense)/income for the year | (4) | (31) | — | (35) | — | (35) |
| Hedging gains transferred to cost of inventory | — | — | (2) | (2) | — | (2) |
| Decrease in invested capital | (286) | — | — | (286) | — | (286) |
| December 31, 2018 | 702 | 64 | (8) | 758 | 1 | 759 |

The accompanying notes to the combined financial statements are an integral part of these combined financial statements

THE METAL FOOD & SPECIALITIES BUSINESS
COMBINED STATEMENT OF CASH FLOWS

| | Note | Year ended December 31, | | |
|---|-------------|------------------------------------|--------------|--------------|
| | | 2018 | 2017 | 2016 |
| | | \$'m | \$'m | \$'m |
| Cash flows from operating activities | | | | |
| Cash generated from operations | 22 | 385 | 338 | 374 |
| Interest paid | | (38) | (24) | (25) |
| Income tax paid | | (8) | (8) | (13) |
| Net cash from operating activities | | 339 | 306 | 336 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | | (90) | (85) | (59) |
| Purchase of intangible assets | | (20) | (9) | (7) |
| Proceeds from disposal of property, plant and equipment | | 2 | 2 | 1 |
| Net cash used in investing activities | | (108) | (92) | (65) |
| Cash flows from financing activities | | | | |
| Repayment of borrowings | | (1) | (1) | (1) |
| Proceeds from borrowings | | 4 | — | — |
| Cash remitted to Ardagh | | (232) | (223) | (331) |
| Net cash outflow from financing activities | | (229) | (224) | (332) |
| Net increase/(decrease) in cash and cash equivalents | | 2 | (10) | (61) |
| Cash and cash equivalents at the beginning of the year | 15 | 35 | 41 | 103 |
| Exchange (losses)/gains on cash and cash equivalents | | (3) | 4 | (1) |
| Cash and cash equivalents at the end of the year | 15 | 34 | 35 | 41 |

The accompanying notes to the combined financial statements are an integral part of these combined financial statements.

THE METAL FOOD & SPECIALITIES BUSINESS

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General information

The Metal Food & Specialities Business (the “Business”) has historically operated as part of Ardagh Group S.A. (“Ardagh” or “the Ardagh Group”) and not as a separate stand-alone entity or group.

The Business is a leading global supplier of sustainable innovative, value-added rigid metal packaging solutions to the consumer products industry. The Business supplies metal packaging to a wide range of consumer-driven end-use categories including food (processed food such as fruit, vegetables, soups, sauces, ready meals and pet food), seafood, aerosols (personal care and household products), nutrition and custom (including dairy and infant nutrition powders), and paints and coatings. We serve over 1,200 customers across more than 70 countries, comprised of multi-national companies, large national and regional companies and small local businesses. In our principal target regions of Europe and North America, our customers include a wide variety of consumer-packaged goods companies, which own some of the best-known brands in the world. We derive approximately 93% of our revenues in Europe and North America, mature markets characterized by predictable consumer spending, stable supply and demand and low cyclicity.

The principal accounting policies of the Business that have been applied to the combined financial statements are described in note 2 below.

2. Summary of significant accounting policies

The Business has not previously prepared or reported any combined financial statements in accordance with any other generally accepted accounting principles (“GAAP”). The Business has prepared these combined financial statements in accordance with International Financial Reporting Standards (“IFRS”) and related interpretations as issued by the International Accounting Standards Board (“IASB”). The Business’ deemed transition date to IFRS and its interpretations as issued by the International Accounting Standards Board (“IASB”) is January 1, 2016. The principles and requirements for first time adoption of IFRS are set out in IFRS 1, ‘First-time adoption of IFRS’ (“IFRS 1”). The requirement in IFRS 1 to provide reconciliations of financial information prepared under legacy GAAP to IFRS is not relevant to the Business as the Business has not previously prepared or reported any financial statements in accordance with any other generally accepted accounting principles and has availed of the exemptions available under IFRS 1 for a subsidiary becoming a first-time adopter later than its parent. The combined financial statements of the Business have been prepared in accordance with, and are in compliance with, IFRS and its interpretations as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as issued by the IASB.

Basis of preparation

The combined financial statements of the Business have been prepared on a carve-out basis from the consolidated financial statements of Ardagh Group S.A., to represent the financial position and performance of the Business as if the Business had existed on a stand-alone basis for each of the years ended December 31, 2018, 2017 and 2016 for the combined income statements, statements of comprehensive income and statements of cash flows and as at December 31, 2018, 2017, 2016 and 2015 for the combined statements of financial position. However, the combined financial statements are not necessarily indicative of the results that would have occurred if the Business had been a stand alone entity during the period presented. After making enquiries and considering the Business’ projections in the long range plan, Management consider that the Business has adequate resources to continue operating for the

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

foreseeable future, for this reason the combined financial statements have been prepared on a going concern basis.

The combined financial statements, are presented in U.S. dollar, rounded to the nearest million, and have been prepared under the historical cost convention except for the following:

- derivative financial instruments are stated at fair value; and
- employee benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The preparation of combined financial statements in accordance with IFRS requires the use of critical accounting estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the process of applying accounting policies, which have been applied consistently through the combined financial statements of the Business. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. These estimates, assumptions and judgments were historically deemed to be reasonable and prudent. However, actual outcomes may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements, are discussed in the critical accounting estimates and judgments.

The combined financial statements have been prepared by aggregating financial information from the components of the Business, as described in note 1 and comprises the entities described in note 23, together with assets, liabilities, revenues and expenses that management has determined are specifically attributable to the Business including related party borrowings, and direct and indirect costs and expenses related to the operations of the Business. The following summarizes the principles applied in preparing the combined financial statements:

- Controlled companies that are part of the Business and were acquired or disposed of during the financial periods presented have been included in the combined financial statements from and up to the date control was passed. Goodwill, customer relationship intangible assets and fair value adjustments directly attributable to the acquisition of the controlled companies that are part of the Business by Ardagh, have been included in the combined financial statements;
- The Business did not in the past form a separate legal group and therefore it is not possible to show issued share capital or a full analysis of reserves. The net assets of the Business are represented by the cumulative investment of Ardagh in the Business, shown as invested capital;
- Certain intercompany balances between Ardagh and the Business are deemed to be long term funding in nature and have been presented as part of invested capital in the combined financial statements;
- All intercompany balances, investments in subsidiaries and share capital within the Business have been eliminated upon combination in the combined financial statements;
- All employee benefit obligations are directly attributable to the Business and are obligations of the entities described in note 2;

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

- Cumulative translation differences directly attributable to the controlled companies that are part of the Business, have been allocated at the amounts included in Ardagh's consolidated financial statements;
- Ardagh operates a central treasury function. Interest on related party borrowings and allocated costs and expenses as described below have generally been deemed to have been paid by the Business to Ardagh in the year in which the costs were incurred. In addition, all external debt used to fund Ardagh's operations is managed and held centrally. Related party borrowings and accrued interest payable to Ardagh, representing certain components of the Ardagh Group's corporate debt, is included in the combined financial statements reflecting the debt obligation and related interest costs of the Business;
- For the purposes of the preparation of these combined financial statements, shared corporate head office and divisional costs attributable to the Business have been included in selling, general and administration ("SGA") expenses, based primarily on revenue, Adjusted EBITDA, head count and IT users as deemed appropriate, with settlement of these costs recorded within invested capital. The allocation to the Business reflects all the costs of doing business and Management believes that the allocation is reasonable. The support functions provided to the Business by Ardagh include the following categories:
 - a) Centralized support functions;
 - b) Information technology;
 - c) Finance, tax and treasury;
 - d) Board; and
 - e) Other.

The amounts for each of these functions within the combined financial statements are set out below:

| | Year ended December 31, | | |
|---|----------------------------|-----------|-----------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Centralized support functions | 14 | 15 | 20 |
| Information technology | 10 | 6 | 6 |
| Finance, tax and treasury | 3 | 4 | 6 |
| Board | 3 | 1 | 1 |
| Other | 3 | 3 | 1 |
| | <u>33</u> | <u>29</u> | <u>34</u> |

These costs reflected the arrangements that existed in Ardagh and are not necessarily representative of costs that may arise in the future.

- Tax charges and credits and balances in the combined financial statements have been calculated as if the Business was a separate taxable entity using the separate return method. The tax charges and credits recorded in the combined income statement and tax balances recorded in the combined statement of financial position have been affected by the taxation arrangements within Ardagh and

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

are not necessarily representative of the positions that may arise in the future. Differences between the tax charges and credits and balances in the combined financial statements, and the tax charges and credits and balances in the historical records of the Business are included in invested capital.

- Ardagh has historically assessed and managed the hedging risks and arrangements of the Business centrally, as outlined in note 16. The derivatives used in hedging transactions and relationships are highly effective in offsetting changes in fair values or cash flows of hedged items and are detailed in note 17. In the combined financial statements the hedging arrangements entered into by the Business have been reflected based on Ardagh's previous arrangements and are not necessarily representative of the hedging arrangements that may arise in the future.

The combined financial statements are authorized for issuance on June 13, 2019.

Recent accounting pronouncements

IFRS 16, 'Leases' is effective for annual periods beginning on or after January 1, 2019 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that appropriately represents those transactions. This information provides a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.

IFRS 16 replaces IAS 17, 'Leases', and later interpretations, and will result in the majority of the operating leases held by the Business being recognized on the combined statement of financial position.

The Business has completed an assessment of the impact of IFRS 16, involving the establishment of a cross-functional project team to implement the new standard from January 1, 2019. The Business has gathered and assessed the data relating to approximately 800 leases to which the Business is party, and have designed and implemented a system solution and business process, with appropriate internal controls applied, in order to meet the new accounting and disclosure requirements post-adoption.

The Business will adopt IFRS 16 by applying the modified retrospective approach, with the right-of-use assets being calculated as if IFRS 16 had always been applied, and avail of the practical expedient to combine lease and non-lease components.

We expect that the adoption of IFRS 16 will have a significant impact on the combined statement of financial position and combined statement of cash flows as follows:

- an increase in non-current assets due to the recognition of right-of-use assets in the range of \$60 million to \$70 million;
- an increase in financial liabilities as lease liabilities are recognized based on the new treatment in the range of \$75 million to \$80 million; and
- cash generated from operations is expected to increase due to certain lease expenses no longer being recognized as operating cash outflows, however this is expected to be offset by a corresponding increase in cash used in financing activities due to repayments of the principal on lease liabilities.

In addition to the above impact, the adoption of IFRS 16 will also have an impact on the combined income statement and certain key financial metrics as a result of changes in the classification of charges recognized in the combined income statement. The application of the new standard will decrease both cost

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

of sales and operating costs (excluding depreciation) in the combined income statement, giving rise to an increase in underlying Adjusted EBITDA, but this will be largely offset by corresponding increases in depreciation and finance expenses, and hence the expected impact on the profit for the year will not be material for the Business.

The operating lease cost for the year ended December 31, 2018 is set out in note 9 and it is the expectation of the Business that a significant portion of those operating lease costs will be reclassified in the combined income statement upon adoption of IFRS 16, subject to changes in exchange rates when compared to the euro functional currency.

The IFRS Interpretations Committee issued IFRIC 23 ‘Uncertainty over income tax treatments’, which clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. It is not expected that the application of this interpretation will have a material impact on the combined financial statements of the Business.

Basis of combination

(i) Controlled companies

Companies are fully combined from the date on which control is transferred to the Business and are divested from the date on which control ceases. The companies included in these combined financial statements are all entities over which the Business has control. The Business controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for the acquisition of controlled companies by the Business. The cost of an acquisition is the consideration given in exchange for control of the identifiable assets, liabilities and contingent liabilities of the acquired legal entities. Directly attributable transaction costs are expensed and included as exceptional items within sales, general and administration expenses. The acquired net assets are initially measured at fair value. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Any goodwill and fair value adjustments are recorded as assets and liabilities of the acquired legal entity in the currency of the primary economic environment in which the legal entity operates (the “functional currency”). If the cost of acquisition is less than the fair value of the share of the net assets of the legal entity acquired by the Business, the difference is recognized directly in the combined income statement. The Business considers obligations of the acquiree in a business combination that arise as a result of the change in control, to be cash flows arising from obtaining control of the controlled company, and classifies these obligations as investing activities in the combined statement of cash flows.

(ii) Non-controlling interests

Non-controlling interests represent the portion of the equity of a controlled company which is not attributable to the Business. Non-controlling interests are presented separately in the combined financial statements. Changes in ownership of a controlled company which do not result in a change in control are treated as invested capital transactions.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

(iii) Transactions eliminated on combination

Transactions, balances and unrealized gains or losses on transactions between the controlled companies of the Business are eliminated on combination. The accounting policies of the controlled companies have been changed where necessary to ensure consistency with the policies adopted by the Business.

Foreign currency

(i) Presentation currency

The combined financial statements are presented in U.S. dollar which is the presentation currency of the Business.

(ii) Foreign currency transactions

Items included in the financial statements of each of the entities included in the Business are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the combined income statement, except differences on certain derivative financial instruments discussed under “Derivative financial instruments” below.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations held by the Business are translated into U.S. dollars at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to dollars at average exchange rates for the year. Foreign exchange differences arising on retranslation are recognized in other comprehensive income. Gains or losses accumulated in other comprehensive income are recycled to the combined income statement when the foreign operation is disposed of.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates as at the date when the fair value is determined.

Business combinations and goodwill

All business combinations are accounted for by applying the acquisition method of accounting. This involves measuring the cost of the business combination and allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities assumed. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Business elects whether to measure the non-controlling interests in the

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in sales, general and administration expenses.

When the Business makes an acquisition, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration is recognized at fair value at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those groups of cash-generating units ("CGUs") that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Intangible assets

Intangible assets are initially recognized at cost.

Intangible assets acquired as part of a business combination are capitalized separately from goodwill if the intangible asset is separately identifiable or arises from contractual or other legal rights. They are initially recognized at cost which, for intangible assets arising in a business combination, is their fair value at the date of acquisition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortization of intangible assets is calculated to write off the book value of finite lived intangible assets over their useful lives on a straight-line basis, on the assumption of zero residual value, as follows:

| | |
|----------------------------------|--------------|
| Computer software | 2 - 7 years |
| Customer relationships | 5 - 15 years |
| Technology | 8 - 15 years |

(i) Computer software

Computer software development costs are recognized as assets. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

(ii) Customer relationships

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a finite useful economic life and are subsequently carried at cost less accumulated amortization.

(iii) Technology

Technology based intangibles acquired in a business combination are recognized at fair value at the acquisition date and reflect the ability of the Business to add value through accumulated technological expertise surrounding product and process development and are subsequently carried at cost less accumulated amortization.

(iv) Research and development costs

Research costs are expensed as incurred. Development costs relating to new products are capitalized if the new product is technically and commercially feasible. All other development costs are expensed as incurred.

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown at cost less impairment. Spare parts which form an integral part of plant and machinery and which have an estimated useful economic life greater than one year are capitalized. Spare parts which do not form an integral part of plant and machinery and which have an estimated useful economic life less than one year are included as consumables within inventory and expensed when utilized.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

Leases of property, plant and equipment where the Business has substantially all the risks and rewards of ownership are classified as finance leases.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the combined income statement on a straight-line basis over the period of the lease.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

(iii) Subsequent costs

The Business recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing the component of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Business and the replacement cost of the item can be measured reliably. When a component is replaced the old component is de-recognized in the period. All other costs are recognized in the combined income statement as an expense as incurred. When a major overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria above are met.

(iv) Depreciation

Depreciation is charged to the combined income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

| | |
|---|---------------|
| Buildings | 30 - 40 years |
| Plant and machinery | 3 - 40 years |
| Office equipment and vehicles | 3 - 10 years |

Assets' useful lives and residual values are adjusted if appropriate, at each balance sheet date.

Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to amortization and are tested annually for impairment or whenever indicators suggest that impairment may have occurred. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the purposes of assessing impairment, assets excluding goodwill and long lived intangible assets, are grouped at the lowest levels at which cash flows are separately identifiable. Goodwill and long lived intangible assets are allocated to groups of CGUs. The groupings represent the lowest level at which the related assets are monitored for internal management purposes.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The recoverable amount of other assets is the greater of their value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

them to their current location and condition. In the case of finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity.

Net realizable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Spare parts which are deemed to be of a consumable nature, are included within inventories and expensed when utilized.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, contract assets, cash and cash equivalents, borrowings and trade and other payables. Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except as described below. The Business applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(i) Trade and other receivables

Trade and other receivables are recognized initially at fair value and are, thereafter, measured at amortized cost using the effective interest rate method less any provision for impairment, in accordance with the held to collect business model. A provision for impairment of specific trade receivables is recognized by the Business when there is evidence of increased credit risk in comparison to the original terms of the receivables. For all other trade receivables, the Business uses an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

The Business participates in certain uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Business. The Business has a selling business model related to those receivables and, as such, any unsold receivables under such programs are accounted for at fair value through profit or loss.

(ii) Contract assets

Contract assets represent a right to consideration in exchange for goods or services for which control has transferred to a customer before the customer pays consideration, relating primarily to revenue required to be recognized over time based on production completed in accordance with the revenue recognition policy of the Business (as set out below). The distinction between a contract asset and a trade receivable is based on whether receipt of the consideration is conditional on something other than the passage of time. A provision for impairment of a contract asset will be recognized when there is evidence of increased credit risk. The provision is measured based on an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits held with banks and restricted cash. Cash and cash equivalents are carried at amortized cost.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

Short term bank deposits of greater than three months' maturity which do not meet the definition of cash and cash equivalents are classified as financial assets within current assets and stated at amortized cost.

Restricted cash comprises cash held by the Business but which is ring-fenced and to which the Business does not have unfettered access. Restricted cash is measured at amortized cost.

(iv) Borrowings (including related party borrowings)

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the combined income statement of the Business over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Business has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(v) Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 17. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged instrument is more than twelve months after the balance sheet date and as a current asset or liability when the remaining maturity of the hedged instrument is less than twelve months after the balance sheet date. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. For cash flow hedges which subsequently result in the recognition of a non-financial asset, the amounts accumulated in the cash flow hedge reserve within invested capital are reclassified to the asset in order to adjust its carrying value. Amounts accumulated in the cash flow hedge reserve, or as adjustments to carrying value of non-financial assets, are recycled to the combined income statement in the periods when the hedged item will affect profit or loss.

The gain or loss relating to the ineffective portion is recognized immediately in the combined income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains within invested capital in equity and is recognized in the combined income statement when the forecast cash flow arises. When a forecast

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

transaction is no longer expected to occur, the cumulative gain or loss that was reported in invested capital is immediately transferred to the combined income statement.

Fair value measurement

The Business measures derivative financial instruments and pension assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and pension assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (notes 17 and 18)
- Quantitative disclosures of fair value measurement hierarchy (note 17)
- Financial instruments (including those carried at amortized cost) (note 17)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Business.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Business uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Employee benefits

(i) Defined benefit pension plans

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the combined statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

Actuarial gains and losses arising from experience adjustments and changes in financial and actuarial assumptions are charged or credited to invested capital in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the combined income statement.

(ii) Multi-employer pension plans

Multi-employer craft or industry based pension schemes (“multi-employer schemes”) have arrangements similar to those of defined benefit schemes. In each case, however, it is not possible to identify the share of the underlying assets and liabilities of the multi-employer schemes of the Business and therefore, in accordance with IAS 19(R), the Business has taken the exemption to account for multi-employer pension schemes as defined contribution schemes recognizing the contributions payable in each period in the combined income statement.

(iii) Other end of service employee benefits

In a number of countries, the Business pays lump sums to employees leaving service. These arrangements are accounted for in the same manner as defined benefit pension plans.

(iv) Other long term employee benefits

The obligation of the Business in respect of other long term employee benefit plans represents the amount of future benefit that employees have earned in return for service in the current and prior periods for partial retirement contracts and long service awards. These are included in the category of employee benefit obligations on the combined statement of financial position. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the reporting date on high quality corporate bonds of a currency and term consistent with the currency and estimated term of the obligations. Actuarial gains and losses are recognized in full in the other comprehensive income in the period in which they arise.

(v) Defined contribution plans

A defined contribution plan is a pension plan under which the Business pays fixed contributions into a separate entity. The contributions are recognized as employee benefit expense when they are due.

Provisions

Provisions are recognized when the Business has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Revenue recognition

The following is a description of the main activities from which the Business generates its revenue.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

The Business is a leading supplier of sustainable innovative, value-added rigid metal packaging solutions. The global packaging industry is a large, consumer-driven industry with stable growth characteristics. The Business operates in the metal sector and our principal target regions are Europe and North America. We derive approximately 93% of our revenues in Europe and North America, mature markets characterized by predictable consumer spending, stable supply and demand and low cyclicality. Our products are metal containers, primarily for food & speciality markets, which are characterized by stable, consumer-driven demand. We serve over 1,200 customers across more than 70 countries, comprised of multi-national companies, large national and regional companies and small local businesses. In our principal target regions of Europe and North America, our customers include a wide variety of consumer-packaged goods companies, which own some of the best-known brands in the world. We have a stable customer base with longstanding relationships. A significant portion of our sales volumes are supplied under framework arrangements which include input cost pass-through provisions, which help us deliver generally consistent margins.

The Business usually enters into framework agreements with its customers, which establish the terms under which individual orders to purchase goods or services may be placed. As the framework agreements do not identify each party's rights regarding the goods or services to be transferred, they do not create enforceable rights and obligations on a stand-alone basis. Therefore, the Business has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract in IFRS 15. The individual purchase orders have, in general, a duration of one year or less and, as such, the Business does not disclose any information about remaining performance obligations under these contracts. The payment terms of the Business are in line with customary business practice, which can vary by customer and region. The Business has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, we expect that, at contract inception, the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

Revenue is recognized when control of a good or service has transferred to the customer. For certain contracts, the Business manufactures products for customers that have no alternative use and for which the Business has an enforceable right to payment for production completed to date. Therefore, the Business will recognize revenue over time as the contractual performance obligations are satisfied for those contracts. For all other contracts, the Business will continue to recognize revenue primarily on dispatch of the goods, net of any related customer rebates, cash discounts and value added taxes.

Exceptional items

The combined income statement, combined statement of cash flows and segmental analysis of the Business separately identify results before specific items. Specific items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence to provide additional information. Such items include, where significant, restructuring, redundancy and other costs relating to permanent capacity realignment or footprint reorganization, directly attributable acquisition costs and acquisition integration costs, profit or loss on disposal or termination of operations, start-up costs incurred in relation to and associated with plant builds, significant new line investments, major litigation costs and settlements and impairment of non-current assets. In this regard, the determination of "significant" as included in our definition uses qualitative and quantitative factors. Judgment is used by the Business in assessing the particular items, which by virtue of their scale and nature, are disclosed in the combined income statement, and related notes as exceptional items. The Business considers columnar presentation

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

to be appropriate in the combined income statement as it provides useful additional information and is consistent with the way that financial performance is measured by the Business. Exceptional restructuring costs are classified as restructuring provisions and all other exceptional costs when outstanding at the balance sheet date are classified as exceptional items payable.

Finance income and expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets, ineffective portions of derivative instruments designated as hedging instruments and gains on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss.

Finance expense comprises interest expense on related party borrowings, finance lease expenses, certain net foreign currency translation gains or losses related to financing, net interest cost on net pension plan liabilities, ineffective portions of derivative instruments designated as hedging instruments, losses on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss, and other finance expense.

The Business capitalizes borrowing costs directly attributable to the acquisition, construction or production of manufacturing plants that require a substantial period of time to build that would have been avoided if the expenditure on the qualifying asset had not been made.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the combined income statement except to the extent that it relates to items recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred tax liabilities are generally not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Business and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

Differences between the tax charges and credits in the combined financial statements and the tax charges and credits in the historical records of the Business are included as offset in invested capital.

Segment reporting

As described in note 1, the Metal Food & Specialities Business has not historically operated as a separate stand-alone group and has been managed centrally by Ardagh. For the purposes of these combined financial statements, the Business has two operating and reporting segments: Europe and North America, with internal reporting provided on this basis to the Executive Committee of the Business, being its Chief Operating Decision Maker (“CODM”). The Europe segment includes the “rest of the world” which accounted for 7% of total revenue in 2018 (2017: 9%, 2016: 9%). The internal information supporting this segmental organization is used by the CODM to allocate resources and assess segmental performance.

Critical accounting estimates, assumptions and judgments

Accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Business makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill and other long lived assets

In accordance with IAS 36 “Impairment of assets” (“IAS 36”), the Business tests whether goodwill and other long lived assets have suffered any impairment in accordance with the accounting policies stated. The determination of the recoverable amounts of goodwill requires the use of estimates as outlined in note 8. The judgments made by the Business relating to the impairment of goodwill and other long lived assets are included in notes 8 and 9.

(ii) Establishing lives for the purposes of depreciation and amortization of property, plant and equipment and intangibles

Long lived assets, consisting primarily of property, plant and equipment, customer intangibles and technology intangibles, comprise a significant portion of the total assets of the Business. The annual depreciation and amortization charges depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The Board regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilization and physical condition of the assets concerned. Changes in asset lives can have a significant impact on the depreciation and amortization charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined and there are a significant number of asset lives in use.

(iii) Income taxes

The Business is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the worldwide provision for income taxes. There are many transactions and calculations for

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

2. Summary of significant accounting policies (Continued)

which the ultimate tax determination is uncertain during the ordinary course of business. The Business recognizes liabilities for anticipated tax audit matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Measurement of employee benefit obligations

The Business follows guidance of IAS 19(R) to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations, other long term employee benefits, and other end of service employee benefits which are subject to similar fluctuations in value in the long term. The Business values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in note 18.

(v) Exceptional items

The combined income statement and segment analysis separately identify results before exceptional items. Exceptional items are those that in our judgment need to be disclosed by virtue of their size, nature or incidence.

The Business believes that this presentation provides additional analysis as it highlights exceptional items. The determination of “significant” as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. The Business uses judgment in assessing the particular items, which by virtue of their scale and nature, are disclosed in the combined income statement and related notes as exceptional items. Management considers the combined income statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by and presented to management. In that regard, management believes it to be consistent with paragraph 85 of IAS 1 “Presentation of financial statements” (“IAS 1”), which permits the inclusion of line items and subtotals that improve the understanding of performance.

(vi) Revenue recognition

Revenue is recognized when control of a good or service has transferred to the customer. For certain contracts, the Business manufactures products for customers that have no alternative use and for which the Business has an enforceable right to payment for production completed to date. The determination of goods or contracts having no alternative use and the enforceable right to payment involves and relies upon management judgment, and can result in the Business accelerating the recognition of revenue over time as the Business satisfies the contractual performance obligations for those contracts.

(vii) Business combinations and goodwill

Goodwill only arises in business combinations. The amount of goodwill initially recognized is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management’s judgment. Allocation of the purchase price affects the results of the Business as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized and could result in differing amortization charges based on the allocation to indefinite lived and finite lived intangible assets.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

3. Segment analysis

The two operating and reportable segments of the Business are Europe and North America. This reflects the basis on which the Business performance is reviewed.

Net finance expense is not allocated to segments as this is reviewed on a Business-wide basis. Performance of the segments is assessed based on Adjusted EBITDA. Adjusted EBITDA consists of profit/(loss) before income tax charge/(credit), net finance expense, depreciation and amortization and exceptional operating items. Segment revenues are derived from sales to external customers. Inter-segmental revenue is not material.

Segment assets consist of intangible assets, property, plant and equipment, derivative financial instrument assets, deferred tax assets, other non-current assets, inventories, contract assets, trade and other receivables and cash and cash equivalents. The accounting policies of the segments are the same as those in the combined financial statements of the Business as set out in note 2.

Reconciliation of profit for the year to Adjusted EBITDA

| | Year ended December 31, | | |
|--|----------------------------|------------|------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Profit for the year | 149 | 151 | 138 |
| Income tax charge (note 6) | 39 | 51 | 27 |
| Net finance expense (note 5) | 42 | 35 | 41 |
| Depreciation and amortization (notes 8, 9) | 115 | 104 | 107 |
| Exceptional operating items (note 4) | 18 | 26 | 27 |
| Adjusted EBITDA | 363 | 367 | 340 |

The segment results for the year ended December 31, 2018 are:

| | Europe | North America | Total |
|-------------------------------|--------|------------------|-------|
| | \$'m | \$'m | \$'m |
| Revenue | 1,976 | 445 | 2,421 |
| Adjusted EBITDA | 295 | 68 | 363 |
| Capital expenditure | 99 | 9 | 108 |
| Segment assets | 1,962 | 416 | 2,378 |

The segment results for the year ended December 31, 2017 are:

| | Europe | North America | Total |
|-------------------------------|--------|------------------|-------|
| | \$'m | \$'m | \$'m |
| Revenue | 1,804 | 402 | 2,206 |
| Adjusted EBITDA | 297 | 70 | 367 |
| Capital expenditure | 81 | 11 | 92 |
| Segment assets | 2,093 | 433 | 2,526 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

3. Segment analysis (Continued)

The segment results for the year ended December 31, 2016 are:

| | <u>Europe</u> | <u>North America</u> | <u>Total</u> |
|-------------------------------|---------------|--------------------------|--------------|
| | \$'m | \$'m | \$'m |
| Revenue | 1,746 | 404 | 2,150 |
| Adjusted EBITDA | 282 | 58 | 340 |
| Capital expenditure | 57 | 8 | 65 |
| Segment assets | 1,831 | 463 | 2,294 |

Capital expenditure is the sum of purchases of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the combined statement of cash flows.

One customer accounted for greater than 10% of total revenue in 2018 (2017: one; 2016: one).

Total revenue and non-current assets, excluding derivative financial instruments, taxes, pensions and goodwill arising on acquisitions, in countries which account for more than 10% of total revenue or non-current assets, in the current or prior years presented, are as follows:

| | <u>Year ended December 31,</u> | | |
|--------------------------|------------------------------------|-------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| | \$'m | \$'m | \$'m |
| Revenue | | | |
| U.S. | 447 | 403 | 384 |
| France | 396 | 335 | 311 |
| Netherlands | 362 | 309 | 261 |
| Germany | 261 | 249 | 282 |
| United Kingdom | 191 | 176 | 220 |

The revenue above is attributed to countries on a destination basis.

| | <u>At December 31,</u> | | | |
|---------------------------|------------------------|-------------|-------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| | \$'m | \$'m | \$'m | \$'m |
| Non-current assets | | | | |
| U.S. | 248 | 271 | 275 | 279 |
| Netherlands | 230 | 215 | 192 | 207 |
| France | 188 | 209 | 178 | 173 |
| Germany | 182 | 193 | 189 | 203 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

3. Segment analysis (Continued)

Disaggregation of revenue

The following illustrates the disaggregation of revenue by destination:

| <u>2018</u> | <u>Europe</u> | <u>North America</u> | <u>Rest of the World</u> | <u>Total</u> |
|-------------------------|---------------------|--------------------------|------------------------------|---------------------|
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Europe | 1,792 | 9 | 175 | 1,976 |
| North America | 3 | 438 | 4 | 445 |
| Total | <u>1,795</u> | <u>447</u> | <u>179</u> | <u>2,421</u> |
| <u>2017</u> | <u>Europe</u> | <u>North America</u> | <u>Rest of the World</u> | <u>Total</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Europe | 1,600 | 8 | 196 | 1,804 |
| North America | 2 | 395 | 5 | 402 |
| Total | <u>1,602</u> | <u>403</u> | <u>201</u> | <u>2,206</u> |
| <u>2016</u> | <u>Europe</u> | <u>North America</u> | <u>Rest of the World</u> | <u>Total</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Europe | 1,572 | 8 | 166 | 1,746 |
| North America | 3 | 392 | 9 | 404 |
| Total | <u>1,575</u> | <u>400</u> | <u>175</u> | <u>2,150</u> |

4. Exceptional items

| | <u>Year ended December 31,</u> | | |
|--|------------------------------------|------------------|------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Impairment—property, plant and equipment | 6 | 16 | 8 |
| Restructuring and other costs | 7 | 6 | 9 |
| Start-up related costs | — | — | 6 |
| Past service cost | 3 | — | — |
| Exceptional items—cost of sales | <u>16</u> | <u>22</u> | <u>23</u> |
| Transaction-related costs | 2 | 4 | 2 |
| Restructuring and other costs | — | — | 2 |
| Exceptional items—SGA expenses | <u>2</u> | <u>4</u> | <u>4</u> |
| Total exceptional items | <u>18</u> | <u>26</u> | <u>27</u> |

Exceptional items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

4. Exceptional items (Continued)

2018

Exceptional items of \$18 million have been recognized for the year ending December 31, 2018, primarily comprising:

- \$13 million related to capacity realignment programs of the Business, including restructuring costs (\$7 million), and property, plant and equipment impairment charges (\$6 million). These costs were incurred in Europe (\$3 million) and North America (\$10 million).
- \$3 million pension service cost recognized in Europe following a High Court ruling in the U.K. in October 2018 in respect of GMP equalization (note 18).

2017

Exceptional items of \$26 million have been recognized for the year ending December 31, 2017, primarily comprising:

- \$22 million related to capacity realignment programs of the Business, including restructuring costs (\$6 million) and property, plant and equipment impairment charges (\$16 million). These costs were incurred in Europe (\$21 million) and North America (\$1 million).

2016

Exceptional items of \$27 million have been recognized in the year ended December 31, 2016, primarily comprising:

- \$23 million related to capacity realignment programs of the Business, including restructuring costs (\$9 million), start-up related costs (\$6 million) and property, plant and equipment impairment charges (\$8 million). These costs were incurred in Europe (\$12 million) and North America (\$11 million).

5. Net finance expense

| | Year ended December 31, | | |
|---|----------------------------|-----------|-----------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Interest on related party borrowings | 36 | 24 | 24 |
| Net pension interest cost (note 18) | 5 | 6 | 6 |
| Foreign currency translation (gains)/losses | (1) | 3 | 8 |
| Loss on derivative financial instruments | — | 1 | 2 |
| Other finance expense | 2 | 1 | 1 |
| Net finance expense | 42 | 35 | 41 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

6. Income tax

| | Year ended December 31, | | |
|---|----------------------------|------------|-----------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Current tax: | | | |
| Current tax for the year | 39 | 55 | 41 |
| Adjustments in respect of prior years | 1 | (3) | (15) |
| Total current tax | 40 | 52 | 26 |
| Deferred tax: | | | |
| Deferred tax for the year | (1) | — | 3 |
| Adjustments in respect of prior years | — | (1) | (2) |
| Total deferred tax | (1) | (1) | 1 |
| Income tax charge | 39 | 51 | 27 |

Reconciliation of income tax charge and the profit before tax multiplied by the domestic tax rate of the Business for 2018, 2017 and 2016 is as follows:

| | Year ended December 31, | | |
|--|----------------------------|------------|------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Profit before tax | 188 | 202 | 165 |
| Profit before tax multiplied by the standard rate of Luxembourg corporation tax: | | | |
| 26.01% (2017: 27.08%; 2016: 29.22%) | 49 | 55 | 48 |
| Tax losses for which no deferred income tax asset was recognized | 1 | 1 | 1 |
| Re-measurement of deferred taxes | (4) | (9) | (4) |
| Adjustment in respect of prior years | 1 | (4) | (17) |
| Income subject to state and other local income taxes | 5 | 5 | 4 |
| Income taxed at rates other than standard tax rates | (8) | (1) | (5) |
| Non-deductible items | (1) | — | 1 |
| Other | (4) | 4 | (1) |
| Income tax charge | 39 | 51 | 27 |

(iii) Subsequent costs

The Business recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing the component of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Business and the replacement cost of the item can be measured reliably. When a component is replaced the old component is de-recognized in the period. All other costs are recognized in the combined income statement as an expense as incurred. When a major overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria above are met.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

6. Income tax (Continued)

Profit before tax in the combined financial statements of the Business is multiplied by the standard rate of Luxembourg corporation tax, consistent with the presentation in the consolidated financial statements of Ardagh Group S.A.

The total income tax charge outlined above for each year includes tax credits of \$4 million in 2018 (2017: \$14 million; 2016: \$7 million) in respect of exceptional items, being the tax effect of the items set out in note 4. The \$14 million exceptional income tax credit recognized in the year ended December 31, 2017 includes a credit of \$6 million on remeasurement of deferred tax positions following the enactment of the Tax Cuts and Jobs Act of 2017 (“TCJA”) in the United States of America.

Tax credits relating to the re-measurement of deferred tax positions of \$4 million in the year ended December 31, 2016 is attributable to the progressive reduction in the French corporate income tax rate, which will apply when the existing temporary differences reverse, from 33.33% to 28%. On December 22, 2017, the TCJA was signed into U.S. law. On re-measurement of the Business’ deferred tax positions following the enactment of the TCJA, a one-time non-cash benefit of \$6 million was recorded to the income statement of the year ended December 31, 2017. This credit reflects a reduction in the U.S. net deferred tax liability of the Business due to the reduction in the U.S. federal corporate tax rate, which will apply when the existing temporary differences reverse, from the existing rate of 35% to 21% with effect from January 1, 2018. The additional tax credit on re-measurement of deferred tax positions of \$3 million in the year ended December 31, 2017 is attributable to the further progressive reduction in the French corporate income tax rate, which will apply when the existing temporary differences reverse, from 28% to 25%. Tax credits relating to the re-measurement of deferred tax positions of \$4 million in the year ended December 31, 2018 is attributable to the progressive reduction in the Dutch corporate income tax rate, which will apply when the existing temporary differences reverse, from 25% to 20.5%.

Income taxed at non-standard rates takes account of foreign tax rate differences (versus the Luxembourg standard rate of 26.01%) on earnings.

7. Employee costs

| | Year ended December 31, | | |
|---|----------------------------|--------------|--------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Wages and salaries | 343 | 317 | 316 |
| Social security costs | 74 | 70 | 74 |
| Defined benefit plan pension costs (note 18) | 4 | 10 | 11 |
| Defined benefit past service credit (note 18) | (9) | (10) | (1) |
| Defined contribution plan pension costs (note 18) | 12 | 5 | 7 |
| | <u>424</u> | <u>392</u> | <u>407</u> |
| | | | |
| <u>Employees</u> | At December 31, | | |
| | 2018 | 2017 | 2016 |
| Production | 5,953 | 5,984 | 5,998 |
| Administration | 822 | 774 | 770 |
| | <u>6,775</u> | <u>6,758</u> | <u>6,768</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

8. Intangible assets

| | <u>Goodwill</u> | <u>Customer relationships</u> | <u>Technology and other</u> | <u>Software</u> | <u>Total</u> |
|---------------------------------------|-------------------|-----------------------------------|---------------------------------|--------------------|---------------------|
| | \$'m | \$'m | \$'m | \$'m | \$'m |
| <i>Cost</i> | | | | | |
| At January 1, 2016 | 327 | 196 | 87 | 12 | 622 |
| Additions | — | — | 4 | 2 | 6 |
| Exchange | (15) | (5) | (3) | — | (23) |
| At December 31, 2016 | <u>312</u> | <u>191</u> | <u>88</u> | <u>14</u> | <u>605</u> |
| <i>Amortization</i> | | | | | |
| At January 1, 2016 | — | (84) | (30) | (6) | (120) |
| Charge for the year | — | (17) | (8) | (2) | (27) |
| Exchange | — | 4 | 1 | — | 5 |
| At December 31, 2016 | <u>—</u> | <u>(97)</u> | <u>(37)</u> | <u>(8)</u> | <u>(142)</u> |
| <i>Net book value</i> | | | | | |
| At December 31, 2016 | <u>312</u> | <u>94</u> | <u>51</u> | <u>6</u> | <u>463</u> |
| <i>Cost</i> | | | | | |
| At January 1, 2017 | 312 | 191 | 88 | 14 | 605 |
| Additions | — | — | 4 | 5 | 9 |
| Impairment | — | — | — | (1) | (1) |
| Exchange | 37 | 27 | 12 | 2 | 78 |
| At December 31, 2017 | <u>349</u> | <u>218</u> | <u>104</u> | <u>20</u> | <u>691</u> |
| <i>Amortization</i> | | | | | |
| At January 1, 2017 | — | (97) | (37) | (8) | (142) |
| Charge for the year | — | (18) | (8) | (1) | (27) |
| Exchange | — | (13) | (6) | (1) | (20) |
| At December 31, 2017 | <u>—</u> | <u>(128)</u> | <u>(51)</u> | <u>(10)</u> | <u>(189)</u> |
| <i>Net book value</i> | | | | | |
| At December 31, 2017 | <u>349</u> | <u>90</u> | <u>53</u> | <u>10</u> | <u>502</u> |
| <i>Cost</i> | | | | | |
| At January 1, 2018 | 349 | 218 | 104 | 20 | 691 |
| Additions | — | — | 3 | 21 | 24 |
| Exchange | (15) | (8) | (5) | (1) | (29) |
| At December 31, 2018 | <u>334</u> | <u>210</u> | <u>102</u> | <u>40</u> | <u>686</u> |
| <i>Amortization</i> | | | | | |
| At January 1, 2018 | — | (128) | (51) | (10) | (189) |
| Charge for the year | — | (18) | (9) | (1) | (28) |
| Exchange | — | 5 | 3 | — | 8 |
| At December 31, 2018 | <u>—</u> | <u>(141)</u> | <u>(57)</u> | <u>(11)</u> | <u>(209)</u> |
| <i>Net book value</i> | | | | | |
| At December 31, 2018 | <u>334</u> | <u>69</u> | <u>45</u> | <u>29</u> | <u>477</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

8. Intangible assets (Continued)

Goodwill

Allocation of goodwill

Goodwill has been allocated to groups of CGUs for the purpose of impairment testing. The groupings represent the lowest level at which the related goodwill is monitored for internal management purposes. Goodwill acquired through business combination activity is allocated to CGUs that are expected to benefit from synergies arising from that combination.

The lowest level within the Business at which the goodwill is monitored for internal management purposes and consequently the CGUs to which goodwill is allocated, is set out below:

| | At December 31, | | | |
|---------------------------------|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Europe | 305 | 320 | 283 | 298 |
| North America | 29 | 29 | 29 | 29 |
| Total Goodwill | 334 | 349 | 312 | 327 |

Impairment tests for goodwill

The Business performs its impairment test of goodwill annually following approval of the Ardagh Group's annual budget.

Recoverable amount and carrying amount

The Business used the value in use ("VIU") model for the purposes of the goodwill impairment testing as this reflects the Business' intention to hold and operate the assets.

The VIU model used the 2019 budget prepared by the Ardagh Group and a two year forecast for 2020 to 2021 (2017: one-year budget; 2016: two-year budget; 2015: two-year budget). The budget and forecast results were then extended for a further two-year period (2017: four-year period; 2016: three-year period; 2015: three-year period) making certain assumptions including that long-term capital expenditure equals depreciation and that any increase in input cost will be passed through to customers, in line with historic practice and contractual terms.

The terminal value assumed long-term growth in line with long-term inflation.

Cash flows considered in the VIU model included the cash inflows and outflows related to the continuing use of the assets over their remaining useful lives, expected earnings, required maintenance capital expenditure, depreciation and working capital.

The discount rate applied to cash flows in the VIU model was estimated using our weighted average cost of capital as determined by the Capital Asset Pricing Model with regard to the risks associated with the cash flows being considered (country, market and specific risks of the asset).

The modelled cash flows take into account the established history of earnings of the Business, cash flow generation and the nature of the markets in which it operates, where product obsolescence is low. The key assumptions employed in modelling estimates of future cash flows are subjective and include projected

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

8. Intangible assets (Continued)

Adjusted EBITDA, discount rates and growth rates, replacement capital expenditure requirements, rates of customer retention and the ability to maintain margin through the pass through of input cost inflation.

For all CGUs, a sensitivity analysis was performed reflecting potential variations in terminal growth rate and discount rate assumptions. In all cases the recoverable values calculated were in excess of the carrying values of the CGUs. The variation applied to terminal value growth rates and discount rates was a 50 basis points decrease and increase respectively and represents a reasonably possible change to the key assumptions of the VIU model. Further, a reasonably possible change to the operating cash flows would not reduce the recoverable amounts below the carrying value of the CGUs.

The additional disclosures required under IAS 36 in relation to significant goodwill amounts arising in the groups of CGUs are as follows:

| | <u>Europe</u> | <u>North America</u> |
|--|---------------|----------------------|
| | <u>\$'m/%</u> | <u>\$'m/%</u> |
| 2018 | | |
| Carrying amount of goodwill | 305 | 29 |
| Excess of recoverable amount | 1,672 | 299 |
| Pre-tax discount rate applied | 7.6 | 9.7 |
| Growth rate for terminal value | <u>1.5</u> | <u>1.5</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

9. Property, plant and equipment

| | Land and buildings | Plant, machinery and other | Office equipment and vehicles | Total |
|---------------------------------------|-----------------------------------|---|--|--------------|
| | \$'m | \$'m | \$'m | \$'m |
| <i>Cost</i> | | | | |
| At January 1, 2016 | 240 | 1,187 | 10 | 1,437 |
| Additions | — | 59 | 1 | 60 |
| Impairment (note 4) | — | (8) | — | (8) |
| Disposals | (4) | (17) | (1) | (22) |
| Transfers | 5 | (6) | 1 | — |
| Exchange | (5) | (42) | — | (47) |
| At December 31, 2016 | 236 | 1,173 | 11 | 1,420 |
| <i>Depreciation</i> | | | | |
| At January 1, 2016 | (25) | (279) | (1) | (305) |
| Charge for the year | (6) | (71) | (3) | (80) |
| Disposals | 3 | 16 | — | 19 |
| Exchange | 1 | 11 | — | 12 |
| At December 31, 2016 | (27) | (323) | (4) | (354) |
| <i>Net book value</i> | | | | |
| At December 31, 2016 | 209 | 850 | 7 | 1,066 |
| <i>Cost</i> | | | | |
| At January 1, 2017 | 236 | 1,173 | 11 | 1,420 |
| Additions | — | 87 | — | 87 |
| Impairment (note 4) | — | (16) | — | (16) |
| Disposals | — | (26) | (1) | (27) |
| Transfers | 4 | (4) | — | — |
| Exchange | 23 | 131 | 1 | 155 |
| At December 31, 2017 | 263 | 1,345 | 11 | 1,619 |
| <i>Depreciation</i> | | | | |
| At January 1, 2017 | (27) | (323) | (4) | (354) |
| Charge for the year | (6) | (69) | (2) | (77) |
| Disposals | — | 23 | — | 23 |
| Transfers | — | (1) | 1 | — |
| Exchange | (4) | (37) | — | (41) |
| At December 31, 2017 | (37) | (407) | (5) | (449) |
| <i>Net book value</i> | | | | |
| At December 31, 2017 | 226 | 938 | 6 | 1,170 |
| <i>Cost</i> | | | | |
| At January 1, 2018 | 263 | 1,345 | 11 | 1,619 |
| Additions | 8 | 90 | 3 | 101 |
| Impairment (note 4) | — | (6) | — | (6) |
| Disposals | (1) | (26) | (4) | (31) |
| Exchange | (9) | (52) | (1) | (62) |
| At December 31, 2018 | 261 | 1,351 | 9 | 1,621 |
| <i>Depreciation</i> | | | | |
| At January 1, 2018 | (37) | (407) | (5) | (449) |
| Charge for the year | (7) | (77) | (3) | (87) |
| Disposals | 1 | 24 | 4 | 29 |
| Exchange | 2 | 15 | — | 17 |
| At December 31, 2018 | (41) | (445) | (4) | (490) |
| <i>Net book value</i> | | | | |
| At December 31, 2018 | 220 | 906 | 5 | 1,131 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

9. Property, plant and equipment (Continued)

Depreciation expense of \$86 million (2017: \$76 million; 2016: \$78 million) has been charged in cost of sales and \$1 million (2017: \$1 million; 2016: \$2 million) in sales, general and administration expenses.

Included in property, plant and equipment is an amount for land of \$67 million (2017: \$70 million, 2016: \$62 million, 2015: \$64 million).

Impairment

The Board has considered the carrying value of the property, plant and equipment of the Business and assessed the indicators of impairment as at December 31, 2018 in accordance with IAS 36. In the year ended December 31, 2018 an impairment charge of \$6 million (2017: \$16 million; 2016: \$8 million) has been recognized, of which \$5 million (2017: \$nil; 2016: \$3 million) relates to the impairment of plant and machinery in North America, and \$1 million (2017: \$16 million; 2016: \$5 million) relates to the impairment of plant and machinery in Europe, arising principally from capacity realignment programs.

Finance leases

The depreciation charge for capitalized leased assets was \$nil (2017: \$nil; 2016: \$1 million) and the related finance charges were \$nil (2017: \$nil; 2016: \$nil). The net carrying amount of leases capitalized at December 31, 2018 is \$2 million (2017: \$2 million; 2016: \$2 million).

Operating lease commitments

During the year, the expense in respect of operating lease commitments was as follows:

| | Year ended December 31, | | |
|---|----------------------------|-----------|-----------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Plant and machinery | 3 | 2 | 2 |
| Land and buildings | 6 | 7 | 8 |
| Office equipment and vehicles | 8 | 6 | 5 |
| | <u>17</u> | <u>15</u> | <u>15</u> |

At December 31, the Business had total commitments under non-cancellable operating leases which expire:

| | At December 31, | | | |
|---|-----------------|-----------|-----------|-----------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Not later than one year | 16 | 14 | 12 | 14 |
| Later than one year and not later than five years | 32 | 24 | 23 | 28 |
| Later than five years | 13 | 11 | 9 | 9 |
| | <u>61</u> | <u>49</u> | <u>44</u> | <u>51</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

9. Property, plant and equipment (Continued)

Capital commitments

The following capital commitments in relation to property, plant and equipment were authorized by management, but have not been provided for in the combined financial statements:

| | At December 31, | | | |
|------------------------------|-----------------|-----------|-----------|-----------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Contracted for | 26 | 17 | 16 | 10 |
| Not contracted for | 8 | 10 | 6 | 2 |
| | <u>34</u> | <u>27</u> | <u>22</u> | <u>12</u> |

10. Other non-current assets

At December 31, 2018 other non-current assets of \$7 million (2017: \$8 million; 2016: \$6 million; 2015: \$6 million) include \$3 million (2017: \$3 million; 2016: \$3 million; 2015: \$3 million) relating to the investments held by the Business in its joint ventures.

11. Deferred income tax

The movement in deferred tax assets and liabilities during the year was as follows:

| | Assets | Liabilities | Total |
|---|------------|--------------|-------------|
| | \$'m | \$'m | \$'m |
| At January 1, 2016 | 109 | (195) | (86) |
| (Charged)/credited to the income statement (note 6) | (6) | 5 | (1) |
| Credited to other comprehensive income | 13 | — | 13 |
| Reclassification | (1) | 1 | — |
| Exchange | (4) | 6 | 2 |
| At December 31, 2016 | 111 | (183) | (72) |
| (Charged)/credited to the income statement (note 6) | (24) | 25 | 1 |
| (Charged)/credited to other comprehensive income | (4) | 1 | (3) |
| Reclassification | 9 | (9) | — |
| Exchange | 9 | (17) | (8) |
| At December 31, 2017 | 101 | (183) | (82) |
| (Charged)/credited to the income statement (note 6) | (11) | 12 | 1 |
| Reclassification | (2) | 2 | — |
| Exchange | (4) | 6 | 2 |
| At December 31, 2018 | 84 | (163) | (79) |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

11. Deferred income tax (Continued)

The components of deferred income tax assets and liabilities are as follows:

| | At December 31, | | | |
|---|-----------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Tax losses | 15 | 15 | 24 | 22 |
| Employee benefit obligations | 45 | 55 | 58 | 48 |
| Depreciation timing differences | 7 | 8 | 6 | 7 |
| Provisions | 8 | 9 | 7 | 11 |
| Other | 9 | 14 | 16 | 21 |
| | 84 | 101 | 111 | 109 |
| Available for offset | (31) | (35) | (42) | (44) |
| Deferred tax assets | 53 | 66 | 69 | 65 |
| Intangible assets | (13) | (16) | (16) | (19) |
| Accelerated depreciation and other fair value adjustments | (144) | (156) | (156) | (164) |
| Other | (6) | (11) | (11) | (12) |
| | (163) | (183) | (183) | (195) |
| Available for offset | 31 | 35 | 42 | 44 |
| Deferred tax liabilities | (132) | (148) | (141) | (151) |

The tax credit/(charge) recognized in the combined income statement is analyzed as follows:

| | Year ended December 31, | | |
|---|----------------------------|----------|------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Tax losses | — | (9) | 2 |
| Employee benefit obligations | (4) | (4) | — |
| Depreciation timing differences | (1) | (5) | (1) |
| Provisions | (2) | (3) | (4) |
| Other deferred tax assets | (4) | (3) | (3) |
| Intangible assets | 2 | 3 | 3 |
| Accelerated depreciation and other fair value adjustments | 8 | 25 | 2 |
| Other deferred tax liabilities | 2 | (3) | — |
| | 1 | 1 | (1) |

Deferred tax assets are only recognized on tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on management's forecasts. The Business did not recognize deferred tax assets of \$15 million (2017: \$23 million, 2016: \$18 million, 2015: \$21 million) in respect of tax losses amounting to \$77 million (2017: \$113 million, 2016: \$95 million, 2015: \$105 million) that can be carried forward against future taxable income due to uncertainty regarding their utilization.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

11. Deferred income tax (Continued)

No provision has been made for temporary differences applicable to investments in subsidiaries as the Business is in a position to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Given that exemptions and tax credits would be available in the context of the Business' investments in subsidiaries in the majority of jurisdictions in which it operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognized would not be material.

12. Inventories

| | At December 31, | | | |
|---|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Raw materials and consumables | 139 | 149 | 108 | 88 |
| Work-in-progress | 94 | 73 | 59 | 73 |
| Finished goods | 150 | 129 | 138 | 121 |
| | <u>383</u> | <u>351</u> | <u>305</u> | <u>282</u> |

The amount recognized as a write down in inventories or as a reversal of a write down in the year ended December 31, 2018 was not material (2017: not material, 2016: not material).

At December 31, 2018, the hedging gain included in the carrying value of inventories, which will be recognized in the income statement when the related finished goods have been sold, is not material (2017: not material, 2016: not material).

13. Trade and other receivables

| | At December 31, | | | |
|---|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Trade receivables | 221 | 323 | 277 | 326 |
| Other receivables and prepayments | 52 | 42 | 41 | 30 |
| | <u>273</u> | <u>365</u> | <u>318</u> | <u>356</u> |

The fair values of trade and other receivables approximate the amounts shown above.

As of December 31, 2018, trade and other receivables include an amount of \$221 million (2017: \$323 million; 2016: \$277 million; 2015: \$326 million) related to receivables from contracts with customers.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

13. Trade and other receivables (Continued)

Movements on the provision for impairment of trade receivables are as follows:

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|------------------|------------------|------------------|
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| At January 1 | 18 | 14 | 14 |
| Provision for receivables impairment | 1 | 3 | 1 |
| Receivables written off during the year as uncollectible | (2) | — | — |
| Unused amounts reversed | — | — | — |
| Exchange | (1) | 1 | (1) |
| At December 31, | <u>16</u> | <u>18</u> | <u>14</u> |

The majority of the provision above relates to balances which are more than six months past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

Provisions against specific balances

Significant balances are assessed for evidence of increased credit risk. Examples of factors considered are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are rare and there is no significant concentration of risk associated with particular customers.

Providing against the remaining population of customers

The Business monitors actual historical credit losses and adjusts for forward-looking information to measure the level of expected losses. Adverse changes in the payment status of customers of the Business, or national or local economic conditions that correlate with defaults on receivables owing to the Business, may also provide a basis for an increase in the level of provision above historic loss experience.

As of December 31, 2018, trade receivables of \$26 million (2017: \$19 million; 2016: \$13 million; 2015: \$21 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

| | <u>At December 31,</u> | | | |
|--|------------------------|------------------|------------------|------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Up to three months past due | 23 | 13 | 12 | 15 |
| Three to six months past due | 1 | — | — | 2 |
| Over six months past due | 2 | 6 | 1 | 2 |
| | <u>26</u> | <u>19</u> | <u>13</u> | <u>19</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

14. Contract Assets

The following table provides information about significant changes in contract assets:

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| At January 1, | 27 | 24 | 25 |
| Transfers from contract assets recognized at beginning of year to receivables | (27) | (24) | (25) |
| Increases as a result of new contract assets recognized during the year | 17 | 30 | 26 |
| Other | (1) | (3) | (2) |
| Balance as at December 31, | <u>16</u> | <u>27</u> | <u>24</u> |

15. Cash and cash equivalents

| | <u>At December 31,</u> | | | |
|------------------------------------|------------------------|-------------|-------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> | <u>\$'m</u> |
| Cash at bank and in hand | 30 | 29 | 35 | 95 |
| Restricted cash | 4 | 6 | 6 | 8 |
| | <u>34</u> | <u>35</u> | <u>41</u> | <u>103</u> |

Within cash and cash equivalents, the Business had \$4 million of restricted cash at December 31, 2018 (2017: \$6 million; 2016: \$6 million; 2015: \$8 million) which principally related to early retirement plans in Germany.

16. Financial risk factors

The activities of the Business expose it to a variety of financial risks: capital risk, currency exchange risk, commodity price risk and credit risk.

Capital risk

The Business does not have its own treasury function. Treasury and financial risk management is carried out by a central Ardagh Group Treasury team under policies approved by the board of directors of Ardagh. As described in note 2, the related party borrowings reported within these financial statements comprise intercompany debt from Ardagh Group. The debt of the Business in these combined financial statements has fixed interest rates and, as such, the Business is not exposed to variable interest rate risk.

The objectives when managing capital are to safeguard the Business' ability to continue as a going concern and provide returns to its owners.

Financial risks are managed, on an on-going basis, by Ardagh's central Group Treasury and senior management team. Ardagh does not permit the use of treasury instruments for speculative purposes, under any circumstances. Ardagh Group Treasury regularly reviews the level of cash and debt facilities required to fund the activities of the Business, repayments and financing of related party debt obligations, and identified an appropriate amount of headroom to provide a reserve against unexpected funding requirements.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

16. Financial risk factors (Continued)

Currency exchange risk

The Business presents its combined financial information in U.S. dollar.

The Business operates in 20 countries, across four continents and its main currency exposure in the year to December 31, 2018, from the euro functional currency, was in relation to the U.S. dollar, British pound, Polish zloty and Danish krone. Currency exchange risk arises from future commercial transactions and recognized assets and liabilities.

As a result of the combined financial statements being presented in U.S. dollar, the results of the Business are also impacted by fluctuations in the U.S. dollar exchange rate versus the euro.

The Business has a limited level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies.

Fluctuations in the value of these currencies with respect to the euro currency may have a significant impact on the Business' financial condition and results of operations. The Business believes that a strengthening of the euro exchange rate by 1% against all other foreign currencies from the December 31, 2018 rate would decrease invested capital by approximately \$5 million (2017: \$5 million, 2016: \$5 million, 2015: \$6 million).

Commodity price risk

The Business is exposed to changes in prices of its main raw materials, primarily energy, aluminum and steel. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollar, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases in the operations are hedged by entering into swaps under which we pay fixed euro prices. In contrast, the hedging market for steel, and in particular that for coking coal, is a relatively new market which does not have the depth of the aluminum market and as a consequence, there might be limitations to placing hedges in the market. The majority of the steel purchases of the Business are obtained under one-year contracts with prices that are usually fixed in advance. When such contracts are renewed in the future, our steel costs under such contracts will be subject to prevailing global steel and/or tinplate prices at the time of renewal, which may be different from historical prices. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

The Business uses derivative agreements to manage some of the material cost risk. The Business depends on an active liquid market and available credit lines with counterparty banks to cover this risk. The use of derivative contracts to manage its risk is dependent on robust hedging procedures. Increasing raw material costs over time has the potential, if we are unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on its financial condition. The Business is also exposed to possible interruptions of supply of aluminum and steel or other raw materials and any inability to purchase raw materials could negatively impact its operations.

As a result of the volatility of gas and electricity prices, the Business has either included energy pass-through clauses in its sales contracts or developed an active hedging strategy to fix a significant proportion of its energy costs through contractual arrangements directly with our suppliers, where there is no energy clause in the sales contract.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

16. Financial risk factors (Continued)

Where pass through contracts do not exist, the Business policy is to purchase gas and electricity by entering into forward price-fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such contracts are used exclusively to obtain delivery of our anticipated energy supplies. The Business does not net settle, nor do we sell within a short period of time after taking delivery. The Business avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Business typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price-fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit risk

Credit risk of the Business has been managed by Ardagh's central Treasury function. Credit risk arises from derivative contracts, cash and deposits held with banks and financial institutions, as well as credit exposures to the customers of the Business, including outstanding receivables. The policy of the Business is to place excess liquidity on deposit with the central Ardagh Treasury entity who will, in turn, only place excess liquid funds with recognized and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" from at least two credit rating agencies are accepted, where possible. The credit ratings of banks and financial institutions are monitored to ensure compliance with Ardagh Group policy. Risk of default is controlled within a policy framework of dealing with high quality institutions and by limiting the amount of credit exposure to any one bank or institution.

Business policy is to extend credit to customers of good credit standing. Credit risk is managed on an on-going basis, by experienced people within the Business. The Business' policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. The Business does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2018, the ten largest customers of the Business accounted for approximately 35% of total revenues (2017: 39%; 2016: 40%). There is no recent history of default with these customers.

Liquidity risk

The Business is exposed to liquidity risk which arises primarily from the maturing of short term and long term debt obligations. Ardagh's policy has been to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To effectively manage liquidity risk Ardagh:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long term fixed rate debt securities; and

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

16. Financial risk factors (Continued)

- has internal control processes to manage liquidity risk.

Cash flow forecasting is performed in the operating entities of the Ardagh and is aggregated by Ardagh Group Treasury. Ardagh Group Treasury monitors rolling forecasts of Ardagh's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Ardagh does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Ardagh's debt financing plans.

17. Financial assets and liabilities

| | At December 31, | | | |
|-------------------------------------|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Related party borrowings | 556 | 496 | 444 | 444 |
| Finance leases | 5 | 5 | 5 | 6 |
| Other borrowings | 6 | 3 | 3 | 3 |
| Total borrowings | 567 | 504 | 452 | 453 |
| Cash and cash equivalents | (34) | (35) | (41) | (103) |
| Net borrowings | 533 | 469 | 411 | 350 |

The carrying amounts of the related party borrowings are denominated in the following currencies.

| | At December 31, | | | |
|-----------------------|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Euro | 327 | 255 | 227 | 222 |
| U.S. dollar | 154 | 148 | 146 | 152 |
| Other | 86 | 101 | 79 | 79 |
| | 567 | 504 | 452 | 453 |

The interest rates applicable to these loans range from 4.32% to 9.00% with maturities ranging from 2021 to 2024 with the Ardagh Group.

The following table summarizes the Business' movement in net borrowings:

| | At December 31, | | |
|--|-----------------|------------|------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Net decrease in cash and cash equivalents per combined statement of cash flows . . . | 1 | 6 | 62 |
| Increase/(decrease) in total borrowings | 63 | 52 | (1) |
| Increase in net borrowings | 64 | 58 | 61 |
| Net borrowings at January 1, | 469 | 411 | 350 |
| Net borrowings at December 31, | 533 | 469 | 411 |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

17. Financial assets and liabilities (Continued)

The increase in total borrowings primarily relates to a loan of \$109 million transferred into the Business (2017: \$nil, 2016: \$nil), partly offset by a foreign exchange gain of \$16 million (2017: \$41 million loss, 2016: \$9 million gain) and other movements through invested capital of \$31 million (2017: \$10 million, 2016: \$10 million).

The maturity profile of the Business' borrowings is as follows:

| | At December 31, | | | |
|--|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Within one year or on demand | 160 | 150 | 147 | 153 |
| Between one and two years | 1 | 1 | 1 | 1 |
| Between two and five years | 229 | 3 | 236 | 4 |
| Greater than five years | 177 | 350 | 68 | 295 |
| | <u>567</u> | <u>504</u> | <u>452</u> | <u>453</u> |

The table below analyses the Business' financial liabilities, including interest payable, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

| At 31 December, 2018 | Borrowings | Derivative financial instruments | Trade payables |
|--|------------|----------------------------------|----------------|
| | \$'m | \$'m | \$'m |
| Within one year or on demand | 195 | 5 | 447 |
| Between one and two years | 30 | — | — |
| Between two and five years | 312 | — | — |
| Greater than five years | 182 | — | — |

| At 31 December, 2017 | Borrowings | Derivative financial instruments | Trade payables |
|--|------------|----------------------------------|----------------|
| | \$'m | \$'m | \$'m |
| Within one year or on demand | 176 | — | 422 |
| Between one and two years | 22 | — | — |
| Between two and five years | 63 | — | — |
| Greater than five years | 367 | — | — |

| At 31 December, 2016 | Borrowings | Derivative financial instruments | Trade payables |
|--|------------|----------------------------------|----------------|
| | \$'m | \$'m | \$'m |
| Within one year or on demand | 170 | — | 344 |
| Between one and two years | 18 | — | — |
| Between two and five years | 283 | — | — |
| Greater than five years | 80 | — | — |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

17. Financial assets and liabilities (Continued)

| <u>At 31 December, 2015</u> | <u>Borrowings</u> | <u>Derivative financial instruments</u> | <u>Trade payables</u> |
|--|-------------------|---|---------------------------|
| | \$'m | \$'m | \$'m |
| Within one year or on demand | 176 | 4 | 287 |
| Between one and two years | 19 | — | — |
| Between two and five years | 58 | — | — |
| Greater than five years | 321 | — | — |

The fair value of the non-current related party and other borrowings is as follows:

| | <u>2018</u> | | <u>2017</u> | | <u>2016</u> | | <u>2015</u> | |
|--|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | <u>Carrying value</u> | <u>Fair value</u> | <u>Carrying value</u> | <u>Fair value</u> | <u>Carrying value</u> | <u>Fair value</u> | <u>Carrying value</u> | <u>Fair value</u> |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| Related party and other borrowings | <u>407</u> | <u>398</u> | <u>354</u> | <u>374</u> | <u>305</u> | <u>317</u> | <u>300</u> | <u>300</u> |

The Business uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 during the year.

Fair values are calculated as follows:

- (i) Non-current related party borrowings—The fair value of the non-current related party borrowings of the Business is linked to quoted market prices for Ardagh's corporate debt, considering the credit risk of the Business and represent Level 2 inputs.
- (ii) Current related party borrowings—The fair value of the current related party borrowings are equivalent to their carrying value, given these related party borrowings are short-term in nature.
- (iii) Finance leases and other borrowings—The carrying amount of finance leases and other borrowings is assumed to be a reasonable approximation of fair value.
- (iv) Metal forward contracts and forward foreign exchange contracts—The fair value of these derivatives are based on quoted market prices and represent Level 2 inputs.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

17. Financial assets and liabilities (Continued)

Derivative financial instruments

| | Assets | | Liabilities | |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | Fair values | Contractual or notional amounts | Fair values | Contractual or notional amounts |
| | \$'m | \$'m | \$'m | \$'m |
| <i>Fair Value Derivatives</i> | | | | |
| Metal forward contracts | 4 | 44 | 5 | 55 |
| Forward foreign exchange contracts | — | 9 | — | 21 |
| At December 31, 2018 | 4 | 53 | 5 | 76 |

| | Assets | | Liabilities | |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | Fair values | Contractual or notional amounts | Fair values | Contractual or notional amounts |
| | \$'m | \$'m | \$'m | \$'m |
| <i>Fair Value Derivatives</i> | | | | |
| Metal forward contracts | 2 | 29 | — | — |
| Forward foreign exchange contracts | — | 1 | — | — |
| At December 31, 2017 | 2 | 30 | — | — |

| | Assets | | Liabilities | |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | Fair values | Contractual or notional amounts | Fair values | Contractual or notional amounts |
| | \$'m | \$'m | \$'m | \$'m |
| <i>Fair Value Derivatives</i> | | | | |
| Metal forward contracts | 2 | 16 | — | — |
| Forward foreign exchange contracts | — | — | — | 5 |
| At December 31, 2016 | 2 | 16 | — | 5 |

| | Assets | | Liabilities | |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | Fair values | Contractual or notional amounts | Fair values | Contractual or notional amounts |
| | \$'m | \$'m | \$'m | \$'m |
| <i>Fair Value Derivatives</i> | | | | |
| Metal forward contracts | — | — | 4 | 39 |
| Forward foreign exchange contracts | — | — | — | — |
| At December 31, 2015 | — | — | 4 | 39 |

Derivative instruments with a fair value of \$1 million (2017: \$nil, 2016: \$nil, 2015: \$nil) are classified as non-current assets and \$3 million (2017: \$2 million, 2016: \$2 million, 2015: \$nil) as current assets in the combined statement of financial position at December 31, 2018. Derivative instruments with a fair value of

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

17. Financial assets and liabilities (Continued)

\$5 million (2017: \$nil, 2016: \$nil, 2015: \$4 million) are classified as current liabilities in the combined statement of financial position at December 31, 2018.

The majority of derivative assets and liabilities mature within one year with the exception of certain metal forward contracts which mature at dates between January 2020 and October 2021. All cash payments in relation to derivative instruments are paid or received when they mature.

The Business mitigates the counterparty risk for derivatives by contracting with major financial institutions which have high credit ratings.

Metal forward contracts

The Business hedges a portion of its anticipated metal purchases. Excluding conversion and freight costs, the physical metal deliveries are priced based on the applicable indices agreed with the suppliers for the relevant month.

Fair values have been based on quoted market prices and are valued using Level 2 valuation inputs. The fair value of these contracts when initiated is \$nil; no premium is paid or received.

Forward foreign exchange contracts

The Business operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. The fair values are based on Level 2 valuation techniques and observable inputs including the contract prices. The fair value of these contracts when initiated is \$nil; no premium is paid or received.

18. Employee benefit obligations

The Business operates defined benefit or defined contribution pension schemes in most of its countries of operation and the assets are held in separately administered funds. The principal funded defined benefit schemes, which are funded by contributions to separately administered funds, are in the United Kingdom.

Other defined benefit schemes are unfunded and the provision is recognized in the combined statement of financial position. The principal unfunded schemes are in Germany.

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically. The contributions paid in each period were those recommended by the actuaries.

In addition, the Business has other employee benefit obligations in certain territories.

Total employee obligations recognized in the combined statement of financial position of \$302 million (2017: \$329 million; 2016: \$315 million; 2015: \$277 million) includes other employee benefit obligations of \$34 million (2017: \$34 million; 2016: \$31 million; 2015: \$34 million). Total employee obligations recognized in the combined statement of financial position are gross of deferred income tax assets of \$45 million in 2018 (2017: \$55 million; 2016: \$58 million; 2015: \$48 million).

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

The employee obligations and assets of the defined benefit schemes included in the combined statement of financial position are analyzed below:

| | <u>Obligations</u> | <u>Assets</u> | <u>Net obligations</u> |
|------------------------|--------------------|---------------|------------------------|
| | \$'m | \$'m | \$'m |
| 2018 | | | |
| Germany | (217) | — | (217) |
| UK | (125) | 95 | (30) |
| Netherlands | (16) | — | (16) |
| Other | (19) | 14 | (5) |
| Total | <u>(377)</u> | <u>109</u> | <u>(268)</u> |
| 2017 | | | |
| Germany | (239) | — | (239) |
| UK | (140) | 109 | (31) |
| Netherlands | (19) | — | (19) |
| Other | (22) | 16 | (6) |
| Total | <u>(420)</u> | <u>125</u> | <u>(295)</u> |
| 2016 | | | |
| Germany | (219) | — | (219) |
| UK | (128) | 97 | (31) |
| Netherlands | (569) | 541 | (28) |
| Other | (19) | 13 | (6) |
| Total | <u>(935)</u> | <u>651</u> | <u>(284)</u> |
| 2015 | | | |
| Germany | (207) | — | (207) |
| UK | (126) | 102 | (24) |
| Netherlands | (539) | 530 | (9) |
| Other | (16) | 13 | (3) |
| Total | <u>(888)</u> | <u>645</u> | <u>(243)</u> |

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

Defined benefit pension schemes

The amounts recognized in the combined income statement are:

| | Year ended December 31, | | |
|---|----------------------------|------------|-------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| <i>Current service cost and administration costs:</i> | | | |
| Cost of sales—current service cost (note 7) | (4) | (10) | (10) |
| Cost of sales—past service credit (note 7) | 9 | 8 | 1 |
| SGA—current service cost (note 7) | — | — | (1) |
| SGA—past service credit (note 7) | — | 2 | — |
| | 5 | — | (10) |
| Finance expense (note 5) | (5) | (6) | (6) |
| | <u>—</u> | <u>(6)</u> | <u>(16)</u> |

The amounts recognized in the combined statement of comprehensive income are:

| | Year ended December 31, | | |
|---|----------------------------|-------------|-------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| <i>Re-measurement of defined benefit obligation:</i> | | | |
| Actuarial gain/(loss) arising from changes in demographic assumptions | 1 | (3) | 10 |
| Actuarial gain/(loss) arising from changes in financial assumptions | 3 | (19) | (97) |
| Actuarial gain/(loss) arising from changes in experience | — | 3 | (7) |
| | <u>4</u> | <u>(19)</u> | <u>(94)</u> |
| <i>Re-measurement of plan assets:</i> | | | |
| Actual (loss)/return less expected return on plan assets | (7) | 29 | 42 |
| Actuarial (loss)/gain for the year on defined benefit pension schemes | (3) | 10 | (52) |
| Actuarial (loss)/gain on other long term and end of service employee benefits | (1) | 1 | — |
| | <u>(4)</u> | <u>11</u> | <u>(52)</u> |

The actual return on plan assets was a loss of \$4 million in 2018 (2017: gain of \$40 million; 2016: gain of \$59 million; 2015: gain of \$8 million).

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

Movement in the defined benefit obligations and assets:

| | Obligations | | | Assets | | |
|---|--------------|--------------|--------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| At January 1, | (420) | (935) | (888) | 125 | 651 | 645 |
| Interest income | — | — | — | 3 | 11 | 17 |
| Current service cost | (4) | (10) | (11) | — | — | — |
| Past service credit | 9 | 10 | 1 | — | — | — |
| Interest cost | (8) | (17) | (23) | — | — | — |
| Administration expenses paid from plan assets | — | — | — | — | (1) | (2) |
| Re-measurements | 4 | (19) | (94) | (7) | 29 | 42 |
| Obligations/(assets) extinguished on reclassification . . . | — | 602 | — | — | (602) | — |
| Employer contributions | — | — | — | 15 | 20 | 17 |
| Employee contributions | — | (2) | (3) | — | 2 | 3 |
| Benefits paid | 20 | 33 | 36 | (20) | (33) | (36) |
| Exchange | 22 | (82) | 47 | (7) | 48 | (35) |
| At December 31, | (377) | (420) | (935) | 109 | 125 | 651 |

The defined benefit obligations above include \$245 million (2017: \$270 million; 2016: \$246 million; 2015: \$216 million) of unfunded obligations. Employer contributions above include no contributions under schemes extinguished during the year (2017: \$7 million; 2016: \$nil; 2015: \$nil).

Interest income and interest cost above does not include interest cost of \$nil (2017: \$nil; 2016: \$1 million; 2015: \$nil) relating to other employee benefit obligations. Current service costs above does not include current service costs of \$1 million (2017: \$1 million, 2016: \$1 million, 2015: \$1 million) relating to other employee benefit obligations.

During the year ended December 31, 2018, the Business elected to re-design one of its pension schemes in Germany, moving from a defined benefit pension scheme to a contribution orientated system. This amendment resulted in the recognition of a past service credit of \$12 million in the year within cost of sales. The past service credit was partly offset by a past service cost of \$3 million following a high court judgement in the U.K. in October 2018 guaranteeing gender equality in U.K. pension schemes for accrued benefits (“GMP Equalization”). The GMP equalization past service cost has been recognized as exceptional within the combined income statement for the year ended December 31, 2018.

During the year ended December 31, 2017 a defined benefit pension scheme in the Netherlands was transferred to a multi-employer scheme. Prior to the date of transfer, a past service credit of \$10 million was recognized such that, on the date of transfer, the defined benefit obligation and asset were both \$602 million (December 31, 2016: \$552 million and \$541 million respectively). The Business has taken the exemption under IAS 19(R) to account for multi-employer schemes as defined contribution schemes. As a result, the scheme is no longer accounted for as a defined benefit scheme at December 31, 2017.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

Plan assets comprise:

| | At December 31, | | | | | | | |
|-------------------------------|-----------------|------------|------------|------------|------------|------------|------------|------------|
| | 2018 | 2018 | 2017 | 2017 | 2016 | 2016 | 2015 | 2015 |
| | \$'m | % | \$'m | % | \$'m | % | \$'m | % |
| Equities | 8 | 7 | — | — | 194 | 30 | 180 | 28 |
| Target return funds | 62 | 58 | 88 | 70 | 70 | 11 | 85 | 13 |
| Bonds | 20 | 18 | 23 | 18 | 304 | 46 | 263 | 41 |
| Cash/other | 19 | 17 | 14 | 12 | 83 | 13 | 117 | 18 |
| | 109 | 100 | 125 | 100 | 651 | 100 | 645 | 100 |

The pension assets do not include any of the Company's ordinary shares, other securities or other Business assets.

Investment strategy

The choice of investments takes account of the expected maturity of the future benefit payments. The plans invest in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international equities, fixed income government and non-government securities and real estate, as well as cash.

Characteristics and associated risks

The U.K. pension plan is a trust-based U.K. funded final salary defined benefit scheme, providing pensions and lump sum benefits to members and dependents. The U.K. plan has been closed to future accrual from July 1, 2014, with pensions calculated based on service to the point of closure, but with members' benefits retaining a final salary link while employed by the Company.

The pension plans in Germany operate under the framework of German Company Pension Law (BetrAVG) and general regulations based on German Labor Law. The entitlements of the plan members depend on years of service and final salary. Furthermore, the plans provide lifelong pensions. No separate assets are held in trust, i.e. the plans are unfunded defined benefit plans. During the year ended December 31, 2018, the Business elected to re-design its pension scheme in Germany, moving to a contribution orientated system.

The U.K. pension plan is governed by a board of trustees, which includes members who are independent of the Company. The trustees are responsible for managing the operation, funding and investment strategy. The U.K. pension plan is subject to the U.K. regulatory framework, the requirements of the Pensions Regulator and is subject to a statutory funding objective.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

Assumptions and sensitivities

The principal pension assumptions used in the preparation of the financial statements take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations. The ranges of the principal assumptions applied in estimating defined benefit obligations were:

| | Germany | | | UK | | | Netherlands | | |
|-------------------|-----------------------|--|-------------------|-----------------------|--|-------------------|-----------------------|--|-------------------|
| | Rates of inflation | Rates of increase in salaries | Discount rates | Rates of inflation | Rates of increase in salaries | Discount rates | Rates of inflation | Rates of increase in salaries | Discount rates |
| | % | % | % | % | % | % | % | % | % |
| 2018 | 1.50 | 2.50 | 1.84 | 3.13 | 2.13 | 2.93 | 1.70 | 1.70 | 2.10 |
| 2017 | 1.50 | 2.50 | 1.68 - 1.99 | 3.10 | 3.10 | 2.70 | 1.70 | 1.70 | 2.10 |
| 2016 | 1.50 | 2.50 | 1.57 - 2.02 | 3.20 | 2.20 | 2.80 | 1.70 | 1.70 | 1.80 |
| 2015 | 1.75 | 2.50 | 2.16 - 2.49 | 3.00 | 3.00 | 3.90 | 1.70 | 1.70 | 2.50 |

Assumptions regarding future mortality experience are based on actuarial advice in accordance with published statistics and experience.

These assumptions translate into the following average life expectancy in years for a pensioner retiring at age 65. The mortality assumptions for the countries with the most significant defined benefit plans are set out below:

| | Germany | | | | UK | | | | Netherlands | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2018 Years | 2017 Years | 2016 Years | 2015 Years | 2018 Years | 2017 Years | 2016 Years | 2015 Years | 2018 Years | 2017 Years | 2016 Years | 2015 Years |
| Life expectancy, current pensioners . | 22 | 21 | 21 | 21 | 21 | 21 | 21 | 20 | 24 | 24 | 24 | 24 |
| Life expectancy, future pensioners . . | 24 | 24 | 24 | 24 | 22 | 23 | 22 | 22 | 25 | 25 | 25 | 26 |

If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated \$30 million (2017: \$28 million, 2016: \$80 million; 2015: \$72 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated \$27 million (2017: \$44 million, 2016: \$87 million; 2015: \$80 million).

If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated \$20 million (2017: \$24 million, 2016: \$24 million; 2015: \$37 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated \$22 million (2017: \$25 million, 2016: \$26 million; 2015: \$19 million).

If the salary increase rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated \$11 million (2017: \$14 million, 2016: \$15 million; 2015: \$27 million). If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated \$12 million (2017: \$14 million, 2016: \$16 million; 2015: \$8 million).

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

The impact of increasing the life expectancy by one year would result in an increase in the net pension obligation of the Business of \$13 million at December 31, 2018 (2017: \$14 million, 2016: \$35 million; 2015: \$20 million), holding all other assumptions constant.

The best estimate of contributions expected to be paid to defined benefit schemes of the Business in 2019 is \$4 million.

The principal defined benefit schemes are described briefly below:

| Nature of the schemes | Metal Packaging | |
|---|------------------------|-------------------------------|
| | Europe UK Funded | Europe Germany Unfunded |
| 2018 | | |
| Active members | — | 747 |
| Deferred members | 408 | 565 |
| Pensioners including dependents | 378 | 1,070 |
| Weighted average duration (years) | 17 | 15 |
| 2017 | | |
| Active members | — | 711 |
| Deferred members | 476 | 573 |
| Pensioners including dependents | 371 | 1,029 |
| Weighted average duration (years) | 21 | 16 |
| 2016 | | |
| Active members | — | 773 |
| Deferred members | 476 | 568 |
| Pensioners including dependents | 371 | 977 |
| Weighted average duration (years) | 20 | 16 |
| 2015 | | |
| Active members | 118 | 648 |
| Deferred members | 412 | 513 |
| Pensioners including dependents | 344 | 871 |
| Weighted average duration (years) | 21 | 16 |

The expected total benefit payments over the next five years are:

| | 2019 | 2020 | 2021 | 2022 | 2023 | Subsequent five years |
|--------------------|-----------|-----------|-----------|-----------|-----------|--------------------------|
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| Benefits | <u>17</u> | <u>13</u> | <u>29</u> | <u>14</u> | <u>14</u> | <u>78</u> |

The Business also has defined contribution plans; the contribution expense associated with these plans for 2018 was \$12 million (2017: \$5 million; 2016: \$7 million). The best estimate of the contributions expected to be paid to these plans by the Business in 2019 is \$11 million.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

18. Employee benefit obligations (Continued)

Other employee benefits

| | At December 31, | | | |
|--|-----------------|-----------|-----------|-----------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| End of service employee benefits | 23 | 23 | 23 | 24 |
| Long term employee benefits | 11 | 11 | 8 | 10 |
| | <u>34</u> | <u>34</u> | <u>31</u> | <u>34</u> |

End of service employee benefits principally comprise amounts due to be paid to employees leaving the service of the Business in France and Italy.

Long term employee benefit obligations comprise amounts due to be paid under partial retirement contracts in Germany and other obligations to pay benefits primarily related to long service awards.

19. Related party transactions

(i) Joint ventures

At December 31, 2018, the investment of the Business in joint ventures is \$3 million (2017: \$3 million; 2016: \$3 million; 2015: \$3 million). Transactions and balances outstanding with joint ventures held by the Business are not material for the years ended December 31, 2018, 2017 and 2016.

(ii) Pension scheme

The pension schemes are related parties. For details of all transactions during the year, please see note 18.

(iii) Other related party transactions

Transactions with the Ardagh Group are included in invested capital and primarily comprise of the cash transfers to and from the Ardagh Group and intercompany charges, including allocation of the Group costs. Cash transfers and allocation of Group costs are disclosed in the combined statement of cash flows and note 2 respectively. In 2018 a loan of \$109 million was transferred into the Business, other related party borrowings movements of \$31 million (2017: \$10 million, 2016: \$10 million) are also included within invested capital (note 17). Tax amounts offset to invested capital of \$30 million (2017: \$36 million, 2016: \$16 million) represent the difference between tax charges and credits and balances recorded in the combined financial statements and amounts recorded in the historical records of the Business. The remaining movements in invested capital in 2018 of \$238 million (2017: \$223 million; 2016: \$312 million), comprise the net of comprehensive income, net cash transfers, intercompany charges and changes in intercompany positions with the Ardagh Group. At 1 January 2016, the initial reporting date for these combined financial statements, the balance between the Business and the Ardagh Group, accounted for as invested capital, was \$1,109 million.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

20. Provisions

| | At December 31, | | | |
|-----------------------|-----------------|-----------|-----------|-----------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Current | 17 | 20 | 30 | 33 |
| Non-current | 8 | 13 | 10 | 12 |
| | <u>25</u> | <u>33</u> | <u>40</u> | <u>45</u> |

| | Restructuring | Other provisions | Total provisions |
|---------------------------------------|---------------|------------------|------------------|
| | \$'m | \$'m | \$'m |
| At January 1, 2016 | 12 | 33 | 45 |
| Provided | 16 | 6 | 22 |
| Released | (3) | (7) | (10) |
| Paid | (9) | (4) | (13) |
| Exchange | — | (4) | (4) |
| At December 31, 2016 | 16 | 24 | 40 |
| Provided | 9 | 9 | 18 |
| Released | (2) | (19) | (21) |
| Paid | (8) | (3) | (11) |
| Exchange | 3 | 4 | 7 |
| At December 31, 2017 | 18 | 15 | 33 |
| Provided | 3 | 7 | 10 |
| Released | (3) | (8) | (11) |
| Paid | (5) | (1) | (6) |
| Exchange | (1) | — | (1) |
| At December 31, 2018 | 12 | 13 | 25 |

The restructuring provision relates to redundancy and other restructuring costs. Other provisions relate to probable environmental claims, customer quality claims, onerous lease claims.

The provisions classified as current are expected to be paid in the next twelve months. The majority of the restructuring provision is expected to be paid in 2019. The remaining balance represents longer term provisions for which the timing of the related payments is subject to uncertainty.

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

21. Trade and other payables

| | At December 31, | | | |
|---|-----------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 |
| | \$'m | \$'m | \$'m | \$'m |
| Trade payables | 447 | 422 | 344 | 287 |
| Other payables and accruals including other tax and social security payable | 120 | 136 | 117 | 126 |
| Payables and accruals for exceptional items | 2 | 2 | 2 | 4 |
| | <u>569</u> | <u>560</u> | <u>463</u> | <u>417</u> |

The fair values of trade and other payables approximate the amounts shown above.

Other payables and accruals mainly comprise accruals for operating expenses, deferred income and value added tax payable.

22. Cash generated from operating activities

| | Year ended December 31, | | |
|--|----------------------------|-------------------|-------------------|
| | 2018 | 2017 | 2016 |
| | \$'m | \$'m | \$'m |
| Profit for the year | 149 | 151 | 138 |
| Income tax charge (note 6) | 39 | 51 | 27 |
| Net finance expense (note 5) | 42 | 35 | 41 |
| Depreciation and amortization (notes 8, 9) | 115 | 104 | 107 |
| Exceptional operating items (note 4) | 18 | 26 | 27 |
| Movement in working capital | 33 | (17) | 56 |
| Transaction-related and other exceptional costs paid | (2) | (4) | (15) |
| Exceptional restructuring paid | (9) | (8) | (7) |
| Cash generated from operations | <u>385</u> | <u>338</u> | <u>374</u> |

23. Related party information

(i) Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Business. During the financial periods reported in these combined financial statements, the Business was part of Ardagh Group S.A., which is where all decisions, control and key strategy choices were made. Therefore the Business does not have any key management as a stand-alone entity. The finance management of the Business have an operative role in relation to the decisions taken at corporate level.

The key management personnel of Ardagh have controlled and directed the operations of the Business as it was not managed separately. Payments to these personnel are made by a different subsidiary of the Ardagh Group. It is not possible to determine with certainty the charges that the Business received for the mentioned key personnel, although a portion of the key management remuneration is included in the corporate costs allocated (note 2).

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

23. Related party information (Continued)

(ii) Controlled companies

These combined financial statements include the following legal entities, all of which were involved in metal packaging as of December 31, 2018:

| Company | Country of incorporation | Portion of shares held % |
|---|--------------------------|--------------------------|
| Impress Belgium NV | Belgium | 100 |
| Ardagh Metal Packaging Canada Ltd | Canada | 100 |
| Ardagh Metal Packaging Czech Republic s.r.o | Czech Republic | 100 |
| Ardagh Metal Packaging Hjørring A/S | Denmark | 100 |
| Ardagh Aluminium Packaging France SAS | France | 100 |
| Ardagh Group France SAS | France | 100 |
| Ardagh MP Group France S.A. | France | 100 |
| Ardagh MP West France SAS | France | 100 |
| Ardagh Metal Packaging France SAS | France | 100 |
| Ardagh Metal Packaging Germany GmbH | Germany | 100 |
| Ardagh Germany MP GmbH | Germany | 100 |
| Ardagh Metal Packaging Hellas S.A. | Greece | 100 |
| Ardagh Aluminium Packaging Hungary Kft | Hungary | 100 |
| Ardagh Metal Packaging Hungary Kft | Hungary | 100 |
| Ardagh Metal Packaging Italy S.r.l* | Italy | 100 |
| Ardagh Metal Packaging Japan KK | Japan | 100 |
| Ardagh Metal Packaging Latvia SIA | Latvia | 100 |
| Ardagh Metal Packaging Morocco SAS | Morocco | 100 |
| Ardagh Aluminium Packaging Netherlands B.V. | Netherlands | 100 |
| Ardagh MP Group Netherlands BV | Netherlands | 100 |
| Ardagh Metal Packaging Netherlands B.V. | Netherlands | 100 |
| Ardagh Metal Packaging Poland Sp. z o.o. | Poland | 100 |
| Ardagh Metal Packaging Buftea S.A. | Romania | 100 |
| Ardagh Metal Packaging Kuban LLC | Russia | 100 |
| Ardagh Metal Packaging Rus LLC | Russia | 100 |
| Ardagh Russia Holdings 1 BV | Russia | 100 |
| Ardagh Russia Holdings 2 BV | Russia | 100 |
| Ardagh Metal Packaging (Seychelles) Ltd | Seychelles | 100 |
| Ardagh Metal Packaging Korea Chusik Hoesa | South Korea | 100 |
| Ardagh Metal Packaging Iberica S.A. | Spain | 100 |
| Ardagh Metal Packaging Ukraine LLC | Ukraine | 100 |
| Ardagh Metal Packaging UK Limited | United Kingdom | 100 |
| Ardagh Metal Packaging (Trustee) Limited | United Kingdom | 100 |
| Ardagh MP Holdings UK Limited | United Kingdom | 100 |
| Impress Sutton Ltd | United Kingdom | 100 |
| Ardagh Metal Packaging USA Inc. | United States | 100 |

* Newly incorporated subsidiaries or name change effected in year ended December 31, 2018

THE METAL FOOD & SPECIALITIES BUSINESS
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

23. Related party information (Continued)

A number of the above legal entities act as subsidiary guarantor for the debt of Ardagh Group S.A. as of December 31, 2018.

24. Contingencies

Environmental issues

The Business is regulated under various national and local environmental, occupational health and safety and other governmental laws and regulations relating to:

- the operation of installations for manufacturing of metal packaging and surface treatment using solvents;
- the generation, storage, handling, use and transportation of hazardous materials;
- the emission of substances and physical agents into the environment;
- the discharge of waste water and disposal of waste;
- the remediation of contamination;
- the design, characteristics, collection and recycling of its packaging products; and
- the manufacturing, sale and servicing of machinery and equipment for the container metal packaging industry.

The Business believes, based on current information that it is in substantial compliance with applicable environmental laws and regulations and permit requirements. It does not believe it will be required, under existing or anticipated future environmental laws and regulations, to expend amounts, over and above the amounts accrued, which will have a material effect on its business, financial condition or results of operations or cash flows. In addition, no material proceedings against the Business arising under environmental laws are pending.

Legal matter

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices in Germany of metal packaging manufacturers, including Ardagh. In 2018, the European Commission took over this investigation and the German investigation is, as a result, at an end. The European Commission's investigation is ongoing, and there is at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision has been recognized.

With the exception of the above legal matter, the Business is involved in certain other legal proceedings arising in the normal course of its business. The Business believes that none of these proceedings, either individually or in aggregate, are expected to have a material adverse effect on its business, financial condition, results of operations or cash flows.

25. Events after the reporting period

There are no material events after the reporting period relevant to the Business which would require disclosure in these combined financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Element Holdings II, L.P. (dba Exal Group)
For the Three Months Ended March 31, 2019
(Unaudited)

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Element Holdings II, L.P. and Subsidiaries
Condensed Consolidated Interim Balance Sheets
(Unaudited)

| | March 31, 2019 | December 31, 2018 |
|---|-----------------------------------|-------------------------|
| | (in thousands of U.S. Dollars) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,215 | \$ 4,220 |
| Accounts receivable, less allowance for doubtful accounts of \$372 and \$369, respectively | 53,856 | 50,292 |
| Inventories | 38,314 | 41,287 |
| Other current assets | 2,663 | 3,038 |
| Total current assets | <u>\$ 98,048</u> | <u>98,837</u> |
| Non-current assets: | | |
| Property, plant and equipment, net | 269,099 | 272,456 |
| Intangible assets, net | 18,711 | 19,469 |
| Other non-current assets | 2,401 | 2,554 |
| Total non-current assets | <u>290,211</u> | <u>294,479</u> |
| Total assets | <u><u>\$388,259</u></u> | <u><u>\$393,316</u></u> |
| Liabilities and Partners' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 23,396 | \$ 23,998 |
| Accrued salaries, benefits and other employee costs | 5,191 | 8,669 |
| Accrued liabilities | 849 | 1,025 |
| Current portion of long-term debt (<i>Note 5</i>) | 16,696 | 15,653 |
| Current portion of capital leases | 80 | 81 |
| Total current liabilities | <u>46,212</u> | <u>49,426</u> |
| Non-current liabilities: | | |
| Long-term debt (<i>Note 5</i>) | 147,415 | 152,326 |
| Obligations under capital leases | 7,907 | 8,026 |
| Deferred income taxes | 13,135 | 13,599 |
| Total non-current liabilities | <u>168,457</u> | <u>173,951</u> |
| Partners' equity: | | |
| Partners' capital | 209,250 | 209,105 |
| Accumulated deficit | (38,124) | (41,545) |
| Accumulated other comprehensive income | 2,464 | 2,379 |
| Total partners' equity | <u>173,590</u> | <u>169,939</u> |
| Total liabilities and partners' equity | <u><u>\$388,259</u></u> | <u><u>\$393,316</u></u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Condensed Consolidated Interim Statements of Operations
And Comprehensive Income
(Unaudited)

| | Three Months Ended March 31, | |
|--|-----------------------------------|----------|
| | 2019 | 2018 |
| | (in thousands of U.S. Dollars) | |
| Revenues | \$71,033 | \$76,396 |
| Operating expenses: | | |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 45,351 | 49,971 |
| Selling, general and administrative | 6,797 | 6,370 |
| Depreciation and amortization | 7,031 | 6,518 |
| Transition and integration expenses | 384 | 188 |
| Loss (gain) on write-down or disposal of property, plant and equipment | 3 | (5) |
| Other expenses (<i>Note 7</i>) | 4,385 | 3,158 |
| Insurance claim income, net (<i>Note 8</i>) | — | (1,894) |
| Operating income | 7,082 | 12,090 |
| Interest expense | 2,949 | 3,100 |
| Income before taxes | 4,133 | 8,990 |
| Provision for income taxes | (712) | (1,787) |
| Net income | \$ 3,421 | \$ 7,203 |
| Other comprehensive income: | | |
| Foreign currency translation adjustments | 85 | 35 |
| Total comprehensive income | \$ 3,506 | \$ 7,238 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Condensed Consolidated Interim Statements of Changes in Partners' Equity
(Unaudited)

| | Three months ended March 31, | |
|---|-----------------------------------|---------------------------|
| | 2019 | 2018 |
| | (in thousands of U.S. Dollars) | |
| Partners' capital | | |
| Balance, January 1 | \$209,105 | \$208,583 |
| Stock-based compensation | 145 | (58) |
| Balance, March 31 | <u>\$209,250</u> | <u>\$208,525</u> |
| Accumulated deficit | | |
| Balance, January 1 | \$ (41,545) | \$ (55,423) |
| Net income | 3,421 | 7,203 |
| Balance, March 31 | <u>\$ (38,124)</u> | <u>\$ (48,220)</u> |
| Accumulated other comprehensive income | | |
| Balance, January 1 | \$ 2,379 | \$ 2,076 |
| Foreign currency translation adjustment | 85 | 35 |
| Balance, March 31 | <u>\$ 2,464</u> | <u>\$ 2,111</u> |
| Total partners' equity at March 31 | <u>\$173,590</u> | <u>\$162,416</u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

| | Three Months Ended March 31, | |
|---|---|-------------|
| | 2019 | 2018 |
| | (in thousands of U.S. Dollars) | |
| Operating activities | | |
| Net income | \$ 3,421 | \$ 7,203 |
| Adjustments to reconcile from continuing operations to net cash provided by operating activities | | |
| Depreciation and amortization | 7,031 | 6,518 |
| Gain on insurance recovery related to property, plant and equipment | — | (1,245) |
| Amortization of deferred financing costs | 364 | 366 |
| Deferred income taxes | (464) | 337 |
| Stock-based compensation | 145 | — |
| Provision for doubtful accounts | 3 | (76) |
| Foreign exchange impact on capital lease obligations | (94) | 6 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (3,567) | 114 |
| Inventories | 2,973 | 2,728 |
| Accounts payable | (348) | 2,624 |
| All other operating assets and liabilities | (3,134) | (2,853) |
| Cash provided by operating activities | 6,330 | 15,722 |
| Investing activities | | |
| Purchase of property and equipment | (3,163) | (8,685) |
| Insurance proceeds related to fixed assets | — | 1,245 |
| Cash used for investing activities | (3,163) | (7,440) |
| Financing activities | | |
| Proceeds from long-term debt | 2,000 | 6,000 |
| Payments on long-term debt | (6,257) | (9,113) |
| Cash used for financing activities | (4,257) | (3,113) |
| Effect of exchange rates on cash and cash equivalents | 85 | 36 |
| Increase (decrease) in cash and cash equivalents | (1,005) | 5,205 |
| Cash and cash equivalents | | |
| Beginning of period | 4,220 | 2,891 |
| End of period | \$ 3,215 | \$ 8,096 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
(in thousands)

1. Organization and Basis of Presentation

Formation of Company

Element Holdings II, L.P. (the Company) was formed on February 18, 2010, and on April 1, 2010, it acquired 100% of the outstanding common shares of Element US Holding Company and Element Netherlands Holdings Company.

Nature of Business

The Company is primarily engaged in the business of manufacturing and selling extruded aluminum containers to fit the specifications of customers in various industries in domestic and international markets. In conducting this business, the Company leverages its technical capabilities to innovate new designs allowing customers to enhance their brand and provide optimal functionality primarily in the aerosol, beverage and food markets. The Company does business primarily in the United States, Brazil, and Argentina, and maintains holding companies in the Netherlands.

Principles of Consolidation and Basis of Presentation

Element Holdings II, L.P. and its subsidiaries are collectively referred to herein as “the Company” or “Exal Group”. The Condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. The Condensed consolidated interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States. Intercompany balances and transactions are eliminated for all periods presented.

The interim consolidated financial statements included herein have been prepared by the Company, without audit. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures included are adequate to make the information presented not misleading.

In management’s opinion, the unaudited Consolidated Statements of Operations and Comprehensive Income for the three months ended March 31, 2019 and 2018, the unaudited Consolidated Balance Sheet as at March 31, 2019, the unaudited Consolidated Statements of Changes in Partners’ Equity for the three months ended March 31, 2019 and 2018, and the unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2019 and 2018, contained herein, reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of the Company’s financial position, results of operations and cash flows on a basis consistent with that of the Company’s prior audited consolidated financial statements. However, the results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. Therefore, these financial statements should be read in conjunction with the audited financial statements and notes thereto and summary of significant accounting policies included in the Company’s audited consolidated financial statements the year ended December 31, 2018. Except as noted below, there have been no material changes in the footnotes from those accompanying the audited consolidated financial statements for the year ended December 31, 2018.

Element Holdings II, L.P. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements (Unaudited) (Continued)
(in thousands)

2. Recently Adopted Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-15, Statement of Cash Flows (Topic 230)—Classification of Certain Cash Receipts and Cash Payments. ASU 2016-15 clarifies how entities should classify certain cash receipts and cash payments in the statement of cash flows and amends certain disclosure requirements of ASC 230. The guidance will generally be applied retrospectively and is effective for non-public business entities for fiscal years beginning after December 15, 2018, and interim periods within those years. The adoption of ASU 2016-15 did not result in any change to the classification or presentation in the statement of cash flows in any current or prior period.

In January 2018, the FASB issued ASU 2018-02, “Reporting Comprehensive Income”. This ASU gives entities the option to reclassify to retained earnings the tax effects resulting from the Tax Reform Act related to items in AOCI that the FASB refers to as having been stranded in AOCI. This ASU may be applied retrospectively to each period in the year of adoption. This ASU also requires new disclosures regarding our accounting policy for relating the tax effects in AOCI. The standard is applicable for fiscal years beginning after December 15, 2018. The adoption of ASU 2018-02 did not have impact to the Company’s financial statements.

3. Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued a comprehensive new revenue recognition standard, ASU 2014-09, “Revenue from Contracts with Customers”. In addition to superseding and replacing nearly all existing U.S. GAAP revenue recognition guidance, including industry-specific guidance, ASC 606 establishes a new control-based revenue recognition model; changes the basis for deciding when revenue is recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue. The standard’s core principle is that a company will recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the present guidance. In achieving the core principle, an entity should apply the five-step revenue recognition model as described in the standard.

In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers: Deferral of the Effective Date”, which deferred the effective date of ASU 2014-09 for all entities by one year. As such, the Company will be required to apply the new revenue recognition standard for annual reporting periods beginning on or after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

In March 2016, FASB issued ASU 2016-08, “Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)” with amendments to ASU 2014-09 on assessing whether an entity is a principal or an agent in a revenue transaction, which impacts whether an entity reports revenue on a gross or net basis.

In April 2016, FASB issued ASU 2016-10, “Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing” with amendments to ASU 2014-09 on identifying performance obligations and accounting for licenses of intellectual property (IP).

In May 2016, FASB issued ASU 2016-12, “Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients” with amendments to ASU 2014-09 on collectability, non-cash

Element Holdings II, L.P. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements (Unaudited) (Continued)
(in thousands)

3. Recently Issued Accounting Pronouncements Not Yet Adopted (Continued)

consideration, presentation of sales tax, and transition. These amendments are intended to address implementation issues and provide additional practical expedients.

The Company has not early adopted the new revenue standard and will adopt the standard effective for the annual fiscal year ended December 31, 2019 and for the interim periods in the fiscal year ended December 31, 2020. The Company is continuing to evaluate the impact that the adoption of these revenue standards will have on the measurement, recognition and disclosure of revenue in the Company's consolidated financial statements.

On February 25, 2016, the FASB issued ASU 2016-02, "Leases". The new standard applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. Similar to the existing standard, the lessee will classify leases as either finance or operating. This classification will involve more judgement on the part of the lessee. The pattern of expense recognition in the income statement as well the effect on the statement of cash flows differs depending on the lease classification.

Lessor accounting is similar to the current lease standard; however, updated to align with changes to the lessee model and the new revenue recognition standard. Similar to current leases standard, lessors will classify leases as operating, direct financing, or sales-type.

Lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The standard is effective for non-public entities for annual and interim reporting periods beginning after December 15, 2019. Early adoption is permitted. The standard must be adopted using a modified retrospective transition. The Company is currently evaluating the impact of adopting the new standard.

4. Property, Plant and Equipment

Machinery and equipment purchases of \$2,952 and \$3,206 were included in accounts payable at March 31, 2019 and December 31, 2018, respectively

5. Financing Arrangements

Long-term debt consisted of the following at December 31:

| | March 31, 2019 | December 31, 2018 |
|---|-------------------|----------------------|
| Revolving lines of credit | \$ 21,800 | \$ 22,900 |
| Term loans, maturing on March 3, 2022 | 146,091 | 149,223 |
| | 167,891 | 172,123 |
| Less: Current portion of long-term debt | (16,696) | (15,653) |
| Less: Unamortized debt issuance costs | (3,780) | (4,144) |
| Total long-term debt | <u>\$147,415</u> | <u>\$152,326</u> |

Element Holdings II, L.P. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements (Unaudited) (Continued)
(in thousands)

5. Financing Arrangements (Continued)

At March 31, 2019, the Company had unused revolving lines of credit of \$31,200 and \$2,000 for Exal Corporation and Exal Argentina, S.A., respectively, under its credit facility.

The restrictive financial covenants contained within the Company's credit facility are a fixed charge coverage ratio and a leverage ratio. The Company was in compliance with all covenants of its credit facility as of March 31, 2019.

6. Commitments and Contingencies

The Exal Group is a defendant in legal actions from normal business activities. At March 31, 2019, management believes that these matters are without merit and the likelihood of loss is remote. The ultimate liability, if any, upon resolution will not have a material effect on the Condensed consolidated interim financial position, operations or cash flows of the Company.

In an attempt to fix the cost of aluminum at a lower level, Exal Corporation ("Exal U.S."), the Company's North American subsidiary, committed itself on a short-term basis to purchase specified quantities of aluminum slugs at fixed prices from one supplier during 2018 and 2019. These contracts meet the normal purchases and normal sales provision and are therefore not subject to be accounted for as derivatives under ASC 815. For the years 2019 and 2018, these commitments totaled 2,017 and 2,913 metric tons of aluminum for \$5,707 and \$6,510, respectively

7. Other Expenses

Other expense consisted of the following for the three months ended March 31:

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|-----------------------|
| Foreign currency remeasurement | \$3,609 | \$1,650 |
| Various South American taxes (non-income) | 297 | 789 |
| Share-based compensation expense | 145 | — |
| Transaction-related expense | 27 | 557 |
| Loss on equity method investment | 5 | 5 |
| Other | 302 | 158 |
| Total other expenses | <u>\$4,385</u> | <u>\$3,159</u> |

8. Insurance Recoveries

Garin, Argentina Fire

In October 2017, a fire occurred at the Company's packaging facility in Garin, Argentina. The fire took place in the warehousing area of the plant and no production assets were damaged. During the fourth quarter of 2017 and into early 2018, the packaging facility was not able to operate at full capacity as the initial cleanup activities impacted the entire facility. The Company maintains property insurance with a deductible of \$80 coverage to mitigate losses.

Element Holdings II, L.P. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements (Unaudited) (Continued)
(in thousands)

8. Insurance Recoveries (Continued)

The Company recorded insurance recoveries of \$0 and \$3,025 during the three months ended March 31, 2019 and 2018, respectively relating to the property damage and business interruption caused by the fire.

The Company incurred demolition, cleanup, repair and other fire related costs of \$0 and \$1,131 for the three months ended March 31, 2019 and 2018, respectively.

These insurance recoveries, net of the costs incurred, during the three months ended March 31 are summarized below:

| | <u>2019</u> | <u>2018</u> |
|--|--------------|-----------------|
| Property damage and business interruption insurance recoveries | \$ — | \$ 3,025 |
| Cost of clean-up and repairs | <u>—</u> | <u>(1,131)</u> |
| Insurance claim income, net | <u>\$ —</u> | <u>\$ 1,894</u> |
| Insurance proceeds related to property, plant and equipment | \$ — | \$ 1,245 |
| Cost capitalized | \$978 | \$ 1,245 |

9. Subsequent Events

Management has evaluated all activity of the Company through June 12, 2019, the date the condensed consolidated interim financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the condensed consolidated interim financial statements or notes thereto.

CONSOLIDATED FINANCIAL STATEMENTS

Element Holdings II, L.P. (dba Exal Group)
Years Ended December 31, 2018 and 2017
With Report of Independent Auditors

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Report of Independent Auditors

To the Board of Directors and Partners of Element Holdings II, L.P. (dba Exal Group)

We have audited the accompanying consolidated financial statements of Element Holdings II, L.P. and Subsidiaries (dba Exal Group), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and comprehensive income, changes in partners' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Element Holdings II, L.P. and Subsidiaries (dba Exal Group) as at December 31, 2018 and 2017, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 28, 2019



A member firm of Ernst & Young Global Limited

Element Holdings II, L.P. and Subsidiaries
Consolidated Balance Sheets

| | December 31, | |
|--|-------------------------|-------------------------|
| | 2018 | 2017 |
| | (in thousands) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,220 | \$ 2,891 |
| Accounts receivable, less allowance for doubtful accounts of \$369 and \$572, respectively (Note 3) | 50,292 | 54,242 |
| Inventories (Note 4) | 41,287 | 39,063 |
| Other current assets | 3,038 | 3,448 |
| Total current assets | <u>\$ 98,837</u> | <u>99,644</u> |
| Non-current assets: | | |
| Property, plant and equipment, net (Note 5) | 272,456 | 263,471 |
| Intangible assets, net (Note 6) | 19,469 | 22,490 |
| Other non-current assets | 2,554 | 2,457 |
| Total non-current assets | <u>294,479</u> | <u>288,418</u> |
| Total assets | <u><u>\$393,316</u></u> | <u><u>\$388,062</u></u> |
| Liabilities and Partners' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 23,998 | \$ 31,728 |
| Accrued salaries, benefits and other employee costs | 8,669 | 6,004 |
| Accrued liabilities | 1,025 | 1,340 |
| Current portion of long-term debt (Note 8) | 15,653 | 9,943 |
| Current portion of capital leases (Note 9) | 81 | 105 |
| Total current liabilities | <u>49,426</u> | <u>49,119</u> |
| Non-current liabilities: | | |
| Long-term debt (Note 8) | 152,326 | 157,113 |
| Obligations under capital leases (Note 9) | 8,026 | 9,568 |
| Deferred income taxes (Note 11) | 13,599 | 17,026 |
| Total non-current liabilities | <u>173,951</u> | <u>183,707</u> |
| Partners' equity: | | |
| Partners' capital | 209,105 | 208,583 |
| Accumulated deficit | (41,545) | (55,423) |
| Accumulated other comprehensive income | 2,379 | 2,076 |
| Total partners' equity | <u>169,939</u> | <u>155,236</u> |
| Total liabilities and partners' equity | <u><u>\$393,316</u></u> | <u><u>\$388,062</u></u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Operations
And Comprehensive Income

| | Years Ended December 31, | |
|--|-----------------------------|-----------|
| | 2018 | 2017 |
| | (in thousands) | |
| Revenues | \$287,658 | \$272,110 |
| Operating expenses: | | |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 186,540 | 174,533 |
| Selling, general and administrative (<i>Note 10</i>) | 25,832 | 26,480 |
| Depreciation and amortization (<i>Note 5 and 6</i>) | 26,944 | 24,765 |
| Transition and integration expenses (<i>Note 14</i>) | 2,568 | 1,904 |
| Loss on write-down or disposal of fixed assets (<i>Note 5</i>) | 6,263 | 1,851 |
| Other expenses (<i>Note 15</i>) | 24,939 | 16,318 |
| Insurance claim income, net (<i>Note 16</i>) | (10,443) | (235) |
| Operating income | 25,015 | 26,494 |
| Other expenses: | | |
| Interest expense (<i>Note 8</i>) | 11,687 | 10,824 |
| Interest expense—related parties (<i>Note 8</i>) | — | 1,080 |
| Income before taxes | 13,328 | 14,590 |
| Benefit from (provision for) income taxes (<i>Note 11</i>) | 550 | (447) |
| Net income | \$ 13,878 | \$ 14,143 |
| Other comprehensive (loss) income: | | |
| Foreign currency translation adjustments | 303 | (823) |
| Total comprehensive income | \$ 14,181 | \$ 13,320 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Changes in Partners' Equity
For the years ended December 31, 2018 and 2017
(in thousands)

| | |
|--|--------------------------|
| Partners' capital | |
| Balance, December 31, 2016 | \$207,679 |
| Stock-based compensation | 904 |
| Balance, December 31, 2017 | 208,583 |
| Stock-based compensation (<i>Note 13</i>) | <u>522</u> |
| Balance, December 31, 2018 | <u>\$209,105</u> |
| Accumulated deficit | |
| Balance, December 31, 2016 | \$(69,566) |
| Net income | 14,143 |
| Balance, December 31, 2017 | (55,423) |
| Net income | <u>13,878</u> |
| Balance, December 31, 2018 | <u>\$(41,545)</u> |
| Accumulated other comprehensive income | |
| Balance, December 31, 2016 | \$ 2,899 |
| Foreign currency translation adjustment | <u>(823)</u> |
| Balance, December 31, 2017 | 2,076 |
| Foreign currency translation adjustment | <u>303</u> |
| Balance, December 31, 2018 | <u>\$ 2,379</u> |
| Total partners' equity at December 31, 2018 | <u>\$169,939</u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Cash Flows

| | Years Ended December 31, | |
|--|-----------------------------|-----------|
| | 2018 | 2017 |
| | (in thousands) | |
| Operating activities | | |
| Net income | \$ 13,878 | \$ 14,143 |
| Adjustments to reconcile from continuing operations to net cash provided by operating activities | | |
| Depreciation and amortization | 26,944 | 24,765 |
| Gain on insurance recovery related to fixed assets | (4,942) | (453) |
| Amortization of deferred financing costs | 1,501 | 1,994 |
| Deferred income taxes | (3,427) | (10,025) |
| Loss on impairment or disposal of fixed assets | 6,263 | 1,851 |
| Loss related to equity method investment | 161 | 259 |
| Stock-based compensation (<i>Note 13</i>) | 522 | 904 |
| Provision for doubtful accounts | (202) | (90) |
| Foreign exchange impact on capital lease obligations | (1,511) | (169) |
| Expenses, but unpaid PIK interest | — | 1,080 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 4,152 | (1,070) |
| Inventories | (3,118) | (4,390) |
| Accounts payable | (7,955) | 4,860 |
| All other operating assets and liabilities | 2,504 | 389 |
| Cash provided by operating activities | 34,770 | 34,217 |
| Investing activities | | |
| Purchase of property and equipment | (38,002) | (32,794) |
| Insurance proceeds related to fixed assets | 4,942 | 453 |
| Proceeds from sale of property and equipment | — | (67) |
| Cash used for investing activities | (33,060) | (32,408) |
| Financing activities | | |
| Proceeds from long-term debt | 10,900 | 195,875 |
| Payments on long-term debt | (11,584) | (194,626) |
| Deferred financing costs paid | — | (6,049) |
| Cash used for financing activities | (684) | (4,800) |
| Effect of exchange rates on cash and cash equivalents | 303 | (810) |
| Increase (decrease) in cash and cash equivalents | 1,329 | (3,970) |
| Cash and cash equivalents | | |
| Beginning of year | 2,891 | 6,861 |
| End of year | \$ 4,220 | \$ 2,891 |
| Supplemental disclosure of cash flow information | | |
| Cash paid during the year for: | | |
| Interest | \$ 10,046 | \$ 8,766 |
| Interest to related parties | \$ — | \$ 13,643 |
| Income taxes | \$ 9,622 | \$ 8,740 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2018 and 2017
(In Thousands)

1. Organization and Basis of Presentation

Formation of Company

Element Holdings II, L.P. (the Company) was formed on February 18, 2010, and on April 1, 2010, it acquired 100% of the outstanding common shares of Element US Holding Company and Element Netherlands Holdings Company.

Nature of Business

The Company is primarily engaged in the business of manufacturing and selling extruded aluminum containers to fit the specifications of customers in various industries in domestic and international markets. In conducting this business, the Company leverages its technical capabilities to innovate new designs allowing customers to enhance their brand and provide optimal functionality primarily in the aerosol, beverage and food markets. The Company does business primarily in the United States, Brazil, and Argentina, and maintains holding companies in the Netherlands.

Principles of Consolidation and Basis of Presentation

Element Holdings II, L.P. and its subsidiaries are collectively referred to herein as “the Company” or “Exal Group”. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States. Intercompany balances and transactions are eliminated for all periods presented.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements are as follows:

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to changes in facts and circumstances.

On an ongoing basis, the Company evaluates its estimates, including those related to the accounts receivable allowance, reserve for excess and obsolete inventory, lower of cost or market conditions, useful lives of long-lived assets (including intangible assets), carrying value of long-lived assets (including goodwill and intangible assets), and the valuation of deferred income tax assets, as well as its assumptions to value its workers' compensation liabilities, the value of unit option plans and other related assumptions used for the purpose of determining stock-based compensation, among other things. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
(In Thousands)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred, price has been fixed or is determinable, and collectability is reasonably assured. Customers generally take title and assume all the risks of ownership upon shipment.

Shipping and Handling Costs

Shipping and handling costs billed to customers are recorded as revenues and the related costs are included as a component of cost of goods sold in the accompanying consolidated statements of operations and comprehensive income.

Cash and Cash Equivalents

The Company considers highly liquid debt instruments purchased with original maturity dates of three months or less from the date of acquisition to be cash equivalents and are valued at cost plus accrued interest, which approximates fair value.

Receivables

The Company has established credit policies in evaluating its customers' financial condition and, generally, requires no collateral from its customers. The potential risk is limited to the amounts recorded in the consolidated financial statements. Periodically, management reviews accounts receivable and adjusts the allowance for doubtful accounts based on the Company's historical losses, existing economic conditions and the financial stability of its customers. Receivables are written off when they are determined to be uncollectible, although collection efforts may continue. The Company's allowance for doubtful accounts was \$369 and \$572 at December 31, 2018 and 2017, respectively.

Inventories

Inventories are stated at the lower of cost (determined using the first-in, first-out (FIFO) method) or net realizable value. The cost of work in process and finished goods includes materials, labor, and an allocation of fixed overhead based on normal operating capacity. Provisions are made for potentially obsolete or slow-moving inventory based on management's analysis of inventory levels, historical usage, future demand and market conditions.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method. Major property categories are depreciated over various periods as follows (in years):

| <u>Description</u> | <u>Useful life</u> |
|--------------------------------------|--------------------|
| Land improvements | 30 - 40 |
| Buildings and improvements | 10 - 40 |
| Machinery and equipment | 2 - 17 |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

The Company capitalizes interest cost incurred on funds used to construct property and equipment. The capitalized interest is recorded as part of the cost of the asset to which it relates and is amortized over the asset's estimated useful life.

In accordance with Accounting Standards Codification (ASC) Topic 360, Property, Plant and Equipment, the Company regularly assesses the carrying value of its long-lived assets to be held and used, including property, plant and equipment, and intangible assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If such events or circumstances are present, a loss is recognized to the extent the carrying values of the asset are in excess of estimated fair value. The Company recorded an impairment loss of \$5,596 during the year ended December 31, 2018, primarily related to certain manufacturing assets that had been previously taken out of service. No impairment loss was recorded during the year ended December 31, 2017.

Intangible Assets

Intangible assets consist primarily of customer relationships. The useful lives of intangible assets are estimated based upon the nature of the intangible asset. Amortization is provided using the straight-line method over a useful life of 15 years.

Contingencies

From time-to-time during the ordinary course of business, the Company is threatened with, or may become a party to, legal actions and other proceedings. The Company records a liability for such claims when an unfavorable outcome of the matter is deemed to be probable and the amount of the loss is reasonably estimable. Legal costs associated with these contingencies are recorded as incurred.

Income Taxes

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, the provision for income taxes represents income taxes paid or payable (or received or receivable) for the current year plus the change in deferred taxes during the year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid and result from differences between the financial and tax bases of the Company's assets and liabilities. Deferred taxes are adjusted for changes in tax rates and tax laws when changes are enacted.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. In evaluating the need for a valuation allowance, management considers all potential sources of taxable income including income available in carryback periods, future reversals of taxable temporary differences, projections of taxable income, and income from tax planning strategies, as well as all available positive and negative evidence.

Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that either the appropriate taxing

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

authority has completed their examination even though the statute of limitations remains open, or the statute of limitation has expired. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Fair Value Measurements

The Company accounts for the fair value measurement of its financial assets and liabilities in accordance with Financial Accounting Standards Board (FASB) ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy, prioritizing observable and unobservable inputs used to measure fair value into three broad levels as described below:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date;
- Level 2—inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3—unobservable inputs for the asset or liability.

The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement.

Stock-Based Compensation

The Company's Parent has a stock option plan with the Company's management, employees and independent directors, and the related stock-based compensation is reported as part of selling, general and administrative expense in the accompanying consolidated statements of operations and comprehensive income. The fair value associated with unit option plans has been calculated using the Black-Scholes valuation model and is recognized as compensation expense over the requisite service period.

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the Company's foreign subsidiary operates, except in countries with a history of high inflation. Management selects the functional currency after evaluating the economic operating environment of its foreign subsidiaries. The Company's operations in Argentina and Brazil use the U.S. dollar as the functional currency. All other foreign entities use the local currency as the functional currency.

For the Company's operations in Brazil and Argentina where the U.S. dollar is the functional currency, monetary assets and liabilities are remeasured at current rates, non-monetary assets and liabilities are remeasured at historical rates, and revenues and expenses are remeasured at average rates on

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
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2. Summary of Significant Accounting Policies (Continued)

a monthly basis throughout the year. Foreign currency transaction losses included in other expense totaled \$18,815 and \$5,496 for the years ended December 31, 2018 and 2017, respectively.

Assets and liabilities of foreign operations where the local currency is the functional currency are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates on a monthly basis throughout the year. Translation gains and losses are reported as a component of accumulated other comprehensive income in partners' equity. The Company's foreign currency translation gain for the year ended December 31, 2018 was \$303. The Company's foreign currency translation loss for the year ended December 31, 2017 was \$823.

Short-term Purchase Commitments

In an attempt to fix the cost of aluminum at a lower level, Exal Corporation ("Exal U.S."), the Company's North American subsidiary, committed itself on a short-term basis to purchase specified quantities of aluminum slugs at fixed prices from one supplier during 2018 and 2019. These contracts meet the normal purchases and normal sales provision and are therefore not subject to be accounted for as derivatives under ASC 815. For the years 2019 and 2018, these commitments totaled 2,017 and 2,913 metric tons of aluminum for \$5,707 and \$6,510, respectively

Non-cash Investing Activities

Machinery and equipment purchases of \$3,206 and \$3,431 were included in accounts payable at December 31, 2018 and 2017, respectively.

Advertising Costs

Advertising costs are expensed when incurred. Charges to operations amounted to \$211 and \$169 for 2018 and 2017, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassifications had no effect on the accumulated deficit.

Research and Development

Research and development expenditures are expensed as incurred. Substantially all engineering and development costs are related to developing new products or designing significant improvements to existing products or processes. Costs primarily include salaries and benefits, facility costs and outside services.

New accounting policies adopted by the Company

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities". The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other changes, the

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

amendments eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. For non-public entities, the guidance is effective for fiscal years beginning after December 15, 2017. The adoption of ASU 2016-01 did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, though early adoption is permitted if all amendments are adopted in the same period. On January 1, 2018, the Company adopted the provisions of ASU 2016-09. The adoption of ASU 2016-09 resulted in the Company making an accounting policy election to change how it will recognize the number of share-based payments that will ultimately vest. In the past, the Company applied a forfeiture rate to shares granted. With the adoption of ASU 2016-09, the Company will recognize forfeitures as they occur. The adoption of ASU 2016-09 did not have a material impact on the Company's results of operations or financial condition.

In May 2017, the FASB issued Accounting Standards Update No. 2017-09, Compensation—Stock Compensation (Topic 718), Scope of Modification Accounting ("ASU 2017-09"). ASU 2017-09 clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. The guidance also clarifies that a modification to an award could be significant and therefore require disclosure, even if modification accounting is not required. ASU 2017-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. On January 1, 2018, the Company adopted the provision of ASU 2017-09 on a prospective basis. The adoption of ASU 2017-09 did not have an impact on the Company's results of operations or financial condition.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued a comprehensive new revenue recognition standard, ASU 2014-09, "Revenue from Contracts with Customers". In addition to superseding and replacing nearly all existing U.S. GAAP revenue recognition guidance, including industry-specific guidance, ASC 606 establishes a new control-based revenue recognition model; changes the basis for deciding when revenue is recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue. The standard's core principle is that a company will recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the present guidance. In achieving the core principle, an entity should apply the five-step revenue recognition model as described in the standard.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers: Deferral of the Effective Date”, which deferred the effective date of ASU 2014-09 for all entities by one year. As such, the Company will be required to apply the new revenue recognition standard for annual reporting periods beginning on or after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

In March 2016, FASB issued ASU 2016-08, “Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)” with amendments to ASU 2014-09 on assessing whether an entity is a principal or an agent in a revenue transaction, which impacts whether an entity reports revenue on a gross or net basis.

In April 2016, FASB issued ASU 2016-10, “Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing” with amendments to ASU 2014-09 on identifying performance obligations and accounting for licenses of intellectual property (IP).

In May 2016, FASB issued ASU 2016-12, “Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients” with amendments to ASU 2014-09 on collectability, non-cash consideration, presentation of sales tax, and transition. These amendments are intended to address implementation issues and provide additional practical expedients.

The Company is evaluating the impact that the adoption of these revenue standards will have on the measurement, recognition and disclosure of revenue in the Company’s consolidated financial statements.

On February 25, 2016, the FASB issued ASU 2016-02, “Leases”. The new standard applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. Similar to the existing standard, the lessee will classify leases as either finance or operating. This classification will involve more judgement on the part of the lessee. The pattern of expense recognition in the income statement as well the effect on the statement of cash flows differs depending on the lease classification.

Lessor accounting is similar to the current lease standard; however, updated to align with changes to the lessee model and the new revenue recognition standard. Similar to current leases standard, lessors will classify leases as operating, direct financing, or sales-type.

Lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The standard is effective for non-public entities for annual and interim reporting periods beginning after December 15, 2019. Early adoption is permitted. The standard must be adopted using a modified retrospective transition. The Company is currently evaluating the impact of adopting the new standard.

In August 2016, the FASB issued ASU 2016-15, “Classification of Certain Cash Receipts and Cash Payments”. This ASU addresses eight specific cash flow items with the objective of reducing diversity in practice and clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The guidance will generally be applied

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

retrospectively and is effective for non-public entities for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new standard.

In January 2018, the FASB issued ASU 2018-02, “Reporting Comprehensive Income”. This ASU gives entities the option to reclassify to retained earnings the tax effects resulting from the Tax Reform Act related to items in AOCI that the FASB refers to as having been stranded in AOCI. This ASU may be applied retrospectively to each period in the year of adoption. This ASU will also require new disclosures regarding our accounting policy for relating the tax effects in AOCI. The standard is applicable for fiscal years beginning after December 15, 2018. The Company is currently evaluating the impact of adopting this new standard.

3. Accounts Receivable

Accounts receivable consisted of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|---|-----------------|-----------------|
| Trade accounts receivable | \$32,428 | \$38,537 |
| Value-added taxes receivable | 10,264 | 11,914 |
| Miscellaneous tax and other receivables | 7,969 | 4,363 |
| Allowance for doubtful accounts | (369) | (572) |
| Total accounts receivable | <u>\$50,292</u> | <u>\$54,242</u> |

The Company maintains a supply chain financing program to sell accounts receivable from one specific customer without recourse to a third-party financial institution. Sales of accounts receivable are reflected as a reduction of accounts receivable on the consolidated balance sheets and the proceeds of \$7,940 and \$21,372 are included in cash flows from operating activities in the consolidated statements of cash flows for the years ended December 31, 2018 and 2017, respectively. The Company incurred losses of \$89 and \$148 on the sale of \$8,029 and \$21,520 of accounts receivable during the years ended December 31, 2018 and 2017, respectively. Losses on the sale of receivables are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive income.

4. Inventories

Inventories consisted of the following as of December 31:

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|-----------------|-----------------|
| Raw materials | \$22,082 | \$17,256 |
| Work-in-process | 6 | 75 |
| Finished goods | 5,089 | 7,322 |
| Parts and other inventory | 14,399 | 14,611 |
| Reserve for obsolescence | (289) | (201) |
| Total inventory | <u>\$41,287</u> | <u>\$39,063</u> |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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5. Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| Land and improvements | \$ 11,087 | \$ 11,087 |
| Buildings and improvements | 75,943 | 71,150 |
| Machinery and equipment | 299,917 | 287,664 |
| | <u>386,947</u> | <u>369,901</u> |
| Accumulated depreciation | (131,133) | (116,523) |
| | <u>255,814</u> | <u>253,378</u> |
| Construction in progress | 16,642 | 10,093 |
| Net property, plant and equipment | <u>\$ 272,456</u> | <u>\$ 263,471</u> |

Depreciation expense was \$23,860 and \$21,681, respectively, for the years ended December 31, 2018 and 2017, substantially all of which related to costs of goods sold.

During 2018, the Company continued to hold three manufacturing lines that had been taken out of service as it continued to assess their future disposition. At December 31, 2018, the manufacturing lines, which had a carrying value of \$10,977, were tested for recoverability in accordance with the FASB's ASC Topic 360. The Company determined that the estimated future undiscounted cash flows were not sufficient to support the carrying value of the assets, and an impairment charge of \$5,596 was recognized to write the assets down to their estimated fair value of \$5,381. The estimate of fair value was based on non-recurring, Level 3 fair value measures that were estimated through appraisal considering the cost and market approaches to value personal property.

6. Intangible Assets

Intangible assets consisted of the following at December 31:

| | 2018 | 2017 |
|------------------------------------|------------------|------------------|
| Customer relationships | \$ 46,113 | \$ 46,113 |
| Other | 342 | 279 |
| | <u>46,455</u> | <u>46,392</u> |
| Accumulated amortization | (26,986) | (23,902) |
| Net intangible assets | <u>\$ 19,469</u> | <u>\$ 22,490</u> |

Estimated annual aggregate amortization expense is approximately \$3,084 for each of the next five years. Amortization expense was \$3,084 for the years ended December 31, 2018 and 2017.

7. Investments Accounted for Using the Equity Method

During 2014, the Company purchased a 20% ownership interest in Casablanca Industries Private Limited (Casablanca), an entity that manufactures aluminum aerosol cans in India. The majority

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Notes to Consolidated Financial Statements (Continued)
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7. Investments Accounted for Using the Equity Method (Continued)

shareholder in Casablanca is a related party to Exal Group. Casablanca is a variable interest entity (VIE); however, the Company has determined that it is not the primary beneficiary. The variable interest in the VIE is primarily related to subordinated financial support. Although this financial arrangement resulted in the Company holding variable interests in this entity, it does not empower the Company to direct the activities of the VIE that most significantly impact its economic performance. The Company further determined that the related party is most closely associated with the VIE. Accordingly, Casablanca is not consolidated and is accounted for under the equity method of accounting with the investment having been recorded at cost and adjusted for the Company's proportionate share of Casablanca's undistributed earnings or losses. The Company's investment in Casablanca totaled \$1,384 and \$1,545 as of December 31, 2018 and 2017, respectively, and is included in other non-current assets on the consolidated balance sheets.

8. Financing Arrangements

Long-term debt consisted of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|--|------------------|------------------|
| Revolving lines of credit (weighted-average interest rate of 5.38% and 4.61% for the years ended December 31, 2018 and 2017, respectively) | \$ 22,900 | \$ 12,000 |
| Term loans, maturing on March 3, 2022 (weighted-average interest rate of 5.38% and 4.61% for the years ended December 31, 2018 and 2017, respectively) . . . | 149,223 | 160,701 |
| | <u>172,123</u> | <u>172,701</u> |
| Less: Current portion of long-term debt | (15,653) | (9,943) |
| Less: Unamortized debt issuance costs | (4,144) | (5,645) |
| Total long-term debt | <u>\$152,326</u> | <u>\$157,113</u> |

On March 3, 2017, the Company refinanced all of its debt, including its related party debt which was repaid on this date, and replaced it with a new long-term debt (the "Credit Facility") expiring on March 3, 2022. The Credit Facility comprised of \$170,000 of term loans and \$55,000 of revolving line of credit, \$50,000 of which is available to Exal Corporation and \$5,000 of which is available to Exal Argentina, S.A. The Credit Facility is secured by the Company's various interests in common stock and assets of Exal Corporation, Exal Packaging S.A., Exal Argentina S.A., Exal Madryn S.A., and Exal Holdings Brazil. The restrictive financial covenants contained within the 2017 Credit Facility are a fixed coverage charge ratio and a leverage ratio. The Company was in compliance with all covenants of the credit facility as of December 31, 2018.

As of December 31, 2018, the Company had unused revolving lines of credit of \$31,100 and \$1,000 for Exal Corporation and Exal Argentina, S.A., respectively, under the Credit Facility. Borrowings on revolving lines of credit carry interest rates based upon adjusted LIBOR or prime rates and other adjustments associated with the financial covenants. The Company pays a monthly commitment fee equal to 0.50% per year on the undrawn portion of the revolving lines of credit.

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Notes to Consolidated Financial Statements (Continued)
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8. Financing Arrangements (Continued)

Term loans are due in quarterly payments as follows, with any remaining principal and accrued interest due March 3, 2022:

| <u>Payment Date</u> | <u>Percent of Outstanding Balance</u> |
|--|---|
| June 30, 2017; September 30, 2017; December 31, 2017; and March 31, 2018 | 1.25% |
| June 30, 2018; September 30, 2018; December 31, 2018; and March 31, 2019 | 1.875% |
| June 30, 2019 onward | 2.50% |

The Company incurred \$6,776 in financing fees while securing the Credit Facility. The Company recorded fees of \$1,651 related to securing the new revolving credit facility as an unamortized asset, and fees related to the term loans of \$5,125 as a reduction of the carrying value of long-term debt upon issuance. The financing fees are amortized into interest expense in the consolidated financial statements over the life of the Credit Facility and totaled \$1,501 and \$1,994 for the years ended December 31, 2018 and 2017, respectively.

At December 31, 2018 and 2017, the Company had no outstanding letters of credit.

Interest expense for the years ended December 31, 2018 and 2017 was \$11,687 and \$11,904, respectively, including the amortization of deferred financing fees noted above. Additionally, interest expense for the year ended December 31, 2017 included related-party interest expense totaling \$1,080.

Principal payments excluding capital lease payments due for each of the next five years following December 31, 2018 are as follows:

| | <u>Principal Payment</u> |
|----------------------|------------------------------|
| 2019 | \$ 15,653 |
| 2020 | 16,696 |
| 2021 | 16,696 |
| 2022 | 100,178 |
| 2023 | — |
| Thereafter | — |
| Total | <u>\$149,223</u> |

9. Capital Lease

The Company has two lease agreements for property and equipment that are classified as capital leases. The total cost of property and equipment under the capital leases was \$14,917 at both December 31, 2018 and 2017, and was included in the accompanying consolidated balance sheets as property, plant, and equipment.

Accumulated amortization of all leased real property was \$2,565 and \$2,041 at December 31, 2018 and 2017, respectively. Amortization of assets under the capital lease is included in depreciation expense and totaled \$524 and \$493 for the years ended December 31, 2018 and 2017, respectively.

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Notes to Consolidated Financial Statements (Continued)
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9. Capital Lease (Continued)

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of December 31, 2018 are as follows:

| | <u>Amount</u> |
|--|-----------------|
| 2019 | \$ 1,032 |
| 2020 | 1,026 |
| 2021 | 1,020 |
| 2022 | 1,011 |
| 2023 | 990 |
| Thereafter | 18,647 |
| Total minimum lease payments | 23,726 |
| Less: Amount representing interest and other costs | (15,619) |
| Present value of net minimum lease payments | 8,107 |
| Less: Current portion of capital lease obligation | (81) |
| Long-term capital lease obligation | <u>\$ 8,026</u> |

10. Employee Benefit Plans

Exal U.S. sponsors a 401(k) retirement plan (the Plan) for substantially all of its employees with 90 days of service. The Plan states that Exal U.S. will match 100% of employee deferrals up to a maximum of 4% of gross wages per employee. Expenses, representing Exal U.S.'s matching contributions, were \$821 and \$761 for the years ended December 31, 2018 and 2017, respectively.

11. Income Taxes

The Company files income tax returns in the U.S. federal and various state, local and foreign jurisdictions.

No provision has been made for income taxes on the portion of unremitted earnings of foreign subsidiaries that are deemed to be permanently reinvested in those jurisdictions.

The Company assesses uncertain tax positions in accordance with FASB ASC 740 and has determined that all income tax filing positions would be sustained upon examination and has not recorded any reserves or related accruals for interest and penalties at December 31, 2018 and 2017 for uncertain tax positions.

Exal Madryn, S.A. and Exal India, B.V. have no undistributed net income due to these entities not having been profitable historically.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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11. Income Taxes (Continued)

Pre-tax income from continuing operations was generated in the following jurisdictions during the year ended December 31:

| | <u>2018</u> | <u>2017</u> |
|----------------|-----------------|-----------------|
| Domestic | \$ (1,788) | \$ (745) |
| Foreign | 15,116 | 15,335 |
| Total | <u>\$13,328</u> | <u>\$14,590</u> |

The benefit (provision) for income taxes consists of the following during the year ended December 31:

| | <u>2018</u> | <u>2017</u> |
|--|----------------|-----------------|
| Current tax provision: | | |
| Federal and state | \$ (749) | \$ (212) |
| Foreign | (2,128) | (10,260) |
| | <u>(2,877)</u> | <u>(10,472)</u> |
| Deferred tax benefit (provision) | | |
| Federal and state | 1,153 | 8,368 |
| Foreign | 2,274 | 1,657 |
| | <u>3,427</u> | <u>10,025</u> |
| Total benefit (provision) for income taxes | <u>\$ 550</u> | <u>\$ (447)</u> |

On December 22, 2017, a comprehensive U.S. tax reform bill originally known as the “Tax Cuts and Jobs Act” was enacted into law. The Company’s 2017 consolidated financial statements included a one-time benefit to net income of approximately \$8,500 to reflect the remeasurement of the Company’s deferred tax assets and liabilities to reflect the lower U.S. corporate income tax rate which was reduced from 35% to 21%.

The ultimate impact of the Tax Reform Legislation may differ from the Company’s estimates, possibly materially, due to changes in the interpretations and assumptions made by the Company as well as additional regulatory guidance that may be issued and actions the Company may take as a result of the Tax Reform Legislation.

The Company’s reported income tax expense differs from the statutory federal income tax rate primarily due to state and local taxes (net of federal benefit), non-deductible operating expenses, the domestic production activity deduction and the impact of foreign operations with tax rates different than the statutory federal income tax rate.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
(In Thousands)

11. Income Taxes (Continued)

The components of deferred tax assets and liabilities were, at December 31:

| | 2018 | 2017 |
|--|-----------------|------------------|
| Deferred tax assets: | | |
| Tax loss carryforwards | \$ 9,349 | \$ 11,382 |
| Non-deductible employee costs | 1,166 | 1,056 |
| Allowances | 999 | 305 |
| Section 195 transaction costs | 98 | 113 |
| Property, plant and equipment | 673 | 986 |
| Other | 2,395 | 2,876 |
| Total deferred tax assets | 14,680 | 16,718 |
| Less: valuation allowance | (6,291) | (13,466) |
| | 8,389 | 3,252 |
| Deferred tax liabilities | | |
| Property, plant and equipment | 12,687 | 13,690 |
| Intangible assets | 5,344 | 5,750 |
| Other | 3,957 | 838 |
| Total deferred tax liabilities | 21,988 | 20,278 |
| Net deferred tax liabilities | <u>\$13,599</u> | <u>\$ 17,026</u> |

At December 31, 2018 and 2017, the Company had approximately \$34,826 and \$40,758, respectively, of net operating loss carryforwards, some of which may be carried forward indefinitely and the remainder of which expire in various years. These net operating loss carryforwards may be used to offset a portion of future taxable income and, thereby, reduce or eliminate the foreign income taxes otherwise payable.

At December 31, 2017, the Company maintained a valuation allowance totaling \$4,772 against tax loss carryforwards at its Madryn, Argentina business. During the year ended December 31, 2018, the Company merged its Madryn, Argentina and Pilar, Argentina businesses, which allowed for the utilization of these tax loss carryforwards beginning in the 2018 tax year. Based on this evidence, the Company fully reversed this valuation allowance during the year ended December 31, 2018.

12. Commitments and Contingencies

The Exal Group is a defendant in legal actions from normal business activities. At December 31, 2018, management believes that these matters are without merit and the likelihood of loss is remote. The ultimate liability, if any, upon resolution will not have a material effect on the consolidated financial position, operations or cash flows of the Company.

13. Stock-Based Compensation

The Company has unit option plans under which options to purchase units of its Parent have been granted to directors and key employees at the market value of the units at the date of grant. Payment must

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
(In Thousands)

13. Stock-Based Compensation (Continued)

be made at the time of exercise. In general, options are either exercisable in five equal installments commencing from the date of grant or upon a change in control provided certain performance targets are met. Options terminate 10 years from the date of grant. A summary of unit option activity for the years ended December 31, 2018 and 2017, follows:

| | Units | Weighted-Average Exercise Price | Weighted-Average Remaining Term (Years) |
|--|------------------|---------------------------------------|---|
| Outstanding at January 1, 2017 | 2,615,115 | \$12.01 | |
| Granted | 340,000 | \$14.34 | |
| Forfeited | (589,967) | \$13.00 | |
| Outstanding at December 31, 2017 | 2,365,148 | \$12.39 | 6.45 |
| Granted | 25,000 | \$20.27 | |
| Exercised | (38,250) | \$13.40 | |
| Forfeited | (244,441) | \$12.94 | |
| Outstanding at December 31, 2018 | <u>2,107,457</u> | \$12.36 | 5.22 |
| Options exercisable at January 1, 2017 | 760,109 | \$10.18 | |
| Vested | 204,086 | \$13.41 | |
| Forfeited | (47,691) | \$11.59 | |
| Options exercisable at December 31, 2017 | 916,504 | \$10.77 | 3.71 |
| Vested | 208,496 | \$13.63 | |
| Exercised | (38,250) | \$13.40 | |
| Forfeited | (16,614) | \$10.00 | |
| Options exercisable at December 31, 2018 | <u>1,070,136</u> | \$11.27 | 7.94 |

These options cannot be traded in any equity market. Using the Black-Scholes option pricing model, options granted in 2018 and 2017 have estimated fair values at the date of grant of \$6.05 and \$4.04 to \$4.98 per unit, respectively. The actual value an employee may realize will depend on the excess of the unit price on the date the option is exercised over the exercise price. Consequently, there is no assurance that the value realized by an employee will be at or near the value estimated on the grant date.

The fair values were estimated using the following assumptions for options granted in:

| | 2018 | 2017 |
|---|-----------|---------------|
| Expected dividend yield | — | — |
| Expected stock price volatility | 19.51% | 21.45% |
| Risk-free interest rate | 2.76% | 2.29% - 2.32% |
| Expected life of options | 7.5 years | 7.5 years |
| Market price on date of grant | \$20.27 | \$13.40 |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
(In Thousands)

13. Stock-Based Compensation (Continued)

The following summarizes the compensation cost recognized for all options for the year ended December 31:

| | <u>2018</u> | <u>2017</u> |
|---|--------------|-------------|
| Share-based compensation expense reported for service-based options | \$522 | \$904 |

As of December 31, 2018, \$2,029 of total unrecognized compensation cost related to options is expected to be recognized over a period of five years.

14. Separation Benefits

The Company has initiated cost containment programs to appropriately align its cost structure with expected market conditions and replace certain members of senior management, which included termination benefits for certain employees. During 2018 and 2017, the Company recorded \$2,032 and \$673, respectively, related to one-time termination benefits, which is the total expected amount to be incurred. These one-time termination benefit costs are included in transition and integration expenses on the consolidated statements of operations and comprehensive income.

The following table summarizes these activities for 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|---------------|
| Balance as of January 1, | \$ 544 | \$ 1,308 |
| Severance costs accrued | 2,032 | 673 |
| Cash payments | (2,244) | (1,455) |
| Interest expense on accretion of discount | — | 18 |
| Balance as of December 31, | <u>\$ 332</u> | <u>\$ 544</u> |

15. Other Expenses

Other expense consisted of the following for the twelve months ended December 31:

| | <u>2018</u> | <u>2017</u> |
|---|------------------------|-----------------|
| Foreign currency remeasurement | \$18,815 | \$ 5,496 |
| Various South American taxes (non-income) | 2,581 | 6,902 |
| Transaction-related expense | 2,430 | — |
| Share-based compensation expense | 522 | 904 |
| Loss on equity method investment | 161 | 259 |
| Provision for related party note receivable | (114) | 1,856 |
| Other | 544 | 901 |
| Total other expenses | <u>\$24,939</u> | <u>\$16,318</u> |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2018 and 2017
(In Thousands)

16. Insurance Recoveries

During the year ended December 31, 2018, the Company recorded insurance recoveries related to two separate events.

Garin, Argentina Fire

In October 2017, a fire occurred at the Company's packaging facility in Garin, Argentina. The fire took place in the warehousing area of the plant and no production assets were damaged. During the fourth quarter of 2017 and into early 2018, the packaging facility was not able to operate at full capacity as the initial cleanup activities impacted the entire facility. The Company maintains property insurance with a deductible of \$80 coverage to mitigate losses.

The Company recorded insurance recoveries of \$12,237 and \$3,000 during the years ended December 31, 2018 and 2017, respectively relating to the property damage and business interruption caused the fire.

The Company incurred demolition, cleanup, repair and other fire related costs of \$2,956 and \$1,154 for the years ended December 31, 2018 and 2017, respectively.

Madryn, Argentina Equipment Malfunction

In May 2018, an equipment malfunction occurred at the Company's aluminum slug manufacturing facility in Madryn, Argentina, causing damage to certain production assets at the facility. As a result of the equipment malfunction, the aluminum slug manufacturing facility was not able to operate at full capacity for approximately one month.

The Company recorded insurance recoveries of \$1,894 during the year ended December 31, 2018 relating to the property damage and business interruption caused by the equipment malfunction.

The Company incurred repair and remediation expenses of \$732 during the year ended December 31, 2018.

These insurance recoveries, net of the costs incurred, are summarized below:

| | <u>2018</u> | <u>2017</u> |
|--|------------------------|---------------|
| Property damage and business interruption insurance recoveries | \$14,131 | \$ 3,000 |
| Cost of clean-up and repairs | (3,688) | (1,154) |
| Write-down of fixed assets | — | (1,611) |
| Insurance claim income, net | <u>\$10,443</u> | <u>\$ 235</u> |
| Insurance proceeds related to fixed assets | \$ 6,926 | \$ 453 |
| Cost capitalized | \$ 4,942 | \$ 453 |

17. Subsequent Events

Management has evaluated all activity of the Company through February 28, 2019, the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements or notes.

CONSOLIDATED FINANCIAL STATEMENTS

Element Holdings II, L.P. (dba Exal Group)
Years Ended December 31, 2017 and 2016
With Report of Independent Auditors

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements
Years Ended December 31, 2017 and 2016

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Report of Independent Auditors

To the Board of Directors and Partners of Element Holdings II, L.P. (dba Exal Group)

We have audited the accompanying consolidated financial statements of Element Holdings II, L.P. and Subsidiaries (dba Exal Group), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive income, changes in partners' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Element Holdings II, L.P. and Subsidiaries (dba Exal Group) as at December 31, 2017 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 28, 2018



A member firm of Ernst & Young Global Limited

Element Holdings II, L.P. and Subsidiaries
Consolidated Balance Sheets

| | December 31, | |
|---|-------------------------|-------------------------|
| | 2017 | 2016 |
| | (In Thousands) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,891 | \$ 6,861 |
| Accounts receivable, less allowance for doubtful accounts of \$572 and \$697, respectively | 54,242 | 53,082 |
| Inventories | 39,063 | 34,673 |
| Other current assets | 3,448 | 3,368 |
| Total current assets | <u>99,644</u> | <u>97,984</u> |
| Non-current assets: | | |
| Property, plant and equipment, net | 263,471 | 253,601 |
| Intangible assets, net | 22,490 | 25,507 |
| Other non-current assets | 2,457 | 3,162 |
| Total non-current assets | <u>288,418</u> | <u>282,270</u> |
| Total assets | <u><u>\$388,062</u></u> | <u><u>\$380,254</u></u> |
| Liabilities and Partners' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 31,728 | \$ 25,097 |
| Accrued salaries, benefits and other employee costs | 6,004 | 7,422 |
| Accrued liabilities | 1,340 | 1,316 |
| Current portion of long-term debt | 9,943 | 6,375 |
| Current portion of capital leases | 105 | 55 |
| Total current liabilities | <u>49,119</u> | <u>40,265</u> |
| Non-current liabilities: | | |
| Long-term debt | 157,113 | 124,736 |
| Obligation under capital leases | 9,568 | 9,627 |
| Notes payable to related parties | — | 37,563 |
| Deferred income taxes | 17,026 | 27,051 |
| Total non-current liabilities | <u>183,707</u> | <u>198,977</u> |
| Partners' equity: | | |
| Partners' capital | 208,583 | 207,679 |
| Accumulated deficit | (55,423) | (69,566) |
| Accumulated other comprehensive income | 2,076 | 2,899 |
| Total partners' equity | <u>155,236</u> | <u>141,012</u> |
| Total liabilities and partners' equity | <u><u>\$388,062</u></u> | <u><u>\$380,254</u></u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Operations
and Comprehensive Income

| | Years Ended December 31, | |
|--|-----------------------------|-----------|
| | 2017 | 2016 |
| | (In Thousands) | |
| Revenues | \$272,110 | \$273,811 |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 177,298 | 185,236 |
| Operating expenses: | | |
| Selling, general and administrative | 26,480 | 23,777 |
| Depreciation and amortization | 24,765 | 24,033 |
| Transition and integration expenses | 1,904 | 4,381 |
| Loss on write-down or disposal of fixed assets | 1,851 | 295 |
| Loss on impairment of fixed assets | — | 4,720 |
| Insurance claim income | (3,000) | — |
| Operating income | 42,812 | 31,369 |
| Other expenses: | | |
| Interest expense | 10,824 | 9,808 |
| Interest expense-related parties | 1,080 | 5,144 |
| Other expenses | 16,318 | 6,060 |
| Income from continuing operations before taxes | 14,590 | 10,357 |
| Provision for income taxes | (447) | (8,020) |
| Net income from continuing operations | 14,143 | 2,337 |
| Discontinued operations: | | |
| Income from operations before taxes | — | 113 |
| Benefit for income taxes | — | 5 |
| Net income from discontinued operations | — | 118 |
| Net income | \$ 14,143 | \$ 2,455 |
| Other comprehensive (loss) income: | | |
| Foreign currency translation adjustments | (823) | 702 |
| Total comprehensive income | \$ 13,320 | \$ 3,157 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Changes in Partners' Equity
For the years ended December 31, 2017 and 2016
(In Thousands)

| | |
|--|--------------------------|
| Partners' capital | |
| Balance, January 1, 2016 | \$207,140 |
| Stock-based compensation | 539 |
| Balance, December 31, 2016 | 207,679 |
| Stock-based compensation | 904 |
| Balance, December 31, 2017 | <u><u>\$208,583</u></u> |
| Accumulated deficit | |
| Balance, January 1, 2016 | \$(72,021) |
| Net income | 2,455 |
| Balance, December 31, 2016 | (69,566) |
| Net income | 14,143 |
| Balance, December 31, 2017 | <u><u>\$(55,423)</u></u> |
| Accumulated other comprehensive income | |
| Balance, January 1, 2016 | \$ 2,197 |
| Foreign currency translation adjustment | 702 |
| Balance, December 31, 2016 | 2,899 |
| Foreign currency translation adjustment | (823) |
| Balance, December 31, 2017 | <u><u>\$ 2,076</u></u> |
| Total partners' equity at December 31, 2017 | <u><u>\$155,236</u></u> |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Consolidated Statements of Cash Flows

| | Years Ended December 31, | |
|--|-----------------------------|-----------|
| | 2017 | 2016 |
| | (In Thousands) | |
| Operating activities | | |
| Net income | \$ 14,143 | \$ 2,455 |
| Net income from discontinued operations | — | (118) |
| Adjustments to reconcile income from continuing operations to net cash provided by operating activities: | | |
| Depreciation and amortization | 24,765 | 24,033 |
| Gain on insurance recovery related to fixed assets | (453) | — |
| Amortization of deferred financing costs | 1,994 | 2,064 |
| Deferred income taxes | (10,025) | (4,624) |
| Loss on impairment of fixed assets | — | 4,720 |
| Loss on write-down or disposal of fixed assets | 1,851 | 295 |
| Loss related to equity method investment | 259 | 375 |
| Stock-based compensation | 904 | 539 |
| Recovery of provision for doubtful accounts | (90) | (57) |
| Expensed, but unpaid PIK interest | 1,080 | 5,144 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,070) | 5,919 |
| Inventories | (4,390) | 8,711 |
| Accounts payable | 4,860 | 1,179 |
| All other operating assets and liabilities | 389 | (71) |
| Cash provided by operating activities—continuing operations | 34,217 | 50,564 |
| Cash from operating activities—discontinued operations | — | 416 |
| Cash provided by operating activities | 34,217 | 50,980 |
| Investing activities | | |
| Purchase of property and equipment | (32,794) | (13,431) |
| Insurance proceeds related to fixed assets | 453 | — |
| Proceeds from sale of property and equipment | — | 448 |
| Other investing activities | (67) | — |
| Purchase of equity method investment | — | (180) |
| Cash used for investing activities—continuing operations | (32,408) | (13,163) |
| Cash provided by investing activities—discontinued operations | — | 14 |
| Cash used for investing activities | (32,408) | (13,149) |
| Financing activities | | |
| Proceeds from long-term debt | 195,875 | 3,785 |
| Payments on long-term debt | (194,626) | (49,327) |
| Deferred financing costs paid | (6,049) | (1,975) |
| Cash used for financing activities | (4,800) | (47,518) |
| Effect of exchange rate on cash and cash equivalents | (979) | 2,097 |
| Decrease in cash and cash equivalents | (3,970) | (7,590) |
| Cash and cash equivalents | | |
| Beginning of year | 6,861 | 14,451 |
| End of year | \$ 2,891 | \$ 6,861 |
| Supplemental disclosure of cash flow information | | |
| Cash paid during the year for: | | |
| Interest | \$ 8,766 | \$ 7,765 |
| Interest to related parties | \$ 13,643 | \$ — |
| Income taxes | \$ 8,740 | \$ 12,651 |

See accompanying notes.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(In Thousands)

1. Organization and Basis of Presentation

Formation of Company

Element Holdings II, L.P. (the Company) was formed on February 18, 2010, and on April 1, 2010, it acquired 100% of the outstanding common shares of Element US Holding Company and Element Netherlands Holdings Company.

Nature of Business

The Company is primarily engaged in the business of manufacturing and selling extruded aluminum containers to fit the specifications of customers in various industries in domestic and international markets. In conducting this business, the Company leverages its technical capabilities to innovate new designs allowing customers to enhance their brand and provide optimal functionality primarily in the aerosol, beverage and food markets. The Company does business primarily in North and South America.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The subsidiaries of those entities included Exal Corporation, Boxal Suisse, S.A., Exal Argentina, S.A. and Exal Packaging, S.A. The entities formed or acquired subsequent to this transaction include Exal Holding Brazil, Exal Madryn S.A., Exal Holdings International Parent B.V., Exal Holdings International B.V. and Exal India B.V. The results of acquired entities' operations have been included in the consolidated financial statements since the date of acquisition. Element Holdings II, L.P. and its subsidiaries are collectively referred to herein as the Company or Exal Group. The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States. Intercompany balances and transactions are eliminated for all periods presented.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements are as follows:

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to changes in facts and circumstances.

On an ongoing basis, the Company evaluates its estimates, including those related to the accounts receivable allowance, reserve for excess and obsolete inventory, lower of cost or market conditions, useful lives of long-lived assets (including intangible assets), carrying value of long-lived assets (including goodwill and intangible assets), and the valuation of deferred income tax assets, as well as its assumptions to value its workers' compensation liabilities, post-retirement obligations, the value of unit option plans and other

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

2. Summary of Significant Accounting Policies (Continued)

related assumptions used for the purpose of determining stock-based compensation, among other things. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Revenue Recognition

Revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred, price has been fixed or is determinable, and collectability is reasonably assured. Customers generally take title and assume all the risks of ownership upon shipment.

Shipping and Handling Costs

Shipping and handling costs billed to customers are recorded as revenues and the related costs are included as a component of cost of goods sold in the accompanying consolidated statements of operations and comprehensive income.

Cash and Cash Equivalents

The Company considers highly liquid debt instruments purchased with original maturity dates of three months or less from the date of acquisition to be cash equivalents and are valued at cost plus accrued interest, which approximates fair value.

Receivables

The Company has established credit policies in evaluating its customers' financial condition and, generally, requires no collateral from its customers. The potential risk is limited to the amounts recorded in the consolidated financial statements. Periodically, management reviews accounts receivable and adjusts the allowance for doubtful accounts based on the Company's historical losses, existing economic conditions and the financial stability of its customers. Receivables are written off when they are determined to be uncollectible, although collection efforts may continue. The Company's allowance for doubtful accounts was \$572 and \$697 at December 31, 2017 and 2016, respectively.

Inventories

Inventories are stated at the lower of cost (determined using the first-in, first-out (FIFO) method) or net realizable value. Provisions are made for potentially obsolete or slow-moving inventory based on management's analysis of inventory levels, historical usage, future demand and market conditions.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

2. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method. Major property categories are depreciated over various periods as follows (in years):

| <u>Description</u> | <u>Years</u> |
|--------------------------------------|--------------|
| Land improvements | 30 - 40 |
| Buildings and improvements | 10 - 40 |
| Machinery and equipment | 2 - 17 |

The Company capitalizes interest cost incurred on funds used to construct property and equipment. The capitalized interest is recorded as part of the cost of the asset to which it relates and is amortized over the asset's estimated useful life.

In accordance with Accounting Standards Codification (ASC) Topic 360, Property, Plant and Equipment, the Company regularly assesses the carrying value of its long-lived assets to be held and used, including property, plant and equipment, and intangible assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If such events or circumstances are present, a loss is recognized to the extent the carrying values of the asset are in excess of estimated fair value. Assets to be disposed of would be separately presented in the consolidated financial statements and reported at the lower of the carrying amount and fair value less costs to sell, and would no longer be depreciated and amortized. The assets and assets of a disposal group classified as held-for-sale would be presented separately in the appropriate asset and liability sections of the consolidated financial statements. The Company determined that no impairment loss needed to be recognized for the applicable assets at December 31, 2017. An impairment loss of \$4,720 was recognized December 31, 2016.

Intangible Assets

Intangible assets consist primarily of customer relationships. The useful lives of intangible assets are estimated based upon the nature of the intangible asset. Amortization is provided using the straight-line method over a useful life of 15 years.

Contingencies

During the ordinary course of business, the Company is from time to time threatened with, or may become a party to, legal actions and other proceedings. The Company assesses contingencies as to whether they are probable and estimable and records its best estimate of the potential loss. Legal costs associated with these contingencies are recorded as incurred.

Income Taxes

The provision for income taxes is determined using the liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. Deferred taxes result from differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

2. Summary of Significant Accounting Policies (Continued)

tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Fair Value Measurements

The Company accounts for the fair value measurement of its financial assets and liabilities in accordance with Financial Accounting Standards Board (FASB) ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy, prioritizing observable and unobservable inputs used to measure fair value into three broad levels as described below:

- Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2—Observable inputs that are based on prices not quoted on active markets, but corroborated by market data.
- Level 3—Unobservable inputs are used when little or no market data is available.

The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement.

Stock-Based Compensation

The Company's Parent has a stock option plan with the Company's management, employees and independent directors, and the related stock-based compensation is reported as part of selling, general and administrative expense in the accompanying consolidated statements of operations and comprehensive income. The fair value associated with unit option plans has been calculated using the Black-Scholes valuation model and is recognized as compensation expense over the requisite service period.

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the Company's foreign subsidiary operates. Management selects the functional currency after evaluating the economic operating environment of its foreign subsidiaries. All foreign entities use the local currency as the functional currency, except in countries with a history of high inflation (primarily in South America), which use the U.S. dollar.

Assets and liabilities of foreign operations, except those in South America, are translated using period-end exchange rates, and revenues and expenses are translated using average exchange rates during each period. Translation gains and losses are reported in accumulated other comprehensive income as a component of partners' equity. The Company's foreign currency translation loss for the year ended December 31, 2017 was \$823. The Company's foreign currency translation gain for the year ended December 31, 2016 was \$702. For the foreign operations where the U.S. dollar is the functional currency,

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2. Summary of Significant Accounting Policies (Continued)

all foreign currency financial statement amounts are remeasured into U.S. dollars. Foreign currency transaction losses included in other expense totaled \$5,496 and \$1,408 for the years ended December 31, 2017 and 2016, respectively.

Short-term Purchase Commitments

In an attempt to fix the cost of aluminum at a lower level, Exal Corporation (Exal U.S.), the Company's North American subsidiary, has committed itself on a short-term basis to purchase specified quantities of aluminum slugs from one supplier during 2017 and 2016 at certain fixed prices. These contracts meet the normal purchases and normal sales provision and are, therefore, not subject to be accounted for as derivatives under FASB ASC 815. At December 31, 2017 and 2016, these committed purchases for 2018 and 2017 approximate 2,913 and 2,450 metric tons of aluminum and aggregate \$6,510 and \$4,634, respectively.

Non-cash Investing Activities

Machinery and equipment purchases of \$3,431 and \$3,784 were included in accounts payable at December 31, 2017 and 2016, respectively.

Advertising Costs

Advertising costs are expensed when incurred. Charges to operations amounted to \$169 and \$62 for 2017 and 2016, respectively.

Reclassifications

The financial statements for 2016 have been reclassified to conform to the presentation for 2017. Such reclassifications had no effect on accumulated deficit.

Research and Development

Research and development expenditures are expensed as incurred. Substantially all engineering and development costs are related to developing new products or designing significant improvements to existing products or processes. Costs primarily include salaries and benefits, facility costs and outside services.

New accounting policies adopted by the Company

In July 2015, the FASB issued Accounting Standards Update (ASU) 2015-11—Inventory (Topic 330): Simplifying the measurement of inventory. This update was a part of the simplification initiative and applies to inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure inventory within the scope of this update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Other than the change in the subsequent measurement guidance from the lower of cost or market to the lower of cost and net realizable value for

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

inventory within the scope of this update, there are no other substantive changes to the guidance on measurement of inventory. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2016. There was no impact to the Company from the adoption of this update.

In 2016, FASB issued amendments to ASC No. 835 as issued in the ASU 2015-03 and further clarified through the release of ASU 2015-15. The amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. Under ASU 2015-15, it is clarified that due to a lack of authoritative guidance with respect to the presentation of debt issuance costs associated with line of credit arrangements, such costs continue to be deferred and presented as an asset and amortized over the term of the line-of-credit arrangement. This adoption did not have any impact on the current year consolidated financial statements.

On March 30, 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting (ASU 2016-09), which amends ASC Topic 718, Compensation—Stock Compensation. The targeted amendments intend to simplify various aspects related to how share-based payments are accounted for and presented in the consolidated financial statements.

ASU 2016-09 requires excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) to be recognized as income tax expense or benefit in the income statement. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. An entity also should recognize excess tax benefits, and assess the need for a valuation allowance, regardless of whether the benefit reduces taxes payable in the current period. The amendment also requires excess tax benefits to be classified along with other income tax cash flows as an operating activity in the consolidated statement of cash flows.

ASU 2016-09 elevates the statutory tax withholding threshold after settlement of a share-based award to qualify for equity classification up to the maximum statutory tax rates in the applicable jurisdiction. The cash paid by an employer when directly withholding shares for tax withholding purposes should be classified as a financing activity.

ASU 2016-09 provides an optional accounting policy election to either estimate the number of awards that are expected to vest, consistent with the existing standard, or account for forfeitures when they occur. The new standard did not impact the measurement and recognition of stock-based compensation and related tax impact in the Company's consolidated financial statements.

In May 2017, FASB issued ASU 2017-09, Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting. The amendments in this update provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The amendments provide guidance on modifications in circumstances where the entity has determined the change to not be substantive.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

An entity should account for the effects of a modification unless all the following are met:

- The fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the modified award is the same as the fair value of the original award immediately before the original award is modified. If the modifications do not affect any of the inputs to the valuation technique that the entity uses to value the award, the entity is not required to estimate the value immediately before and after the modification.
- The vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified.
- The classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified.

Adoption of the ASU did not have a material impact on the Company's consolidated financial statements.

In 2017, the Company adopted the provisions of ASU 2015-16, Business Combinations (Topic 805): Simplifying the accounting for measurement period adjustments. The amendments in this update require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments in this update require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. Adoption of the ASU did not have an impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In 2016, FASB Subtopic 825-10 as issued in ASU 2016-01 was released. The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other changes, the amendments eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The standard for non-public business entities is effective for fiscal years beginning after December 15, 2017. The Company is currently evaluating the impact of adopting this new standard.

In 2016, FASB Topic 230 as issued in ASU 2016-15 was released. This update addresses eight specific cash flow issues with the objective of reducing diversity in practice. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The guidance will generally be applied retrospectively and is effective for non-public entities beginning after December 15, 2018. The Company is currently evaluating the impact of adopting this new standard.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

In May 2014, the FASB issued a comprehensive new revenue recognition standard, ASU 2014-09, which creates a new topic in the ASC: 606 Revenue From Contracts With Customers (ASC 606). In addition to superseding and replacing nearly all existing U.S. GAAP revenue recognition guidance, including industry-specific guidance, ASC 606 establishes a new control-based revenue recognition model; changes the basis for deciding when revenue is recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue. The standard's core principle is that a company will recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the present guidance. In achieving the core principle, an entity should apply the five-step revenue recognition model as described in the standard.

In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date, which defers the effective date of ASU 2014-09 for all entities by one year. As such, the Company will be required to apply the new revenue recognition standard for annual reporting periods beginning on or after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. In March 2016, FASB issued ASU 2016-08, Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net) with amendments to ASU 2014-09 on assessing whether an entity is a principal or an agent in a revenue transaction, which impacts whether an entity reports revenue on a gross or net basis.

In April 2016, FASB issued ASU 2016-10, Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing with amendments to ASU 2014-09 on identifying performance obligations and accounting for licenses of intellectual property (IP).

In May 2016, FASB issued ASU 2016-12, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients with amendments to ASU 2014-09 on collectability, non-cash consideration, presentation of sales tax, and transition. These amendments are intended to address implementation issues and provide additional practical expedients.

The Company is evaluating the impact that the adoption of these revenue standards will have on the measurement, recognition and disclosure of revenue in the Company's consolidated financial statements.

On February 25, 2016, the FASB issued the new leases standard (Topic 842) which supersedes the existing standard Topic 840, Leases. The lessees will likely see the most significant change. The new standard applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. Similar to the existing standard, the lessee will classify leases as either finance or operating. This classification will involve more judgement on the part of the lessee. The pattern of expense recognition in the income statement as well the effect on the statement of cash flows differs depending on the lease classification.

Lessor accounting is similar to the current leases standard, but updated to align with changes to the lessee model and the new revenue recognition standard. Similar to current leases standard, lessors will classify leases as operating, direct financing, or sales-type.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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2. Summary of Significant Accounting Policies (Continued)

Lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The standard is effective for non-public entities for annual and interim reporting periods beginning after December 15, 2019. Early adoption is permitted. The standard must be adopted using a modified retrospective transition. The Company currently anticipates adopting the standard as of January 1, 2020. The Company is evaluating the impact that the adoption will have on the measurement, recognition and disclosure of leases in the Company's consolidated financial statements.

3. Discontinued Operations

In May 2013, the Company ceased operations at its slug manufacturing plant in Switzerland, Boxal Suisse. Some of the equipment of the plant was transferred and is being utilized in the Company's slug manufacturing plant in Argentina.

There were no assets and liabilities of the discontinued Switzerland operations as of December 31, 2016. During 2016, Boxal Suisse received proceeds of \$14 for the sale of property, plant and equipment, resulting in a loss of \$3 for the year ended December 31, 2016. As a result of the 2015 sale of the remaining property, plant and equipment, a substantial liquidation has occurred under ASC 830 and accordingly all accumulated currency translations adjustments totaling \$275 were reclassified into operations during 2016. This amount is included in income from operations before taxes in discontinued operations in the consolidated statement of operations and comprehensive income for the year ended December 31, 2016.

4. Accounts Receivable

Accounts receivable consisted of the following at December 31:

| | <u>2017</u> | <u>2016</u> |
|---|------------------------|-----------------|
| Trade accounts receivable | \$38,537 | \$39,849 |
| Value-added taxes recoverable | 11,914 | 9,903 |
| Miscellaneous tax and other receivables | 4,363 | 4,027 |
| Allowance for doubtful accounts | (572) | (697) |
| | <u>\$54,242</u> | <u>\$53,082</u> |

During 2015, the Company entered into a supply chain financing program to sell accounts receivable from a customer without recourse to a third-party financial institution. Sales of accounts receivable are reflected as a reduction of accounts receivable on the consolidated balance sheets and the proceeds of \$21,372 and \$52,422 are included in cash flows from operating activities in the consolidated statements of cash flows for 2017 and 2016, respectively. The Company incurred losses of \$148 and \$290 on the sale of \$21,520 and \$52,712 of accounts receivable in 2017 and 2016, respectively. Losses on the sale of these receivables are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive income.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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5. Inventories

Inventories consisted of the following as of December 31:

| | <u>2017</u> | <u>2016</u> |
|---|------------------------|-----------------|
| Raw materials | \$17,256 | \$16,583 |
| Work-in-process | 75 | 629 |
| Finished goods | 7,322 | 5,932 |
| Parts and other inventory | 14,611 | 13,307 |
| Less reserve for obsolescence | (201) | (1,778) |
| | <u>\$39,063</u> | <u>\$34,673</u> |

6. Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31:

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|------------------|
| Land and improvements | \$ 11,087 | \$ 11,087 |
| Buildings and improvements | 71,150 | 65,537 |
| Machinery and equipment | 287,664 | 267,623 |
| | 369,901 | 344,247 |
| Less accumulated depreciation | (116,523) | (97,024) |
| | 253,378 | 247,223 |
| Construction in progress | 10,093 | 6,378 |
| | <u>\$ 263,471</u> | <u>\$253,601</u> |

Depreciation expense was \$21,681 and \$20,949, respectively, for the years ended December 31, 2017 and 2016, substantially all of which related to costs of goods sold.

In the third quarter of 2016, the Company and one of its customers mutually decided to abandon a certain product line, which resulted in the idling of one manufacturing line. The Company determined these factors represented an indicator of impairment, and the assets, which had a carrying value of \$12,798, were tested for recoverability in accordance with the FASB's ASC Topic 360. The Company determined that the estimated future undiscounted cash flows were not sufficient to support the carrying value of the assets, and an impairment charge of \$4,720 was recognized to write the assets down to their estimated fair value of \$8,078. The estimate of fair value was based on non-recurring, Level 3 fair value measures that were estimated through appraisal considering the cost and market approaches to value personal property.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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7. Intangible Assets

Intangible assets consisted of the following at December 31:

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|------------------|
| Customer relationships | \$ 46,113 | \$ 46,113 |
| Other | <u>279</u> | <u>212</u> |
| | 46,392 | 46,325 |
| Less accumulated amortization | <u>(23,902)</u> | <u>(20,818)</u> |
| | <u>\$ 22,490</u> | <u>\$ 25,507</u> |

Estimated annual aggregate amortization expense is approximately \$3,084 for each of the next five years. Amortization expense was \$3,084 for the years ended December 31, 2017 and 2016.

8. Investments Accounted for Using the Equity Method

During 2014, the Company purchased a 20% ownership interest in Casablanca Industries Private Limited (Casablanca), an entity that manufactures aluminum aerosol cans in India. The majority shareholder in Casablanca is a related party to Exal Group. Casablanca is a variable interest entity (VIE); however, the Company has determined that it is not the primary beneficiary. The variable interest in the VIE is primarily related to subordinated financial support. Although this financial arrangement resulted in the Company holding variable interests in this entity, it does not empower the Company to direct the activities of the VIE that most significantly impact its economic performance. The Company further determined that the related party is most closely associated with the VIE. Accordingly, Casablanca is not consolidated and is accounted for under the equity method of accounting with the investment having been recorded at cost and adjusted for the Company's proportionate share of Casablanca's undistributed earnings or losses. The Company's investment in Casablanca totaled \$1,545 and \$1,804 as of December 31, 2017 and 2016, respectively, and is included in other non-current assets on the consolidated balance sheets.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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9. Financing Arrangements

Long-term debt consisted of the following at December 31:

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|-------------------------|
| Revolving lines of credit (weighted average interest rate of 4.61% and 4.14% for the years ended December 31, 2017 and 2016, respectively) | \$ 12,000 | \$ 19,044 |
| Term loans, maturing on March 3, 2022 and June 7, 2017 (weighted average interest rate of 4.61% and 4.02% for the years ended December 31, 2017 and 2016, respectively) | 160,701 | 57,221 |
| Capex lines of credit, maturing on June 7, 2017 weighted average interest rate of 3.74% for the year ended December 31, 2016 | <u>—</u> | <u>56,436</u> |
| | 172,701 | 132,701 |
| Less current portion long-term debt | (9,943) | (6,375) |
| Less unamortized debt issuance costs | (5,645) | (1,590) |
| Long-term debt | 157,113 | 124,736 |
| Notes payable to related parties | <u>—</u> | <u>37,563</u> |
| Total long-term debt | <u>\$157,113</u> | <u>\$162,299</u> |

On March 3, 2017, the Company refinanced all of its debt, including its related party debt which was repaid on this date, and replaced it with a new long-term debt (“2017 Credit Facility”) expiring in March of 2022. The 2017 Credit Facility comprised of \$170,000 of term loans and \$55,000 of revolving line of credit. \$50,000 of the revolving line of credit is available to Exal Corporation and \$5,000 is available to Exal Argentina, S.A. The Company incurred \$6,776 in financing fees while securing the new credit facility. The Company recorded fees of \$1,651 related to securing the new revolving credit facility as an unamortized asset, and fees related to the term loans of \$5,125 as a reduction of the carrying value of long-term debt upon issuance. The Company fully amortized \$863 of deferred financing fees remaining from the original credit agreement as of March 3, 2017.

Under the 2017 Credit Facility, as of December 31, 2017, the Company had unused revolving lines of credit of \$42,000 and \$1,000 for Exal Corporation and Exal Argentina, S.A., respectively. At December 31, 2016, under the prior credit facility, the Company had unused revolving lines of credit of \$25,567. Both credit facilities include interest rates on new borrowings based on adjusted LIBOR or prime rates and other adjustments associated with the financial covenants. The Company pays a monthly commitment fee equal to 0.50% per year on the undrawn portion of the credit facility.

Under the 2017 Credit Facility, term loans are due in quarterly payments of 1.25% of the total outstanding balance, with annual increases at June 30, 2018 and June 30, 2019 to 1.875%, and 2.50%, respectively, with any remaining principal and accrued interest due March 3, 2022. The credit facility is secured by the Company’s various interests in common stock and assets of Exal Corporation, Exal Packaging S.A., Exal Argentina S.A., Exal Madryn S.A., and Exal Holdings Brazil. The restrictive financial covenants contained within the 2017 Credit Facility are a fixed coverage charge ratio and a leverage ratio. All covenants of the credit facility were met as of December 31, 2017.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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9. Financing Arrangements (Continued)

Under the prior credit facility, the term loans were due in quarterly payments of 1.25% of the total outstanding balance, with annual increases at June 30 of each year to 1.875%, 2.50% and 3.125%, commencing June 2013, with any remaining principal and accrued interest due in June 2017. The credit facility was secured by the Company's building and various interests in common stock and assets of the European and South American subsidiaries. The credit facility contained restrictive covenants, including covenants relating to capital expenditures and certain financial ratios. As of February 19, 2016, the credit agreement was amended to revise certain negative covenants and financial ratios. All covenants of the credit facility were met as of December 31, 2016.

At December 31, 2017 and 2016, the Company had \$0, and \$1,781, respectively, of outstanding letters of credit.

In January 2016, the Company adopted FASB's ASU 2015-03. The Company capitalizes loan origination costs and legal costs associated with its financing arrangements and amortizes them over the life of the related loans. Amortization of these deferred financing costs was \$1,994 and \$2,064, respectively, for the years ended December 31, 2017 and 2016, and is classified as interest expense in the accompanying consolidated statements of operations and comprehensive income. As a result of adopting this amendment, unamortized financing costs are presented in the consolidated balance sheets as a direct deduction from the carrying amount of the debt liability and totaled \$5,645 and \$1,590 at December 31, 2017 and 2016, respectively.

Additionally, as of April 2010, the Company entered into a \$25,000 mezzanine subordinated debt facility with the partners of Element Holdings II, L.P. (its Parent), which includes interest payments at a 12% fixed rate and payment in kind (PIK) interest at a 3% fixed rate, with all outstanding principal and interest payable June 2018. After the first quarter of 2015, all of the interest payments are being treated as PIK. Accrued interest of \$12,563 plus unpaid principal of \$25,000, totaling \$37,563 are shown as notes payable to related parties on the consolidated balance sheet as of December 31, 2016. On March 3, 2017, accrued interest of \$13,643 and \$25,000 of principal was paid to the holders of the mezzanine subordinated debt facility in conjunction with the 2017 refinancing.

Interest expense was \$11,904 and \$14,952 (including \$1,080 and \$5,144 of related-party interest expense) for the years ended December 31, 2017 and 2016, respectively.

Principal payments excluding capital lease payments due for each of the next five years following December 31, 2017 are as follows:

| | <u>Amount</u> |
|------------------|------------------|
| 2018 | \$ 11,479 |
| 2019 | 15,653 |
| 2020 | 16,696 |
| 2021 | 16,696 |
| 2022 | 100,177 |
| Thereafter | — |
| Total | <u>\$160,701</u> |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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10. Capital Lease

During 2013, the Company entered into lease for real property under an agreement that is classified as a capital lease. The cost of the real property under the capital lease is included in the accompanying consolidated balance sheets as property, plant, and equipment and was \$14,667 at December 31, 2017 and 2016. During 2017, the Company entered into lease for real property under an agreement that is classified as a capital lease. The cost of the real property under the capital lease is included in the accompanying consolidated balance sheets as property, plant, and equipment and was \$250 at December 31, 2017. Accumulated amortization of all leased real property, was \$2,041 and \$1,548 at December 31, 2017 and 2016, respectively. Amortization of assets under the capital lease is included in depreciation expense and totaled \$493 and 489 for the years ended December 31, 2017 and 2016, respectively.

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of December 31, 2017 are as follows:

| <u>Year ending:</u> | <u>Amount</u> |
|---|-----------------|
| 2018 | \$ 1,255 |
| 2019 | 1,243 |
| 2020 | 1,232 |
| 2021 | 1,221 |
| 2022 | 1,202 |
| Thereafter | 24,146 |
| Total minimum lease payments | 30,299 |
| Less amount representing interest and other costs | (20,626) |
| Present value of net minimum lease payments | 9,673 |
| Less current maturities of capital lease obligation | (105) |
| Long-term capital lease obligation | <u>\$ 9,568</u> |

11. Employee Benefit Plans

Exal U.S. has adopted a non-qualified profit sharing plan for essentially all of its employees who meet the minimum service and attendance requirements. Profit sharing is calculated quarterly based on the current number of its employees, debt load, and profit levels. Profits are based on the Company's operating profits, as defined, less interest. The profit sharing percentage ranges from 0% to 10% of profits as calculated above. Profit sharing expense totaled \$728 and \$477 for the years ended December 31, 2017 and 2016, respectively.

Exal U.S. also sponsors a 401(k) retirement plan (the Plan) for substantially all of its employees with 90 days of service. The Plan states that Exal U.S. will match 100% of employee deferrals up to a maximum of 4% of gross wages per employee. Expenses, representing Exal U.S.'s matching contributions, were \$761 and \$680 for the years ended December 31, 2017 and 2016, respectively.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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12. Income Taxes

No provision has been made for income taxes on the portion of unremitted earnings of foreign subsidiaries that are deemed to be permanently reinvested in those jurisdictions.

The Company assesses uncertain tax positions in accordance with FASB ASC 740 and has determined that all income tax filing positions would be sustained upon examination and has not recorded any reserves or related accruals for interest and penalties at December 31, 2017 and 2016 for uncertain tax positions.

The Company files income tax returns in the U.S. federal and various state, local and foreign jurisdictions. The Company's subsidiaries are no longer subject to examinations by the relevant tax authorities for years before 2013.

Exal Madryn, S.A. and Exal India, B.V. have no undistributed net income due to these entities not having been profitable.

Pre-tax income from continuing operations was generated in the following jurisdictions during the year ended December 31:

| | <u>2017</u> | <u>2016</u> |
|----------------|-----------------|-----------------|
| Domestic | \$ (745) | \$ (6,792) |
| Foreign | 15,335 | 17,149 |
| Total | <u>\$14,590</u> | <u>\$10,357</u> |

The benefit (provision) for income taxes consists of the following during the year ended December 31:

| | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|
| Current tax provision: | | |
| Federal and state | \$ (212) | \$ (5,162) |
| Foreign | (10,260) | (7,482) |
| | <u>\$ (10,472)</u> | <u>\$ (12,644)</u> |
| Deferred tax benefit (provision): | | |
| Federal and state | \$ 8,368 | \$ 5,557 |
| Foreign | 1,657 | (933) |
| | <u>10,025</u> | <u>4,624</u> |
| Total benefit (provision) for income taxes | <u>\$ (447)</u> | <u>\$ (8,020)</u> |

On December 22, 2017, a comprehensive U.S. tax reform bill originally known as the "Tax Cuts and Jobs Act" was enacted into law. The Company is required to recognize the effect of the Tax Reform in its 2017 consolidated financial statements, even though the effective date of the law for most provisions is January 1, 2018. Based on information currently available, the Company's 2017 consolidated financial statements will include a one-time benefit to net income of approximately \$8,500 to reflect the remeasurement of the Company's deferred tax assets and liabilities to reflect the lower U.S. corporate income tax rate which has been reduced from 35% to 21%.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
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12. Income Taxes (Continued)

The ultimate impact of the Tax Reform Legislation may differ from the Company's estimates, possibly materially, due to changes in the interpretations and assumptions made by the Company as well as additional regulatory guidance that may be issued and actions the Company may take as a result of the Tax Reform Legislation.

The Company's reported income tax expense differs from the statutory federal income tax rate primarily due to state and local taxes (net of federal benefit), non-deductible operating expenses, the domestic production activity deduction and the impact of foreign operations with tax rates different than the statutory federal income tax rate.

The components of deferred tax assets and liabilities were, at December 31:

| | 2017 | 2016 |
|--|------------------|------------------|
| Deferred tax assets: | | |
| Tax carryforwards | \$ 11,382 | \$ 10,885 |
| Non-deductible employee costs | 1,056 | 1,516 |
| Allowances | 305 | 1,033 |
| Section 195 transaction costs | 113 | 199 |
| Property, plant, and equipment | 986 | 1,034 |
| Other | 2,876 | 5,265 |
| Total deferred tax assets | 16,718 | 19,932 |
| Less valuation allowance | (13,466) | (11,335) |
| | <u>3,252</u> | <u>8,597</u> |
| Deferred tax liabilities: | | |
| Property, plant, and equipment | 13,690 | 23,912 |
| Intangible assets | 5,750 | 9,653 |
| Other | 838 | 2,083 |
| Total deferred tax liabilities | 20,278 | 35,648 |
| Net deferred tax liability | <u>\$ 17,026</u> | <u>\$ 27,051</u> |

At December 31, 2017 and 2016, the Company had approximately \$40,758 and \$36,963, respectively, of net operating loss carryforwards, some of which may be carried forward indefinitely and the remainder of which expire in various years. These net operating loss carryforwards may be used to offset a portion of future taxable income and, thereby, reduce or eliminate the foreign income taxes otherwise payable.

13. Commitments and Contingencies

The Exal Group is a defendant in legal actions from normal business activities. At December 31, 2017, management believes that these matters are without merit and the likelihood of loss is remote. The ultimate liability, if any, upon resolution will not have a material effect on the consolidated financial position, operations or cash flows of the Company.

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

14. Stock-Based Compensation

The Company has unit option plans under which options to purchase units of its Parent have been granted to directors and key employees at the market value of the units at the date of grant. Payment must be made at the time of exercise. In general, options are exercisable in five equal installments commencing from the date of grant and terminating 10 years from the date of grant. A summary of unit option activity for the year ended December 31, 2017 and 2016, follows:

| | Units | Weighted-Average Exercise Price | Weighted-Average Remaining Term |
|--|------------------|---------------------------------------|------------------------------------|
| Outstanding, January 1, 2016 | 1,515,377 | \$10.89 | |
| Granted | 1,355,000 | 13.40 | |
| Forfeited | (255,262) | 12.69 | |
| Outstanding, December 31, 2016 | 2,615,115 | 12.01 | |
| Granted | 340,000 | 14.34 | |
| Forfeited | (589,967) | 13.00 | |
| Outstanding, December 31, 2017 | <u>2,365,148</u> | <u>\$12.39</u> | <u>\$6.45</u> |
| Options exercisable, January 1, 2016 | 843,183 | \$10.41 | |
| Forfeited | (83,074) | 12.49 | |
| Options exercisable, December 31, 2016 | 760,109 | 10.18 | |
| Vested | 204,086 | 13.41 | |
| Forfeited | (47,691) | 11.59 | |
| Options exercisable, December 31, 2017 | <u>916,504</u> | <u>\$10.77</u> | <u>\$3.71</u> |

These options cannot be traded in any equity market. Using the Black-Scholes option pricing model, options granted in 2017 and 2016 have estimated fair values at the date of grant of \$4.04 to \$4.98 and \$3.58 per unit, respectively. The actual value an employee may realize will depend on the excess of the unit price on the date the option is exercised over the exercise price. Consequently, there is no assurance that the value realized by an employee will be at or near the value estimated on the grant date.

The fair values were estimated using the following assumptions for options granted in:

| | 2017 | 2016 |
|---|-------------------|-----------|
| Expected dividend yield | 0.00% | 0.00% |
| Expected stock price volatility | 21.45% | 20.14% |
| Risk-free interest rate | 2.29% - 2.32% | 1.63% |
| Expected life of options | 7.5 years | 7.5 years |
| Market price on date of grant | \$13.40 - \$16.59 | \$ 13.40 |
| Forfeiture rate | 26.78% | 12.80% |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

14. Stock-Based Compensation (Continued)

The following summarizes the compensation cost recognized for all options for the year ended December 31:

| | <u>2017</u> | <u>2016</u> |
|---|--------------|-------------|
| Share-based compensation expense reported | | |
| for service-based options | \$904 | \$539 |

As of December 31, 2017, \$2,949 of total unrecognized compensation cost related to options is expected to be recognized over a period of five years.

15. Separation Benefits

The Company has initiated cost containment programs to appropriately align its cost structure with expected market conditions and replace certain members of senior management, which included termination benefits for certain employees. During 2017 and 2016, the Company recorded \$673 and \$764 related to one-time termination benefits, which is the total expected amount to be incurred. These one-time termination benefit costs are included in transition and integration expenses on the consolidated statements of operations and comprehensive income.

The following table summarizes these activities for 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|---|-----------------|-------------|
| Balance as of January 1, | \$ 1,308 | \$ 2,397 |
| Severance costs accrued | 673 | 764 |
| Cash payments | (1,455) | (1,909) |
| Interest expense on accretion of discount | 18 | 56 |
| Balance as of December 31, | \$ 544 | \$ 1,308 |

16. Other Expenses

Other expense consisted of the following for the twelve months ended December 31:

| | <u>2017</u> | <u>2016</u> |
|---|------------------------|-----------------------|
| Various South American taxes (non-income) | \$ 6,902 | \$2,250 |
| Foreign currency translation | 5,496 | 1,408 |
| Provision for related party note receivable | 1,856 | — |
| Shared based compensation expense | 904 | 539 |
| Loss on equity investment | 259 | 375 |
| Other | 901 | 1,488 |
| Total other expenses | <u>\$16,318</u> | <u>\$6,060</u> |

Element Holdings II, L.P. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the years ended December 31, 2017 and 2016
(In Thousands)

17. Insurance Recoveries

On October 25, 2017, a fire occurred at the Company's packaging facility in Garin, Argentina. The fire took place in the warehousing area of the plant and no production assets were damaged. During the fourth quarter of 2017, the packaging facility was not able to operate at full capacity as the initial cleanup activities impacted the entire facility. The Company maintains property insurance coverage to mitigate losses. The damages from the fire exceeded the Company's insurance deductible of \$80.

The Company recorded \$3,000 of insurance recoveries during the fourth quarter of 2017 relating to the property damage and this amount is included in operating expenses in the Company's Consolidated Statements of Operations and Comprehensive Income. The amount represented a partial settlement of the entire claim and the Company has not yet reached final settlement with the insurance carriers.

Through December 31, 2017, the Company had incurred demolition, cleanup, repair and other fire related costs of \$1,154. These costs are recorded in cost of goods sold in the Company's Consolidated Statements of Operations and Comprehensive Income.

The cost and insurance recoveries are summarized below:

| | <u>2017</u> |
|---|------------------|
| Property damage insurance recovery | \$(3,000) |
| Cost of clean up and repairs | 1,154 |
| Write-down of fixed assets | 1,611 |
| Gain related to insurance recovery included in operating income | \$ (235) |
| Insurance proceeds related to fixed assets | \$ 453 |
| Cost Capitalized | \$ 453 |

18. Subsequent Events

Management has evaluated all activity of the Company through February 28, 2018, the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements or notes.

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Trivium Packaging Finance B.V.

\$2,750,000,000 (equivalent)

€ % Senior Secured Notes due 2026
\$900,000,000 % Senior Secured Notes due 2026
€ Senior Secured Euro Floating Rate Notes due 2026

**guaranteed on a senior basis by Trivium Packaging B.V. and certain of its
wholly owned subsidiaries**

\$600,000,000 % Senior Notes due 2027

**guaranteed on a senior basis by Trivium Packaging B.V.
and on a senior basis by certain of its wholly owned subsidiaries**

PRELIMINARY OFFERING MEMORANDUM

, 2019

Joint Book-Running Managers

Citigroup

BMO Capital Markets

, 2019