

PRELIMINARY CONFIDENTIAL OFFERING CIRCULAR

Subject to Completion dated June 14, 2021



APi Group DE, Inc.

\$300,000,000 % Senior Notes due 2029

APi Group DE, Inc., a Delaware corporation (the “Issuer”), is offering \$300,000,000 aggregate principal amount of its % Senior Notes due 2029 (the “Notes”). The Issuer will pay interest on the Notes semi-annually in arrears on and of each year, commencing on . The Notes will mature on , 2029. The Issuer has the option to redeem all or a portion of the Notes at any time on or after , 2024 at the redemption prices set forth in this offering circular. In addition, until , 2024, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net proceeds of certain equity offerings at a price equal to %, subject to certain conditions. The Issuer may also redeem all or a portion of the Notes at any time prior to , 2024 at a price equal to 100% of the principal amount plus a “make-whole” premium plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. See “Description of Notes—Optional Redemption.”

The Notes will be the Issuer’s senior unsecured obligations, will rank equally in right of payment with all of the Issuer’s existing and future senior unsecured debt and will rank senior in right of payment to any of the Issuer’s unsecured subordinated debt. The Notes will be effectively subordinated to the Issuer’s secured indebtedness, including the debt outstanding under the Issuer’s Credit Agreement (as defined herein), to the extent of the value of the assets securing such debt, and will be structurally subordinated to indebtedness and other liabilities, including trade payables, of Holdings’ (as defined below) non-guarantor subsidiaries.

The Notes will be jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis by APi Group Corporation, a Delaware corporation and the parent of the Issuer (“Holdings”), and each and all of Holdings’ current and future direct and indirect domestic subsidiaries that guarantee the Credit Agreement, with certain permitted exceptions. See “Description of Notes—Guarantees.” The guarantees will be the senior unsecured obligations of the guarantors, will rank pari passu in right of payment with all existing and future senior unsecured debt of each such guarantor and will rank senior in right of payment to any unsecured subordinated debt of each such guarantor. The guarantees will be effectively subordinated to each guarantors guarantee of the debt outstanding under our Credit Agreement, to the extent of the value of the assets securing such debt, and will be structurally subordinated to indebtedness and other liabilities, including trade payables, of Holdings’ non-guarantor subsidiaries.

No public market currently exists for the Notes. We have not applied, and do not intend to apply, for listing or quotation of the Notes on any national securities exchange or automated quotation system.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 19.

Notes Price: %

plus accrued interest, if any, from , 2021

The Notes and guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. The Notes are being offered and sold in the United States only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. For a description of certain information about eligible offerees and restrictions on transfers of the Notes, see “Transfer Restrictions.”

Delivery of the Notes in book-entry form will be made through the facilities of The Depository Trust Company (“DTC”), on or about , 2021 (the “Issue Date”).

Neither the Securities and Exchange Commission (the “SEC”) nor any state or foreign securities commission or regulatory authority has approved or disapproved the securities offered hereby or passed upon the adequacy or the accuracy of this offering circular. Any representation to the contrary is a criminal offense.

Joint Bookrunners

Citigroup

Barclays

UBS Investment Bank

BofA Securities

US Bancorp

Offering Circular dated , 2021

The information in this preliminary offering circular is not complete and may be changed. The preliminary offering circular is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
NOTICE TO INVESTORS	(i)	CAPITALIZATION	48
NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS	(iii)	MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS	49
SELECTED TERMS USED IN THIS OFFERING CIRCULAR.....	(iv)	DESCRIPTION OF OTHER INDEBTEDNESS	60
TRADEMARKS AND TRADE NAMES	(iv)	DESCRIPTION OF NOTES	62
INDUSTRY AND MARKET DATA	(v)	BOOK-ENTRY, DELIVERY AND FORM. CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS...	120 125
NON-GAAP FINANCIAL MEASURES	(v)	CERTAIN ERISA CONSIDERATIONS	129
WHERE YOU CAN FIND MORE INFORMATION	(vii)	TRANSFER RESTRICTIONS.....	131
CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS.....	(viii)	PLAN OF DISTRIBUTION.....	133
SUMMARY	1	LEGAL MATTERS	138
RISK FACTORS.....	19	INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	138
USE OF PROCEEDS.....	47		

In deciding whether to purchase the Notes, you should rely only on the information contained in this offering circular or incorporated by reference herein. None of the Issuer, the guarantors or the initial purchasers has authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. None of the Issuer, the guarantors or the initial purchasers is making an offering of the Notes in any jurisdiction where the offering of the Notes is not permitted. You should not assume that the information contained in this offering circular is accurate at any date other than the date on the front of this offering circular. Our business, financial condition, results of operations and prospects may have changed since that date.

NOTICE TO INVESTORS

We are furnishing this offering circular on a confidential basis in connection with an offering that is exempt from registration under, or not subject to, the Securities Act solely to allow a prospective investor to consider the purchase of the Notes. Delivery of this offering circular to any other person or any reproduction of this offering circular, in whole or in part, without our prior consent or the prior consent of the initial purchasers is prohibited. If you do not purchase the Notes, or this offering of the Notes is withdrawn, you agree to return this offering circular to Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013.

You must comply with all applicable laws and regulations in connection with the distribution of this offering circular and the offer or sale of the Notes. See "Transfer Restrictions." You are not to construe the contents of this offering circular or any documents incorporated by reference herein as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes. None of the Issuer, the guarantors or the initial purchasers are making any representation to you regarding the legality of an investment in the Notes by you under applicable laws. In making an investment decision regarding the Notes offered by this offering circular, you must rely on your own examination of us and the terms of this offering, including, without limitation, the merits and risks involved. This offering is being made on the basis of this offering circular. Any decision to purchase Notes in this offering must be based on the information contained in this offering circular, including information incorporated by reference herein.

The Notes and the related guarantees described in this offering circular have not been registered with, recommended by or approved by the SEC or any other federal or state securities commission or regulatory authority, nor has the SEC or any such state securities commission or authority passed upon the accuracy or adequacy of this offering circular. Any representation to the contrary is a criminal offense.

This offering circular is being provided on a confidential basis (1) to persons reasonably believed to be “qualified institutional buyers” for informational use solely in connection with their consideration of the purchase of the Notes and (2) in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act. Its use for any other purpose is not authorized. This offering circular may not be copied or reproduced, in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided. By accepting delivery, you acknowledge that this document contains confidential information and you agree to maintain the confidentiality of the information contained herein and that the use of this information for any purpose other than considering an investment in the Notes is strictly prohibited.

This offering circular contains summaries, believed to be accurate, of some of the terms of specific documents. All summaries are qualified in their entirety by reference to the actual documents, copies of which will be made available upon request. For the complete information contained in those documents, see below under “Where You Can Find More Information.”

This offering circular relates to an offering that is exempt from registration under the Securities Act. As a result, it does not comply in important respects with SEC rules that apply to an offering document relating to a public offering of securities.

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

No person is authorized in connection with any offering made by this offering circular to give any information or to make any representation not contained in this offering circular, including information incorporated by reference herein, and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the initial purchasers. The information contained in this offering circular, including information incorporated by reference herein, is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this offering circular at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering circular, including information incorporated herein by reference, or in our affairs since the date hereof.

We reserve the right to withdraw this offering at any time. This offering is subject to the terms described in this offering circular and the indenture, including any supplements thereto, that will govern the Notes (the “Indenture”).

This offering circular does not constitute an offer to sell the Notes to or a solicitation of an offer to buy the Notes from any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The distribution of this offering circular and the offer and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering circular or any of the Notes comes must inform themselves about and observe any such restrictions. You must comply with all applicable laws and regulations (including obtaining required consents, approvals and permissions) in any jurisdiction in which you possess or distribute this offering circular or in which you purchase, offer or sell the Notes. Neither the Issuer nor any of the guarantors have any responsibility therefor. See “Transfer Restrictions.”

We do not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes in any automated dealer quotation system. The Notes will initially be available in book-entry form only. The Notes sold pursuant to this offering circular will be issued in the form of one or more global certificates, which will be deposited with a custodian and registered in the name of the nominee of the common depositary for the account of DTC. Beneficial interests in the global certificates for the Notes will be shown on and transfers of such global certificates

will be effected only through DTC. After the initial issuance of the global certificates, Notes in certificated form will be issued in exchange for the global certificates only as set forth in the Indenture.

The information set forth in this offering circular describing clearing and settlement arrangements, including the section “Book-Entry, Delivery and Form,” is subject to change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream currently in effect. The Issuer and the guarantors undertake no obligation to update such information.

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

In connection with this offering of the Notes, the initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes at levels that might not otherwise prevail in the open market. This stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see “Plan of Distribution.”

Computershare Trust Company, N.A. in each of its capacities including but not limited to trustee, initial registrar, and initial paying agent, has not participated in the preparation of this offering circular and does not assume responsibility for its contents, including, for avoidance of doubt, any reports, or any other information related to or referred to herein. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the trustee as to the accuracy or completeness of the information contained or incorporated in this offering circular or any other information we have provided in connection with the offering of the Notes. The trustee has no liability in relation to the information contained or incorporated by reference in this offering circular or any other information we have provided in connection with the offering of the Notes or their distribution.

We have prepared this offering circular solely for use in connection with the offering of the Notes to qualified institutional buyers under Rule 144A of the Securities Act and to non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States under Regulation S of the Securities Act.

This offering circular is confidential. We have not authorized this offering circular’s use for any other purpose. This offering circular may not be copied or reproduced in whole or in part. It may be distributed, and its contents disclosed, only to the prospective investors to whom it is provided. By accepting delivery of this offering circular, you acknowledge that this offering circular contains confidential information and you agree to maintain the confidentiality of the information contained herein and that the use of this information for any purpose other than considering a purchase of the Notes is strictly prohibited. These undertakings and prohibitions are intended for our benefit and may be enforced by us.

THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL, STATE OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this offering circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the guarantors and the initial purchasers require persons into whose possession this offering circular or any of the Notes comes to inform themselves about and to observe any such restrictions. This offering circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful.

NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS

This offering circular, as well as any other documents in connection with this offering, will not be reviewed by the SEC. There are no registration rights associated with the Notes or the guarantees and we have no present intention to offer to exchange the Notes and the guarantees for notes and guarantees registered under the Securities Act or to file a registration statement with respect to the Notes. The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

SELECTED TERMS USED IN THIS OFFERING CIRCULAR

As used in this offering circular, unless the context otherwise requires or unless otherwise specified, all references to “we,” “us,” “our,” the “Company”, and “APG” refer to Holdings and its consolidated subsidiaries, collectively.

All references in this offering circular to:

- “2019 Term Loan” refers to the \$1.2 billion term loan we incurred on October 1, 2019 pursuant to our Credit Agreement;
- “2020 Term Loan” refers to the incremental \$250.0 million term loan we incurred on October 22, 2020 pursuant to our Credit Agreement;
- “Code” refers to the Internal Revenue Code of 1986, as amended;
- “Common Stock” refer to the shares of common stock of the Holdings, par value \$0.0001 per share;
- “Credit Agreement” refers to that certain Credit Agreement, dated as of October 1, 2019, by and among the Issuer, a wholly-owned subsidiary of Holdings, Holdings, as guarantor, the subsidiary guarantors from time to time party thereto, the lenders and letter of credit issuers from time to time party thereto and Citibank, N.A., as administrative agent and collateral agent, as amended by that certain Amendment No. 1 to the Credit Agreement, dated as of October 22, 2020;
- “DTC” refers to the Depository Trust Company;
- “ERISA” refers to the Employment Retirement Income Security Act of 1974, as amended;
- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended;
- “FATCA” refers to the Foreign Account Tax Compliance Act;
- “Indenture” refers to the indenture, including any supplements thereto, that will govern the Notes;
- “IRS” refers to the Internal Revenue Service;
- “NYSE” refers to the New York Stock Exchange;
- “OID” refers to original issue discount;
- “Revolving Credit Facility” refers to the \$300 million five-year senior secured revolving credit facility available under our Credit Agreement;
- “SEC” refers to the U.S. Securities and Exchange Commission;
- “Securities Act” refers to the Securities Act of 1933, as amended;
- “Trust Indenture Act” refers to the Trust Indenture Act of 1939, as amended; and
- “U.S. GAAP” refers to generally accepted accounting principles in the United States.

TRADEMARKS AND TRADE NAMES

This offering circular, and the documents incorporated by reference herein, contain some of our trademarks and trade names. All other trademarks or trade names of any other company appearing in this offering circular belong to their respective owners. Solely for convenience, the trademarks and trade names in this offering circular may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

INDUSTRY AND MARKET DATA

We obtained the industry, market and competitive position data described or referred to throughout this offering circular or the documents incorporated by reference herein from our own internal estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties.

While we believe our internal estimates and research are reliable and the market definitions are appropriate, such estimates, research and definitions have not been verified by any independent source. In particular, some of the market and industry estimates in this offering circular were prepared prior to the novel coronavirus (“COVID-19”) pandemic, and we cannot predict the extent to which these estimates will be affected. These and other factors could cause results to differ materially from those expressed in, or implied by, the estimates made by independent parties and by us.

We caution you not to place undue reliance on this data.

NON-GAAP FINANCIAL MEASURES

The SEC has adopted rules to regulate the use of “non-GAAP financial measures” that are derived on the basis of methodologies other than in accordance with U.S. GAAP. In this offering circular and the documents incorporated by reference herein, we supplement our reporting of consolidated financial information determined in accordance with U.S. GAAP with non-U.S. GAAP financial measures within the meaning of Regulation G of the Exchange Act. We use certain non-U.S. GAAP financial measures that are included in this offering circular both in explaining our results to stockholders and the investment community and in our internal evaluation and management of our businesses. Management believes that these non-U.S. GAAP financial measures and the information they provide are useful to investors since these measures (a) permit investors to view our performance using the same tools that management uses to evaluate our past performance, reportable business segments and prospects for future performance, (b) permit investors to compare us with our peers and (c) determine certain elements of management’s incentive compensation. Specifically:

- Adjusted net revenues is defined as net revenues excluding the impact and results of businesses classified as assets held-for-sale and businesses divested. Management believes that this measure is useful as a supplement to enable investors to compare period-over-period results on a more consistent basis without the effects of businesses classified as assets held-for-sale and businesses divested, which more meaningfully reflects our core ongoing operations and performance. We use adjusted net revenues to evaluate our performance, both internally and as compared with our peers, because it excludes certain items that may not be indicative of our core operating results. Adjusted gross profit is defined as gross profit excluding the impact and results of businesses classified as assets held-for-sale and businesses divested and certain non-cash and other specifically identified items. Management believes that this measure is useful as a supplement to enable investors to compare period-over-period results on a more consistent basis without the effects of businesses classified as assets held-for-sale and businesses divested, which more meaningfully reflects our core ongoing operations and performance. We use adjusted gross profit to evaluate our performance, both internally and as compared with our peers, because it excludes certain items that may not be indicative of our core operating results.
- Management believes that adjusted net revenues and adjusted gross profit, which are non-GAAP financial measures that exclude business transformation and other expenses for the integration of acquired businesses, the impact and results of businesses classified as assets held-for-sale and businesses divested, and one-time and other events such as impairment charges, share-based compensation, transaction and other costs related to acquisitions, amortization of intangible assets and depreciation remeasurements associated with acquisitions, net COVID-19 relief, and certain tax benefits from the acquisition of APi Group, Inc. (the “APi Acquisition”), are useful because they provide investors with a meaningful perspective on the current underlying performance of our core ongoing operations.
- We also present organic changes in net revenues on a segment and consolidated basis to provide a more complete understanding of underlying revenue trends by providing net revenues on a consistent basis as it excludes the impacts of material acquisitions, completed divestitures, and changes in foreign currency from year-over-year comparisons on reported net revenues, calculated as the difference between the reported net revenues for the current period and reported net revenues for the current period converted at the prior year average monthly exchange rates (excluding acquisitions and divestitures). The

remainder is divided by the prior year net revenues, excluding the impacts of material acquisitions and completed divestitures.

- Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is the measure of profitability used by management to manage our segments and, accordingly, in our segment reporting. We supplement the reporting of our consolidated financial information with EBITDA, adjusted EBITDA and adjusted EBITDA margin. Adjusted EBITDA is defined as EBITDA excluding the impact of certain non-cash and other specifically identified items, and adjusted EBITDA margin. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by adjusted net revenues. We believe these non-U.S. GAAP measures provide meaningful information and help investors understand our financial results and assess our prospects for future performance. We use EBITDA, adjusted EBITDA and adjusted EBITDA margin to evaluate our performance, both internally and as compared with our peers, because they exclude certain items that may not be indicative of our core operating results. Consolidated EBITDA is calculated in a manner consistent with segment EBITDA, which is a measure of segment profitability.
- We present free cash flow, adjusted free cash flow and adjusted free cash flow conversion, which are liquidity measures used by management as factors in determining the amount of cash that is available for working capital needs or other uses of cash, however, they do not represent residual cash flows available for discretionary expenditures. Free cash flow is defined as cash provided by (used in) operating activities less capital expenditures. Adjusted free cash flow is defined as cash provided by (used in) operating activities plus or minus events including, but not limited to, transaction and other costs related to acquisitions, business transformation and other expenses for the integration of acquired businesses, impacts of businesses classified as assets held-for-sale and businesses divested, and one-time and other events such as COVID-19 related payroll tax deferral and relief items. Adjusted free cash flow conversion is defined as adjusted free cash flow as a percentage of adjusted EBITDA.

While we believe these non-U.S. GAAP measures are useful in evaluating our performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with U.S. GAAP. These non-U.S. GAAP financial measures may differ from similar measures presented by other companies. In addition, these non-U.S. GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-U.S. GAAP financial measures. Investors are encouraged not to rely on any single financial measure to evaluate our business and to review the reconciliation of these non-U.S. GAAP financial measures to their most comparable U.S. GAAP financial measure, which can be found in “Management’s Discussion and Analysis and Results of Operations” and “Summary—Summary Financial Data.”

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC are available to the public through the SEC's website at <http://www.sec.gov>. We make available free of charge on our website at <http://www.apigroupcorp.com> our annual report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the SEC. Finally, as our Common Stock is listed on the NYSE under the ticker symbol "APG," certain materials filed by us may be inspected at the office of the NYSE located at 20 Broad Street, New York, New York 10005.

We are incorporating by reference in this offering circular certain information we file with the SEC, which means that we can disclose important business, financial and other information to you in this offering circular by referring you to the publicly filed documents containing this information. The information incorporated by reference herein is considered to be part of this offering circular, except for any information superseded by information in this offering circular. This offering circular incorporates by reference the following documents that we have previously filed with the SEC:

- our annual report on Form 10-K for the year ended December 31, 2020, filed on March 24, 2021 (the "Annual Report");
- our quarterly report on Form 10-Q for the three months ended March 31, 2021, filed on May 12, 2021 (the "Quarterly Report");
- our current report on Form 8-K, filed on February 26, 2021;
- our current report on Form 8-K, filed on February 19, 2021;
- our current report on Form 8-K, filed on January 28, 2021;
- our current report on Form 8-K, filed on January 4, 2021; and
- all subsequent documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this offering circular until the completion of this offering.

This offering circular does not, however, incorporate by reference any documents or portions thereof, whether specifically listed above or furnished by us in the future, that are not deemed "filed" with the SEC, including information "furnished" pursuant to Items 2.02, 7.01 and 9.01 of Form 8-K.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this offering circular to the extent that a statement contained herein or in any subsequently filed document that is also incorporated by reference herein modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering circular.

Any information incorporated by reference herein is available to you without charge upon written or oral request. If you would like a copy of any of this information, please submit your request to us at the following address:

APi Group Corporation
1100 Old Highway 8 NW
New Brighton, Minnesota 55112
Attn: Secretary
Tel: (651) 636-4320

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements we make in this offering circular and the documents incorporated or deemed to be incorporated by reference herein may constitute “forward-looking statements” within the meaning of the federal securities laws and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, which may contain words such as “expect,” “anticipate,” “will,” “should,” “believe,” “intend,” “plan,” “estimate,” “predict,” “seek,” “continue,” “pro forma,” “outlook,” “may,” “might,” “should,” “can have,” “have,” “likely,” “potential,” “target,” “indicative,” “illustrative,” and variations of such words and similar expressions, and which relate to this offering circular, including without limitation, to statements, beliefs, projections and expectations about future events. Such statements are based on the Company’s expectations, intentions, and projections regarding its future performance, anticipated events, or trends and other matters that are not historical facts, including beliefs, expectations and/or other forward looking statements regarding: (i) the Company’s intention and ability to consummate the offering of the Notes; (ii) the Company’s beliefs and expectations regarding its business strategies and competitive strengths, and its ability to maintain and advance its market share and position, grow its business organically and through acquisitions, and capitalize on customer demand; (iii) the Company’s beliefs and expectations with respect to the estimated impact of the issuance of Notes on the Company’s debt and leverage; (iv) the Company’s beliefs and expectations with respect to its 2021 outlook and guidance, including projected net revenues; (v) the Company’s beliefs and expectations regarding its ability to achieve key financial targets, including but not limited to organic revenue growth, adjusted EBITDA margin targets, targeted average adjusted cash flow conversion rates, long-term net leverage ratio targets and the Company’s future financial policy, including target leverage and acquisition, dividend and liquidity policies; (vi) the Company’s beliefs regarding competition, its relative market positioning and the competitive factors in the industries it serves; (vii) the Company’s beliefs regarding its acquisition platform and ability to execute on and successfully integrate strategic acquisitions; (viii) the Company’s beliefs regarding the recurring and repeat nature of its business; (ix) the Company’s expectations regarding industry trends and their impact on its business, and its ability to capitalize on the opportunities presented in the markets it serves (including, but not limited to, the impact of the Company’s focus on inspection and maintenance services, including statutorily required services, on future revenues); (x) the Company’s intent to continue to grow its business, both organically and through acquisitions, and the Company’s beliefs regarding the impact of its business strategies on its growth; (xi) the Company’s expectations regarding the impact of the COVID-19 pandemic on its business and future financial results, the precautionary measures the Company is taking in response to the pandemic and the impact of those measures on the Company’s business and future financial results; (xii) the Company’s plans and beliefs with respect to its leadership development platform; (xiii) the Company beliefs and expectations regarding its future revenue and margin expansion through various initiatives, which may include performance improvements, disciplined project and customer selection, mix of work, pricing initiatives, potential acquisitions or other means (xiv) the Company’s beliefs regarding its customer relationships and plans to grow existing business and expand service offerings; (xv) the Company’s beliefs and expectations with respect to the impact of diversity in its client base across geographies and end-markets, as well as customer concentration; (xvi) the Company’s beliefs regarding the sufficiency of its properties and facilities; (xvii) the Company’s expectations regarding labor matters; (xviii) the Company’s beliefs regarding the adequacy of its insurance coverage and at reasonable cost; (xix) the Company’s expectations regarding the increased costs and burdens of being a public company; (xx) the Company’s expectations regarding the cost of compliance with laws and regulations; (xxi) the Company’s expectations and beliefs regarding accounting and tax matters; (xxii) the Company’s beliefs regarding the sufficiency of its current sources of liquidity to fund its future liquidity requirements, the Company’s expectations regarding the types of future liquidity requirements and its expectations regarding the availability of future sources of liquidity; (xxiii) the Company’s beliefs and expectations regarding its ability to manage results in volatile circumstances, including the expected impact of flexibility in the Company’s cost structure, relatively short project duration and lower capital investments; and (xxiv) the Company’s intent to settle future dividends on Series A Preferred Stock in shares. These projections and statements are based on management’s estimates, assumptions, beliefs, expectations, and projections with respect to future events, anticipated events, and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors.

Furthermore, you should also read carefully the factors described or referred to in the “Risk Factors” section of this offering circular, as well as the risk factors described in our Annual Report and Quarterly Report and in any other documents incorporated by reference in this offering circular to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements. Any forward-looking statements that we make in this offering circular speak only as of the date of such statement, and, unless required by law, we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Comparisons of results for current and any prior periods are not intended to express

any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

SUMMARY

This summary highlights selected information contained or incorporated by reference in this offering circular. This summary does not contain all of the information you should consider before investing in the Notes. You should carefully read this entire offering circular, including the section titled “Risk Factors,” along with our consolidated financial statements, the notes thereto and the other documents we have included or incorporated by reference herein, before making an investment decision. This offering circular contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under “Risk Factors” and elsewhere in this offering circular.

Company Overview

We are a market-leading business services provider of safety, specialty and industrial services in over 200 locations, primarily in North America and with an expanding platform in Europe. We provide statutorily mandated and other contracted services to a strong base of long-standing customers across industries. We have a winning leadership culture driven by entrepreneurial business leaders who deliver innovative solutions for our customers.

We achieved net revenues of \$803 million and \$3.6 billion for the three months ended March 31, 2021 and full year ended December 31, 2020, respectively. We operate our business under three primary operating segments, which are also our reportable segments: Safety Services, Specialty Services and Industrial Services.

Our end markets include telecommunications, utilities, commercial, education, entertainment, industrial, manufacturing, distribution and fulfillment centers, government, infrastructure, healthcare, high tech and others. Our services include installation, inspection, maintenance, service and repair, retrofitting and upgrading, engineering and design, and fabrication. The mission-critical nature of the services we offer and regulatory driven inspection and maintenance requirements tend to provide us with reliable and recurring revenue streams.

We were established in 1926 as a small plumbing company in St. Paul, Minnesota and have since evolved to a global industry leader by expanding into key markets and establishing both a national and international presence. In 2019, APi Group, Inc. was acquired by an acquisition vehicle founded by Sir Martin E. Franklin, James E. Lillie, and Ian G.H. Ashken and effective April 29, 2020, our common stock began trading on the NYSE under the ticker symbol “APG”.

Our corporate headquarters are in New Brighton, Minnesota, and we conduct business throughout the United States, Europe and Canada and other foreign locations. The map below highlights our broad geographic footprint:



Our Business Segments

We employ a regional operating model designed to improve speed and responsiveness to our customers across our businesses, empower leadership of our businesses to drive business performance and execute key decisions, and foster cross-functional sharing of best practices. This structure promotes a business-owner mindset among our individual business leaders and combines the personal attention of a small-to-medium sized company with the strength and support of an industry leader. It also allows each of our businesses to remain highly focused on best positioning itself within the categories in which it competes and reinforces strong accountability for operational and financial performance.

We operate our business under three primary operating segments, which are also our reportable segments:

SAFETY SERVICES ~45% of Revenue ⁽¹⁾	SPECIALTY SERVICES ~39% of Revenue ⁽¹⁾	INDUSTRIAL SERVICES ~16% of Revenue ⁽¹⁾
Life Safety – ~80% of Segment Revenue ⁽¹⁾	Infrastructure / Utility – ~58% of Segment Revenue ⁽¹⁾	Transmission – ~73% of Segment Revenue ⁽¹⁾
Backflow devices	Electric and gas utility maintenance	Leak repair and pipeline replacement
Emergency and exit lighting	Fiber optic and cellular system installation and maintenance	Oil pumping stations and directional drilling installation
Emergency fire suppression systems	Natural gas line distribution services	Pipeline work and integrity testing
Fire alarm and detection systems	Underground electrical and fiber optic cable installation	Retrofitting oil and gas pipeline infrastructure
Fire pumps	Water line and sewer installation	Inspection – ~15% of Segment Revenue ⁽¹⁾
Security and surveillance systems	Specialty Contracting – ~29% of Segment Revenue ⁽¹⁾	Code compliance / inspection services
Standby systems	Insulation, ventilation and temperature control	Civil – ~12% of Segment Revenue ⁽¹⁾
HVAC Services (Mechanical) – ~20% of Segment Revenue ⁽¹⁾	Plant maintenance and outage services	Earthworks and utilities
Controls technology and entry systems	Specialty industrial and commercial ductwork	Concrete flat work and bridges
HVAC systems and service and maintenance	Fabrication – ~13% of Segment Revenue ⁽¹⁾	Asphalt paving and production
Plumbing engineering and installation	Structural fabrication and erection	Crushing and screening

Source: Company and public filings.
(1) Data based on 2020 reported net revenues.

Safety Services (approximately 45% of 2020 net revenues) – A leading provider of safety services in North America and Europe, focusing on end-to-end integrated occupancy systems (fire protection services, Heating, Ventilation, and Air Conditioning (“HVAC”) and entry systems), including design, installation, inspection and service of these integrated systems. The work performed within this segment, includes customers in various industries and facilities such as commercial, data center, distribution, education, healthcare, high tech, industrial and special-hazard settings. According to the 2020 ENR report, we were the largest provider of fire protection and sprinkler services in North America and management estimates we were a leading provider of critical safety services in markets in the Benelux region. The average project size in the safety services segment was approximately \$10,000 as of December 31, 2020.

Specialty Services (approximately 39% of 2020 net revenues) – A leading provider of a variety of infrastructure services and specialized industrial plant services, which include maintenance and repair of critical infrastructure such as electric, gas, water, sewer and telecommunications infrastructure. Our services include engineering and design, fabrication, installation, maintenance service and repair, and retrofitting and upgrading. Customers within this segment include private and public utilities, communications, healthcare, education, manufacturing, industrial plants and governmental agencies throughout the United States. The average project size in the specialty services segment was approximately \$70,000 as of December 31, 2020.

Industrial Services (approximately 16% of 2020 net revenues) – A leading provider of a variety of services to the energy industry focused on transmission and distribution. This segment’s services include oil and gas pipeline infrastructure, access and road construction, supporting facilities, and performing ongoing integrity management and maintenance. The average project size in the industrial services segment was approximately \$700,000 as of December 31, 2020.

Our Industry

The industries in which we operate are highly fragmented and comprised of national, regional and local companies that provide services to customers across various end markets and geographies. We believe the following industry trends are affecting, and will continue to affect, demand for our services.

Increased Regulation. The life safety industry is highly regulated at the federal, state and local levels and continuous regulatory changes, including mandated building codes and inspections and maintenance requirements, continue to generate increasing demand for our services, often on a recurring basis. Specifically, the Uniform Building Codes written by the National Fire Protection Association, and the International Code Council regulate fire suppression and sprinkler systems. Among other things, these codes require testing, inspections, repair, maintenance and specific retrofits of building fire suppression and sprinkler systems which generates recurring revenue related to those services. As these associations and government agencies continue to adopt new, more stringent regulations, the demand for our services increases.

Additionally, in the United States, the Tax Cuts and Jobs Act of 2017 provides federal tax incentives to businesses that install fire suppression and sprinkler systems in new buildings, upgrade existing systems or retrofit existing structures with systems.

COVID-19 and Non-Residential Construction. The negative economic impacts of COVID-19 have had an overall negative impact on non-residential construction. However, certain end markets we serve have been less impacted, such as data centers and distribution. As a leading provider of specialty contracting services, we are impacted by these macroeconomic events and are unable to know if the recovery from COVID-19 economic impacts in all markets we serve will rebound timely and completely. We believe that certain services driven by regulatory requirements assists our ability to have demand for our services even in tough markets; however, these markets may experience additional congestion.

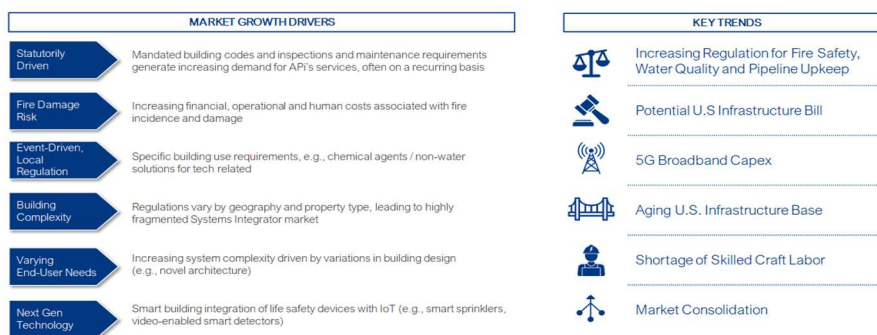
Differentiated Leadership Development

We provide leadership development opportunities that pave the way for retaining invested, loyal, and quality employees. We have spent approximately \$25 to \$30 million on leadership development over the past five years and plan to continue to invest in and support our leadership development culture. We believe our leadership development culture empowers the leaders across our businesses, drive business performance and increase future cross-selling opportunities. Another important initiative is our field-based leadership programs. We believe our approach to field leadership is different from our peers' field-based programs, which tend to focus on technical competence as opposed to leadership. We have sent more than 650 field leaders to the FMI Field Leadership Institute since 2014 and have a variety of learning opportunities specifically tailored to our field leaders. An example of this is our one-day Leading Self program, which focuses on building foundational leadership skills and has had approximately 2,500 attendees since inception.

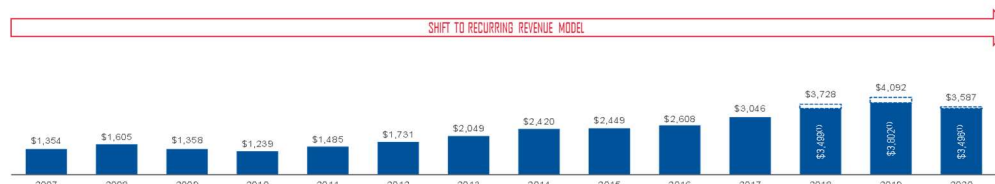
Our Competitive Strengths

Aligned to Attractive Secular Industry Tailwinds. We believe that the industries in which we operate are subject to increasingly complex and evolving regulatory environments and have experienced pent-up demand resulting from years of deferred maintenance and retrofit investment. In addition, we believe that there is increasing demand for specialty contracting services and for inspection and maintenance services relating to aging energy infrastructure as customers try to prolong the useful lives of their pipelines and limit incidents. We believe this presents great opportunities for us to drive growth in our businesses and enhance our market share positions. We also believe that the diversity of the niche markets we serve and the regulatory-driven demand for certain of our services will enable us to better withstand various economic cycles.

Attractive Secular Industry Tailwinds



Stability Through Significant Recurring Service Revenue. We have a stable cash flow profile driven by our recurring revenue services-focused business model. The mission-critical nature of services and regulatory-driven inspection requirements provide predictable, recurring revenue stream opportunities. Maintenance and service revenues are less cyclical, and are reasonably recurring due to consistent renewal rates and deep customer relationships. On average, service and inspection revenue generates approximately 10% higher gross margin than contract revenue. We have grown the mix of service revenue as a proportion of net revenues for our Life Safety business from approximately 20% in 2008 to approximately 41% in 2020. We have a goal of increasing the service revenue proportion of net revenue to 50% or greater.



Diversified Across Clients, End Markets, Geographies and Projects. We have a diverse set of long-standing blue chip customers who are spread across a variety of end markets, with low concentration. Many of our customers have high creditworthiness in a direct service relationship or contracting role, providing stable cash flows and a platform for organic growth. Our broad geographic footprint with over 200 locations in North America and Europe allows us to maintain relationships with local decision makers while also having the ability to execute multi-site services for national account customers. Our individual contracts carry little risk due to:

- Small average project size of less than \$100,000 in 2020 and relatively short average project duration helping to mitigate inflationary exposure;
- No single customer accounting for more than 5% of net revenues in 2020;
- Contract loss rate of less than 1.5% of adjusted net revenues in 2020; and
- Significant portion of business operates across acyclical end markets.

Differentiated Business Model Focused on Growing Service Revenue. Our go to market strategy is to sell inspection work first, because we estimate that every dollar sold can lead to subsequent service work. In most cases, our inspection work is covered by statutory requirements. Nearly all facilities that have existing life safety systems are required by law to have that system inspected on an annual basis regardless of whether the facility is filled to capacity or empty. This strategy differentiates us from our peers and ultimately creates a stickier client relationship, that we believe leads to recurring revenue, higher margins and growth opportunities.

Resilient Business Model with Multiple Levers to Navigate Downturns. Our proactive approach to managing risk across its platform, recurring revenue services-focused business model and highly variable cost structure provide significant flexibility for the Company to effectively navigate downturns. Union labor force allows us to expand and contract our workforce as market conditions dictate without incurring significant trailing costs or severance. Average project duration is relatively short, mitigating inflationary exposure to cost of goods sold or changes in labor expense that some peers may experience in an inflationary environment. We also have an asset-light model which requires minimal ongoing maintenance capital expenditures (typically less than 2% of total net revenues). In a downturn we have multiple levers to pull to preserve cash due to a high proportion of variable costs.

Strong Margin and Cash Flow Profile with Clear Path to Continued Margin Expansion. We believe that, due to our differentiated operating model, diversified services offerings, historically strong organic growth and disciplined acquisition strategy, we have an attractive financial performance profile. In addition, we support margin growth by leveraging our scale to benefit from procurement savings resulting from enhanced purchasing power, serving higher-margin, niche industries, and requiring minimal ongoing maintenance capital expenditures (typically less than 2% of total net revenues). We also have significant recurring revenue, which supports our ability to generate strong operating cash flows. The Company's long-term objectives include delivering long-term organic revenue growth above industry average, expanding adjusted EBITDA margin to 13% or greater by year-end 2025, and maintaining average adjusted free cash flow conversion of 80% or greater.

Our Business Strategy

We intend to continue to grow our businesses, both organically and through acquisitions and advance our position in each of the markets we serve by pursuing the following integrated business strategies:

Drive Organic Growth. We believe that we can continue to grow our businesses organically and capture additional market share across each of our segments by focusing on growing maintenance, inspection, installation, and service revenues and maximizing cross-selling opportunities.

- Grow Maintenance, Inspection, and Service Revenue. We believe that we can drive substantial organic growth by focusing on growing our maintenance, inspection, and service revenue, which is a component

of our business in each of our segments. We plan to capitalize on our broad base of installed projects, cross-selling opportunities, and customer relationships to continue to grow maintenance, inspection, and service revenue.

- **Maximize Cross-Selling Opportunities.** With diverse businesses, a broad reach across a variety of different industries, geographies, and end markets and a culture of collaboration, we believe that we have significant cross-selling opportunities to service more of the project life cycle and, once a project is completed, to continue to grow attractive recurring revenue streams.

Accelerate Growth through Acquisitions. We have a well-established acquisition platform with a track record of executing accretive acquisitions through our selective approach to targeting and assessing potential acquisitions that align with our values and strategic priorities. We have a disciplined acquisition platform through which we systematically target, execute and integrate strategic acquisitions. Since 2005, we have completed over 70 acquisitions. Through our selective approach, we identify and assess companies that align with our strategic priorities and demonstrate key value drivers such as culture, geography, end markets and client base, capabilities and leadership, opportunity to expand our service offering or geographic footprint, or provide a competitive opportunity such as new end markets or client base. Each of our businesses maintains its identity, reputation, customer relationships and culture following acquisition while benefiting from the resources of the APG network, which we believe is an important differentiator.

We believe that the markets in which we operate are fragmented and lend themselves to continued opportunistic acquisitions. We have grown, and plan to continue to drive growth through, accretive acquisitions, targeting businesses in our existing segments and those complementary to our service offerings. We believe that our core strategies of driving organic growth and growth through accretive acquisitions, promoting sharing of best practices across all of our businesses and leveraging our scale and services offerings, place us in the position to capitalize on opportunities and trends in the industries we serve, grow our businesses and advance our position in each of our markets. We believe that our diverse customer base, regional approach to operating our businesses, specialty operations in niche markets, strong commitment to leadership development, long-standing customers with a robust reputation in the industries we serve, and strong safety track record differentiates us from our competitors.

Continue to Foster Leadership Development throughout All Levels of the Organization. We plan to continue to invest in and support our leadership development culture through our Building Great Leaders™ platform, which we believe will continue to empower the leaders across our businesses, drive business performance and create future cross-selling opportunities. Our programmatic training and development curriculum focuses on a range of topics from enhancing technical capabilities to developing soft skills, and decision-making training to enable independent company leadership. We believe that this culture will continue to support our decentralized operating model, which combines the personal attention of a small-to-medium sized company with the strength and support of an industry leader.

Leverage Our Scale and Services Portfolio. We believe that we can grow our businesses and increase our market position by leveraging our scale and broad portfolio of services offerings to capitalize on demand for single-source national providers. For example, we plan to focus on expanding national accounts and further developing an entity-wide purchasing program to realize the benefits from volume discounts and vendor pricing. In addition, we plan to leverage our industry-leading positions and the leadership across our businesses to capture growth opportunities across each of our segments.

COVID-19 Update

We continue to monitor the short- and long-term impacts of COVID-19, a global pandemic that has caused a significant slowdown in the global economy beginning in March 2020. To date, the services we provide have been deemed to be essential in most instances under various governmental orders. However, as the COVID-19 situation has continued to evolve, we have seen impacts on our work due to the domino effects of various local, state and national governmental orders, including but not limited to, reduced efficiency in performing our work while adhering to physical distancing protocols demanded by COVID-19, customers deferring inspection and service projects, and temporary shutdowns of active projects as customers work through COVID-19 related matters. As a result, we are experiencing delays in certain projects and disruptions to the flow of our work to meet COVID-19 working protocols. Although we are actively quoting new work for customers, should the macro economy continue to be negatively impacted by the COVID-19 pandemic or worsen due to surges in cases, it is possible additional projects could be delayed indefinitely or cancelled, or that we may not be allowed access to our customers' facilities to perform

inspection and service projects. In addition, the effects of the COVID-19 pandemic have resulted and could continue to result in greater seasonal and cyclical volatility than would otherwise exist under normal conditions.

New or extended shelter-in-place orders or closures, or outbreaks in jurisdictions in which we operate or at our project or work sites, could have a material negative impact on our net revenues and earnings. If a large number of our employees who are located in a particular jurisdiction or are working on a project or work site are exposed to or infected with COVID-19 and we are unable to hire qualified personnel due to labor shortages and other impacts of the COVID-19 outbreak, we may be required to delay projects or the provision of our services for a period of time. This could negatively impact our revenue, have a material adverse impact on our operating results and cause harm to our reputation.

As we have continued to monitor our activity, revenue period over period has been negatively impacted by the level of shelter-in-place orders and outbreaks of COVID-19, causing certain customers to temporarily halt work to implement COVID-19 working protocols and other customers have delayed or cancelled projects. Generally, during the latter half of 2020 and continuing into first quarter 2021, we saw indications of stabilizing and some volume improvements as our teams and customers adapted to working in the COVID-19 environment and with the easing of some shelter-in-place orders. There can be no assurance that this trend, which would allow us to recover prior year volume levels, will continue in a positive manner.

As the economy is beginning to rebound from COVID-19, supply chains across multiple industries are experiencing extended lead times and rising prices which are also impacting our business indirectly and directly. We have been largely able to source the supplies and materials needed for our business but have seen some lengthening in delivery schedules and pricing increases, which can impact our ability to start projects as planned and the timing of our revenue and can create pressure on our margins. The continued impact of COVID-19, including its resurgence in some geographies combined with the impact of reopening in others, is evolving and unpredictable and could make it difficult to obtain needed supplies and materials at reasonable prices or as timely as needed. We also implemented a preemptive cost reduction plan, which saved both expense and cash in 2020. As COVID-19 restrictions were easing and volumes were increasing from earlier lows, these cost reductions have eased and costs were reinstated.

The United States Department of Homeland Security's Cybersecurity and Infrastructure Security Agency has warned that cybercriminals will take advantage of the uncertainty created by COVID-19 and federal and state mandated quarantines to launch cybersecurity attacks. The risks could include more frequent malicious cybersecurity and fraudulent activities, as well as schemes which attempt to take advantage of employees' use of various technologies to enable remote work activities. We believe the COVID-19 outbreak has incrementally increased our cyber risk profile, but we are unable to predict the extent or impacts of those risks at this time. A significant disruption in our information technology systems, unauthorized access to or loss of confidential information, or legal claims resulting from violation of privacy laws could each have a material adverse effect on our business.

While we cannot estimate the duration or future negative financial impact of the COVID-19 pandemic on our business, we are currently experiencing some negative impact, which we expect to continue in the future.

In prior economic downturns, the impact on our business has generally lagged against the impact of other industries. We have no way of knowing if the economic crisis caused by COVID-19 will impact us similarly to past economic downturns.

Sources and Uses of Funds

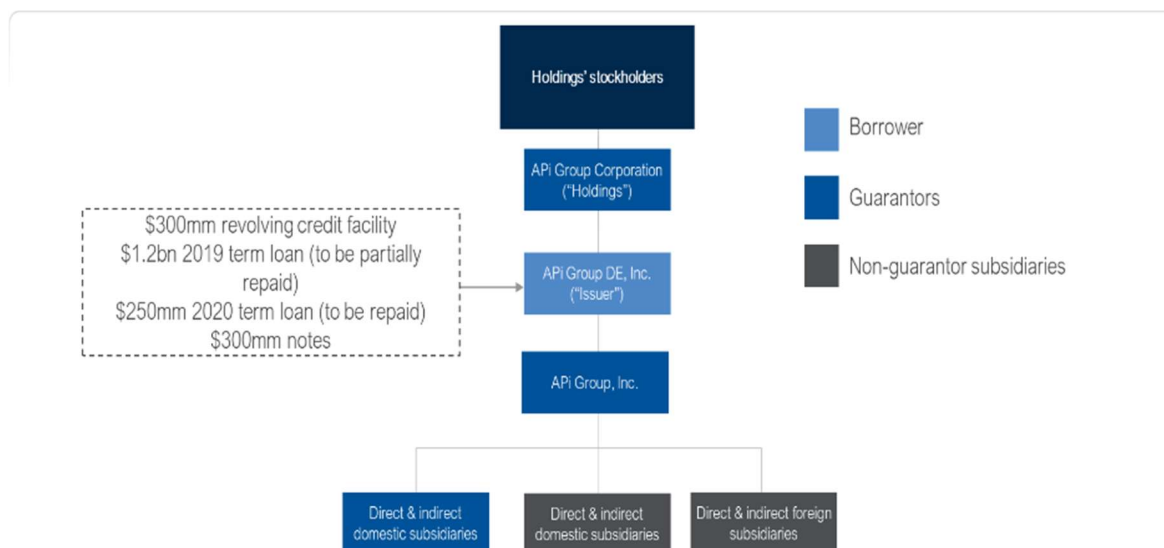
Proceeds from the transaction will be used to repay the 2020 Term Loan due October 1, 2026 (\$249 million outstanding as of March 31, 2021), with remaining proceeds used to repay a portion of the 2019 Term Loan due October 1, 2026 and for general corporate purposes, as well as transaction fees and expenses. See "Use of Proceeds" and "Capitalization."

Risk Factors

Our business is subject to risks, as discussed more fully in the section entitled "Risk Factors" in this offering circular and under similar headings in the documents incorporated by reference herein, which should be carefully considered before investing in the Notes.

Organizational Structure

The diagram below depicts our organizational structure in summary form and should be read in conjunction with “Description of Other Indebtedness” included in this offering circular.



Company Corporate Information

Our principal executive offices are located at 1100 Old Highway 8 NW, New Brighton, Minnesota and our telephone number is (651) 636-4320.

We maintain a website at www.apigroupcorp.com where general information about us is available. Information on, or accessible through, our website is not part of this offering circular.

THE OFFERING

The following summary contains basic information about the Notes and the guarantees. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes and the guarantees, please refer to the section entitled “Description of Notes” in this offering circular.

Issuer	APi Group DE, Inc.
Notes Offered	\$300,000,000 aggregate principal amount of % Senior Notes due 2029 (the “Notes”).
Denomination	The Notes will be in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notes in denominations of less than \$2,000 will not be available.
Maturity Date	The Notes will mature on , 2029.
Interest.....	The Notes will bear interest at a rate of % per annum. Interest on the Notes will be payable semi-annually on and of each year, commencing on . Interest will accrue from and including the issue date of the Notes.
Ranking	<p>The Notes and the guarantees, respectively, will be the Issuer’s and the guarantors’ senior unsecured obligations and will be:</p> <ul style="list-style-type: none"> • effectively subordinated to any of the Issuer’s and the guarantors’ existing and future secured indebtedness, including existing and future indebtedness under the Credit Agreement, to the extent of the value of the collateral securing such secured indebtedness; • <i>pari passu</i> in right of payment with all of the Issuer’s and the guarantors’ existing and future senior indebtedness, including existing and future indebtedness under the Credit Agreement; • senior in right of payment to any of the Issuer’s and the guarantors’ subordinated indebtedness; and • structurally subordinated to all of the existing and future indebtedness, claims of holders of preferred stock and other liabilities of each of our non-guarantor subsidiaries.
Guarantees.....	<p>Each and all of our existing and future direct and indirect domestic subsidiaries that guarantee our Credit Agreement from time to time, with certain permitted exceptions, will jointly and severally, fully and unconditionally guarantee the Notes on a senior unsecured basis.</p> <p>The guarantees of the Notes will rank equally with all other senior indebtedness of the guarantors. None of our foreign subsidiaries will guarantee the Notes, but foreign subsidiaries may become guarantors at the Issuer’s option. The guarantees are subject to release under specified circumstances. See “Description of Notes.”</p> <p>As of March 31, 2021, accounts receivable, inventory and fixed assets, collectively, for the Issuer and the guarantors of the Notes were approximately \$877 million, which is</p>

approximately 86.5% of the same class of assets of the Company as a whole as of March 31, 2021.

For the three months ended March 31, 2021 and the fiscal year ended December 31, 2020, the combined net sales of the Issuer and the guarantors of the Notes, including net sales to non-guarantors, were approximately \$706 million, or approximately 87.9% of net sales, and \$3,224 million, or approximately 89.9% of net sales, respectively.

As of March 31, 2021, as adjusted to give pro forma effect to this offering and the application of proceeds as described under “Use of Proceeds,” our non-guarantors would have had approximately \$2 million of indebtedness.

Optional Redemption	<p>The Notes will be redeemable at our option, in whole or in part, at any time prior to _____, 2024, at a redemption price equal to 100% of their principal amount plus an applicable make-whole premium (as described in “Description of Notes—Optional Redemption”) plus accrued and unpaid interest, if any, to the redemption date. At any time on or after _____, 2024, we may redeem some or all of the Notes at the redemption prices listed under “Description of Notes—Optional Redemption” plus accrued and unpaid interest, if any, to, but not including, the redemption date.</p> <p>In addition, until _____, 2024, we may at our option, on one or more occasions, redeem up to 35% of the aggregate principal amount of the Notes, with proceeds from certain equity offerings and subject to certain conditions at the redemption price equal to _____ % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date.</p>
Change of Control Offer.....	<p>Upon the occurrence of a change of control, we will be required to offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See “Description of Notes—Repurchase at the Option of Holders—Change of Control.”</p>
Certain Covenants	<p>The Indenture governing the Notes will contain covenants limiting Holdings’ ability and the ability of its restricted subsidiaries to:</p> <ul style="list-style-type: none"> • incur additional indebtedness; • pay dividends or make other distributions or repurchase or redeem capital stock; • prepay, redeem or repurchase certain debt; • make loans and investments; • sell, transfer or otherwise dispose of assets; • incur or permit to exist certain liens; • enter into transactions with affiliates;

- enter into agreements restricting certain subsidiaries' ability to pay dividends; and
- consolidate, amalgamate, merge or sell all or substantially all of our assets.

However, these limitations are subject to a number of important qualifications and exceptions. See "Description of Notes—Repurchase at the Option of Holders—Asset Sales" and "Description of Notes—Certain Covenants."

Many of these covenants will be suspended and cease to apply to the Notes if, on any date following the issue date, the Notes are rated at a rating equal to or higher than Baa3 (or the equivalent) by Moody's Investors Service, Inc. and any successor to its rating agency business ("Moody's") and BBB- (or the equivalent) by Standard & Poor's, a division of The McGraw Hill Companies, Inc. and any successor to its rating agency business ("S&P"), or an equivalent rating by any other nationally recognized statistical rating agency. See "Description of Notes—Certain Covenants."

No Registration Rights The offer and sale of the Notes or the guarantees will not be registered under the Securities Act or the securities laws of any other jurisdiction and no offer to exchange the Notes in a transaction registered under the Securities Act will be made.

No Prior Market; Listing The Notes will be new securities for which there is currently no market.

Although the initial purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that an active trading market for the Notes will develop or be maintained. We do not intend to list the Notes on any U.S. or foreign securities exchange or for quotation through an automated dealer quotation system. See "Plan of Distribution."

Use of Proceeds We intend to use a portion of the net proceeds from this offering to repay all of our outstanding indebtedness under the 2020 Term Loan and the remainder of the net proceeds to repay outstanding indebtedness under the 2019 Term Loan and for general corporate purposes, as well as transaction fees and expenses. See "Use of Proceeds" for further discussion, and "Description of Other Indebtedness" for a description of the 2019 Term Loan and 2020 Term Loan. Certain of the initial purchasers or their respective affiliates are agents and/or lenders to us under our 2020 Term Loan and the 2019 Term Loan and, accordingly, will receive a portion of the net proceeds from this offering.

Original Issue Discount The Notes may be issued with OID for U.S. federal income tax purposes. Subject to a statutorily defined de minimis exception, if the Notes are issued with OID, a holder subject to U.S. federal income taxation would be required to include the OID in gross income as ordinary income as the OID accrues on a constant

yield basis, in advance of the receipt of cash payments that correspond to that income. See “Certain Material U.S. Federal Income Tax Considerations.”

Transfer Restrictions	The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction, and will be subject to certain restrictions on transfer. The Notes may not be offered or sold except pursuant to or exempt from or in a transaction not subject to the requirements of the Securities Act and applicable state securities laws. See “Transfer Restrictions.”
Risk Factors.....	Investing in the Notes involves substantial risks. See “Risk Factors” in this offering circular and the other risks identified in the documents incorporated by reference herein for a description of some of the risks you should consider before investing in the Notes.
Trustee, Paying Agent and Registrar for the Notes	Computershare Trust Company, N.A.
Governing Law.....	The Notes and the Indenture governing the Notes will be governed by and construed in accordance with the laws of the State of New York.

SUMMARY FINANCIAL DATA

The following tables present summary consolidated historical financial data for the Company at the dates and for each of the periods indicated. The summary consolidated historical financial data includes the results of operations for APi Group, Inc. and its consolidated subsidiaries (collectively, “APi”) for periods following our October 1, 2019 acquisition of APi (which are presented as successor periods) and for APi prior to its acquisition by us (which are presented as predecessor periods). The summary consolidated historical data as of and for the years ended December 31, 2020, 2019 and 2018 have been derived from our (or APi’s) audited consolidated financial statements incorporated by reference in this offering circular. The summary consolidated historical data as of and for the three-month periods ended March 31, 2021 and 2020 have been derived from our unaudited condensed consolidated financial statements incorporated by reference in this offering circular. The summary consolidated historical financial data for such interim periods contains all normal recurring adjustments that, in the opinion of management, are necessary for a fair statement of the financial information set forth in those statements. Results for the three-month period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ended December 31, 2021.

The summary consolidated financial data for the last twelve months (“LTM”) ended March 31, 2021 have been derived by adding our audited financial information for the year ended December 31, 2020 to our unaudited financial information for the three months ended March 31, 2021 and subtracting our unaudited financial information for the three months ended March 31, 2020. The presentation of our LTM data is not in accordance with U.S. GAAP.

The summary historical consolidated financial data included below should be read in conjunction with “Capitalization” as well as our consolidated financial statements and the notes thereto, included or incorporated by reference in this offering circular.

	Twelve Months Ended March 31, 2021	Three Months Ended March 31, 2021 2020		Year Ended December 31, 2020 2019		January 1, 2019 Through September 30, 2019	Year Ended December 31, 2018
(dollars in millions)	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)	(Predecessor)
Statement of Operations data:							
Net revenues	\$ 3,532	\$ 803	\$ 858	\$ 3,587	\$ 985	\$ 3,107	\$ 3,728
Cost of revenues	<u>2,757</u>	<u>622</u>	<u>696</u>	<u>2,831</u>	<u>787</u>	<u>2,503</u>	<u>2,941</u>
Gross profit	775	181	162	756	198	604	787
Selling, general, and administrative expenses	720	183	188	725	359	490	625
Impairment of goodwill, intangibles and long-lived assets	<u>(11)</u>	<u>---</u>	<u>208</u>	<u>197</u>	<u>---</u>	<u>12</u>	<u>---</u>
Operating income (loss)	<u>66</u>	<u>(2)</u>	<u>(234)</u>	<u>(166)</u>	<u>(161)</u>	<u>102</u>	<u>162</u>
Interest expense, net	53	15	14	52	15	20	22
Investment income and other, net	<u>(34)</u>	<u>(3)</u>	<u>(3)</u>	<u>(34)</u>	<u>(25)</u>	<u>(11)</u>	<u>(6)</u>
Other expense (income), net	<u>19</u>	<u>12</u>	<u>11</u>	<u>18</u>	<u>(10)</u>	<u>9</u>	<u>16</u>
Loss before income taxes	47	(14)	(245)	(184)	(151)	93	146
Income tax provision (benefit)	<u>14</u>	<u>(6)</u>	<u>(51)</u>	<u>(31)</u>	<u>2</u>	<u>7</u>	<u>10</u>
Net income (loss)	<u>\$ 33</u>	<u>\$ (8)</u>	<u>\$ (194)</u>	<u>\$ (153)</u>	<u>\$ (153)</u>	<u>\$ 86</u>	<u>\$ 136</u>
Balance Sheet data:							
Cash and cash equivalents	\$ 745	\$ 745	\$ 436	\$ 515	\$ 256	\$ 138	\$ 54
Working capital	\$ 107	\$ 107	\$ 95	\$ 81	\$ 263	\$ 54	\$ 89
Total assets	\$ 4,218	\$ 4,218	\$ 3,886	\$ 4,065	\$ 4,011	\$ 2,315	\$ 2,041
Total long-term debt, less current portion	1,394	1,394	1,167	1,397	1,171	286	305
Total stockholders' equity	1,791	1,791	1,525	1,558	1,757	662	633

	Twelve Months Ended March 31,	Three Months Ended March 31,		Year Ended December 31,		January 1, 2019 Through September 30, 2019	Year Ended December 31, 2018
(dollars in millions)	2021 (Successor)	2021 (Successor)	2020 (Successor)	2020 (Successor)	2019 (Successor)	(Predecessor)	(Predecessor)
Cash Flow Data:							
Net cash provided by operating activities	\$ 473	\$ 32	\$ 55	\$ 496	\$ 150	\$ 145	\$ 112
Net cash used in investing activities	(348)	(23)	(15)	(340)	(1,728)	(51)	(300)
Net cash provided by/(used in) financing activities	183	223	139	99	1,398	(10)	203
Other Financial Data⁽¹⁾:							
Adjusted net revenues ⁽²⁾	\$ 3,479	\$ 803	\$ 820	\$ 3,496	\$ 925	\$ 2,877	\$ 3,499
Adjusted EBITDA ⁽³⁾	\$ 381	\$ 61	\$ 61	\$ 381	\$ 108	\$ 285	\$ 344
Adjusted EBITDA Margin ⁽³⁾	11.0%	7.6%	7.4%	10.9%	11.7%	9.9%	9.8%
Credit Agreement EBITDA ⁽⁴⁾	\$ 397	\$ 68	\$ 61	\$ 390	\$ 118	N/A	N/A
Adjusted gross profit ⁽⁵⁾	\$ 847	\$ 185	\$ 183	\$ 845	\$ 218	\$ 602	\$ 769
Adjusted gross margin ⁽⁵⁾	24.3%	23.0%	22.3%	24.2%	23.6%	20.9%	22.0%
Total debt / Credit Agreement EBITDA	3.62					N/A	N/A
Net debt / Credit Agreement EBITDA	1.75					N/A	N/A

(1) The non-GAAP information presented above and elsewhere in this offering circular should be read in conjunction with our audited consolidated financial statements and the related notes thereto and our unaudited condensed consolidated financial statements and related notes thereto incorporated by reference in this offering circular. See "Non-GAAP Financial Measures."

(2) The following is a reconciliation of adjusted net revenues to net revenues (in millions):

	Twelve Months Ended March 31,	Three Months Ended March 31,		Year Ended December 31,		January 1, 2019 Through September 30, 2019	Year Ended December 31, 2018
(unaudited)	2021 (Successor)	2021 (Successor)	2020 (Successor)	2020 (Successor)	2019 (Successor)	(Predecessor)	(Predecessor)
Net Revenues	\$ 3,532	\$ 803	\$ 858	\$ 3,587	\$ 985	\$ 3,107	\$ 3,728
Adjustments to reconcile net revenues to adjusted net revenues:							
Divested businesses ^(a)	(53)	—	(38)	(91)	(60)	(230)	(229)
Adjusted net revenues	\$ 3,479	\$ 803	\$ 820	\$ 3,496	\$ 925	\$ 2,877	\$ 3,499

(a) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held-for-sale.

- (3) The following is a reconciliation of EBITDA to net income (loss), adjusted EBITDA Margin to net income (loss) margin and adjusted EBITDA to net income (loss), respectively (in millions):

	Twelve Months Ended March 31, 2021 (unaudited)	Three Months Ended March 31, 2021 (unaudited)	2020 (unaudited)	Year Ended December 31, 2020 (unaudited)	2019 (unaudited)	January 1, 2019 Through September 30, 2019 (unaudited)	Year Ended December 31, 2018 (unaudited)
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)	(Predecessor)
Net income(loss)	\$ 33	\$ (8)	\$ (194)	\$ (153)	\$ (153)	\$ 86	\$ 136
Interest expense, net	53	15	14	52	15	20	22
Income tax provision (benefit)	14	(6)	(51)	(31)	2	7	10
Depreciation and amortization	243	50	70	263	69	78	109
EBITDA	\$ 343	\$ 51	\$ (161)	\$ 131	\$ (67)	\$ 191	\$ 277
Adjustments							
Divested businesses ^(a)	(2)	---	6	4	1	23	(7)
Contingent consideration and compensation ^(b)	24	2	7	29	2	(1)	---
Impairment of goodwill and intangible assets ^(c)	(10)	---	203	193	---	12	---
Business process transformation costs ^(d)	17	6	2	13	---	---	---
Public company registration, listing and compliance ^(e)	1	---	4	5	17	---	---
Acquisition expenses ^(f)	14	4	---	10	19	5	34
Inventory step-up ^(g)	4	---	---	4	---	---	---
COVID-19 relief at Canadian subsidiaries, net ^(h)	(10)	(2)	---	(8)	---	---	---
Share-based compensation costs ⁽ⁱ⁾	---	---	---	---	156	37	4
Expenses related to prior ownership ^(j)	---	---	---	---	---	18	36
Investment income ^(k)	---	---	---	---	(20)	---	---
Adjusted EBITDA	\$ 381	\$ 61	\$ 61	\$ 381	\$ 108	\$ 285	\$ 344
Adjusted net revenues ^(l)	\$ 3,479	\$ 803	\$ 820	\$ 3,496	\$ 925	\$ 2,877	\$ 3,499
Adjusted EBITDA margin	11.0%	7.6%	7.4%	10.9%	11.7%	9.9%	9.8%

- (a) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held-for-sale, inclusive of impairment charges and gain/(loss) on sale.
- (b) Adjustment to reflect the elimination of expense attributable to deferred consideration to prior owners of acquired businesses not expected to continue or recur.
- (c) Adjustment to reflect the elimination of non-cash impairment charges related to goodwill and intangible assets.
- (d) Adjustment to reflect the elimination of non-operational costs related to business process transformation, including system and process development costs and implementation of processes and compliance programs related to the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act").
- (e) Adjustment to reflect the elimination of costs relating to public company registration, listing and compliance.
- (f) Adjustment to reflect the elimination of potential and completed acquisition-related expenses.
- (g) Adjustment to reflect the elimination of \$4 million recorded in costs of sales related to the fair-value step-up of acquired inventory.
- (h) Adjustment to reflect the elimination of miscellaneous income in Canada related to COVID-19 relief.
- (i) Adjustment to reflect the elimination of non-cash charges of \$155 million associated with the Annual Preferred Share Dividend and equity-based compensation related to prior ownership.
- (j) Adjustment to reflect the elimination of costs under prior ownership not expected to continue or recur following the APi Acquisition.
- (k) Adjustment to reflect the elimination of APG investment income prior to the APi Acquisition that is not expected to recur. Cash from these investments was used to fund a portion of the cash consideration for the APi Acquisition.
- (l) Adjusted net revenues derived from non-GAAP reconciliation included in footnote 2 above.

- (4) For purposes of calculating leverage ratios under the Credit Agreement, the Company adds back equity compensation expense, found on the Consolidated Statement of Cash Flows in the Company's Form 10-K and Form 10-Q, and advisory services agreement expense to adjusted EBITDA. This resulted in Credit Agreement EBITDA of \$397 million for the LTM ended March 31, 2021.

(5) The following is a reconciliation of adjusted gross profit and adjusted gross margin to gross profit (amounts in millions):

(unaudited)	Twelve Months Ended March 31, 2021 (Successor)	Three Months Ended March 31, 2021 (Successor)		Year Ended December 31, 2020 (Successor)		January 1, 2019 Through September 30, 2019 (Predecessor)	Year Ended December 31, 2018 (Predecessor)
Gross profit	\$ 775	\$ 181	\$ 162	\$ 756	\$ 198	\$ 604	\$ 787
Adjustments to reconcile gross profit to adjusted gross profit:							
Divested businesses ^(a)	(2)	—	—	(2)	(3)	(4)	(18)
Backlog amortization ^(b)	48	1	22	69	22	—	—
Depreciation remeasurement ^(c)	22	3	(1)	18	1	2	—
Inventory step-up ^(d)	4	—	—	4	—	—	—
Adjusted gross profit	\$ 847	\$ 185	\$ 183	\$ 845	\$ 218	\$ 602	\$ 769
Adjusted net revenues ^(e)	\$ 3,479	803	820	\$ 3,496	\$ 925	\$ 2,877	\$ 3,499
Adjusted gross margin	24.3%	23.0%	22.3%	24.2%	23.6%	20.9%	22.0%

(a) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held for sale.

(b) Adjustment to reflect the addback of amortization expense related to backlog intangible assets.

(c) Adjustment to reflect annualized depreciation expense of \$60 million, which is approximately equivalent to medium to long-term cash capital expenditures, and excludes a portion of depreciation arising from purchase accounting step up to fair value of property and equipment.

(d) Adjustment to reflect the elimination of \$4 million recorded in costs of sales related to the fair-value step-up of acquired inventory.

(e) Adjusted net revenues derived from non-GAAP reconciliations included in note 2 above.

The following tables contain segment level information, as well as the reconciliations to the closest GAAP measures. The non-GAAP information presented below and elsewhere in this offering circular should be read in conjunction with our audited consolidated financial statements and the related notes thereto and our unaudited condensed consolidated financial statements and related notes thereto incorporated by reference in this offering circular. See “Non-GAAP Financial Measures.”

For the Three Months Ended March 31, 2021				
	Net revenues change (as reported)	Acquisitions and divestitures, net (a)	Foreign currency translation (b)	Organic change in net revenues (c)
Safety Services	9.9%	10.1%	(0.7)%	0.5%
Specialty Services.....	7.0%	—	—	7.0%
Industrial Services	(81.8)%	(7.1)%	—	(74.7)%
Consolidated	(6.4)%	1.0%	(0.4)%	(7.0)%
Consolidated, excluding Industrial Services.....	7.9%	5.9%	(0.4)%	2.4%

(a) Adjustments to exclude net revenues from material acquisitions from their respective dates of acquisition until the first year anniversary from date of acquisition and net revenues from divestitures for all periods for businesses divested as of March 31, 2021.

(b) Represents the effect of foreign currency on reported net revenues, calculated as the difference between the reported net revenues for the current period and reported net revenues for the current period converted at the prior year average monthly exchange rates (excluding acquisitions and divestitures).

(c) Organic change in net revenues provides a consistent basis for a year over year comparison in net revenues as it excludes the impacts of material acquisitions, divestitures, and the impact of changes due to foreign currency translation.

	For the Three Months Ended March 31, 2021			For the Three Months Ended March 31, 2020		
	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted
Safety Services						
Net revenues.....	\$ 466	\$ —	\$ 466	\$ 424	\$ —	\$ 424
Cost of revenues.....	319	—	319	306	(10)	295
					(1)	(b)
Gross profit	<u>\$ 147</u>	<u>\$ —</u>	<u>\$ 147</u>	<u>\$ 118</u>	<u>\$ 11</u>	<u>\$ 129</u>
Gross margin.....	31.5%		31.5%	27.8%		30.4%
Specialty Services						
Net revenues.....	\$ 321	\$ —	\$ 321	\$ 300	\$ —	\$ 300
Cost of revenues.....	284	(1)	280	270	(8)	262
		(3)	(b)			
Gross profit	<u>\$ 37</u>	<u>\$ 4</u>	<u>\$ 41</u>	<u>\$ 30</u>	<u>\$ 8</u>	<u>\$ 38</u>
Gross margin.....	11.5%		12.8%	10.0%		12.7%
Industrial Services						
Net revenues.....	\$ 25	\$ —	\$ 25	\$ 137	(38)	\$ 99
Cost of revenues.....	28	—	28	123	(38)	83
					(4)	(a)
					2	(b)
Gross profit	<u>\$ (3)</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 16</u>
Gross margin.....	(12.0)%		(12.0)%	10.2%		16.2%
Corporate and Eliminations						
Net revenues.....	\$ (9)	\$ —	\$ (9)	\$ (3)	\$ —	\$ (3)
Cost of revenues.....	(9)	—	(9)	(3)	—	(3)
Total Consolidated						
Net revenues.....	\$ 803	\$ —	\$ 803	\$ 858	\$ (38)	(c) \$ 820
Cost of revenues.....	622	(1)	618	696	(37)	(c) 637
		(3)	(b)		(22)	(a)
					1	(b)
Gross profit	<u>\$ 181</u>	<u>\$ 4</u>	<u>\$ 185</u>	<u>\$ 162</u>	<u>\$ 21</u>	<u>\$ 183</u>
Gross margin.....	22.5%		23.0%	18.9%		22.3%

(a) Adjustment to reflect the addback of amortization expense related to backlog intangibles assets.

(b) Adjustment to reflect annualized depreciation expense of \$60 million, which is approximately equivalent to medium to long term cash capital expenditures, and excludes a portion of depreciation arising from purchase accounting step up to fair value of property and equipment.

(c) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held for sale.

For the Year Ended December 31, 2020				
	<u>As Reported</u>	<u>Adjustments</u>		<u>As Adjusted</u>
Safety Services				
Net revenues	\$ 1,639			\$ 1,639
Cost of revenues	1,174	(54) (b)		1,116
		(4) (d)		
Gross profit	<u>\$ 465</u>	<u>\$ 58</u>		<u>\$ 523</u>
Gross margin	28.4%			31.9%
Specialty Services				
Net revenues	\$ 1,401			\$ 1,401
Cost of revenues	1,189	(15) (b)		1,156
		(18) (c)		
Gross profit	<u>\$ 212</u>	<u>\$ 33</u>		<u>\$ 245</u>
Gross margin	15.1%			17.5%
Industrial Services				
Net revenues	\$ 563	\$ (91) (a)		\$ 472
Cost of revenues	484	(89) (a)		395
Gross profit	<u>\$ 79</u>	<u>\$ (2)</u>		<u>\$ 77</u>
Gross margin	14.0%			16.3%
Corporate and Eliminations				
Net revenues	\$ (16)			\$ (16)
Cost of revenues	(16)			(16)
Total Consolidated				
Net revenues	\$ 3,587	\$ (91) (a)		\$ 3,496
Cost of revenues	2,831	(89) (a)		2,651
		(69) (b)		
		(18) (c)		
		(4) (d)		
Gross profit	<u>\$ 756</u>	<u>\$ 89</u>		<u>\$ 845</u>
Gross margin	21.1%			24.2%

- (a) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held-for-sale.
- (b) Adjustment to reflect the addback of amortization expense related to backlog intangible assets.
- (c) Adjustment to reflect annualized depreciation expense of \$60 million, which is approximately equivalent to medium to long-term cash capital expenditures, and excludes a portion of depreciation arising from purchase accounting step up to fair value of property and equipment.
- (d) Adjustment to reflect the elimination of \$4 million recorded in costs of sales related to the fair-value step-up of acquired inventory.

		For the Three Months Ended March 31,		For the Year Ended December 31,
		2021	2020	2020
Safety Services				
Safety Services EBITDA.....		\$ 65	\$ 18	\$ 140
Adjustments to reconcile EBITDA to adjusted EBITDA:				
Contingent consideration and compensation.....	(b)	—	1	5
Impairment of goodwill and intangible assets.....	(c)	—	34	83
Inventory step-up.....	(h)	—	—	4
COVID-19 relief at Canadian subsidiaries.....	(g)	(2)	—	(8)
Safety Services adjusted EBITDA.....		<u>\$ 63</u>	<u>\$ 53</u>	<u>\$ 224</u>
<i>Safety Services adjusted net revenues.....</i>	(i)	<i>\$ 466</i>	<i>\$ 424</i>	<i>\$ 1,639</i>
<i>Safety Services adjusted EBITDA as a percentage of net revenues.....</i>		<i>13.5%</i>	<i>12.5%</i>	<i>13.7%</i>
Specialty Services				
Specialty Services EBITDA.....		\$ 20	\$ (108)	\$ 95
Adjustments to reconcile EBITDA to adjusted EBITDA:				
Contingent consideration and compensation.....	(b)	2	6	22
Impairment of goodwill and intangible assets.....	(c)	—	120	52
Acquisition expenses.....	(f)	—	—	1
Specialty Services adjusted EBITDA.....		<u>\$ 22</u>	<u>\$ 18</u>	<u>\$ 170</u>
<i>Safety Services adjusted net revenues.....</i>	(i)	<i>\$ 321</i>	<i>\$ 300</i>	<i>\$ 1,401</i>
<i>Safety Services adjusted EBITDA as a percentage of net revenues.....</i>		<i>6.9%</i>	<i>6.0%</i>	<i>12.1%</i>
Industrial Services				
Industrial Services EBITDA.....		\$ (6)	\$ (45)	\$ 2
Adjustments to reconcile EBITDA to adjusted EBITDA:				
Divested businesses.....	(a)	—	6	4
Impairment of goodwill and intangible assets.....	(c)	—	49	58
Industrial Services adjusted EBITDA.....		<u>\$ (6)</u>	<u>\$ 10</u>	<u>\$ 64</u>
<i>Industrial Services adjusted net revenues.....</i>	(i)	<i>\$ 25</i>	<i>\$ 99</i>	<i>\$ 472</i>
<i>Industrial Services adjusted EBITDA as a percentage of net revenues.....</i>		<i>(24.0)%</i>	<i>10.1%</i>	<i>13.6%</i>
Corporate and Eliminations				
Corporate and eliminations EBITDA.....		\$ (28)	\$ (26)	\$ (106)
Adjustments to reconcile EBITDA to adjusted EBITDA:				
Contingent consideration and compensation.....	(b)	—	—	2
Business process transformation.....	(d)	6	2	13
Public company registration, listing and compliance.....	(e)	—	4	5
Acquisition expenses.....	(f)	4	—	9
Corporate and Eliminations adjusted EBITDA.....		<u>\$ (18)</u>	<u>\$ (20)</u>	<u>\$ (77)</u>

- (a) Adjustment to reflect the elimination of amounts related to businesses divested and classified as held for sale, inclusive of impairment charges and gain/(loss) on sale.
- (b) Adjustment to reflect the elimination of expense attributable to deferred consideration to prior owners of acquired businesses not expected to continue or recur.
- (c) Adjustment to reflect the elimination of non cash impairment charges related to goodwill and intangible assets.
- (d) Adjustment to reflect the elimination of non operational costs related to business process transformation, including system and process development costs and implementation of processes and compliance programs related to the Sarbanes Oxley Act of 2002.
- (e) Adjustment to reflect the elimination of costs relating to public company registration, listing and compliance.
- (f) Adjustment to reflect the elimination of potential and completed acquisition related expenses.
- (g) Adjustment to reflect the elimination of miscellaneous income in Canada related to COVID 19 relief.
- (h) Adjustment to reflect the elimination of \$4 million recorded in costs of sales related to the fair-value step-up of acquired inventory.
- (i) Adjusted net revenues derived from non-GAAP reconciliations included elsewhere in this circular offering.

RISK FACTORS

An investment in the Notes involves risk. In addition to the risks described below, you should also carefully read all of the other information included in this offering circular, including those risk factors described in our Annual Report and Quarterly Report incorporated by reference herein, in evaluating an investment in the Notes. The risks and uncertainties described below and in the documents that we incorporated by reference herein are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of these risks actually occur, our business, prospects, liquidity, financial condition or operating results could be materially adversely affected, which, in turn, could adversely affect our ability to pay interest or principal on the Notes or otherwise fulfill our obligations under the Indenture.

Risk Factor Summary

Below is a summary of the principal factors that may affect our business, financial condition, and results of operations. This summary does not address all of the risks that we, or an investor in the Notes, may face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we and investors in the Notes may face, can be found below under the heading “Risk Factors,” including the section entitled “Risks Relating to the Notes,” and should be carefully considered, together with other information in this offering circular, the documents incorporated herein by reference, and our other filings with the SEC.

- As part of our business strategy, we rely on our ability to successfully acquire other businesses, integrate acquired businesses into our operations, and manage the risks and potential liabilities associated with those acquisitions, and our inability to do so could adversely affect our business and operating results.
- Our regional, decentralized business model subjects us to various risks which may impact our ability to execute on our business strategies and integrated policies and processes and to operate our business successfully.
- Our participation in joint ventures presents certain risks, including risks associated with the performance and reputation of our joint venture partners.
- The costs, expenses and time required to bring our business into compliance with the laws, regulations, and requirements applicable to U.S. publicly traded companies have been and will continue to be significant, and this work may not be completed timely.
- We have expanded our international operations, which exposes us to additional legal, operational and currency fluctuation risks.
- Adverse developments in the credit markets could adversely affect funding of projects in our industries and our ability to secure financing, make future investments, take advantage of acquisition opportunities, or pursue other strategic initiatives.
- A material portion of our revenue is recognized over time based on estimates of contract revenue, costs, and profitability, and our reliance on such projections carries risk of revenue shortfalls.
- The profitability of many of our customer projects, especially arrangements with fixed price terms, depends on our ability to accurately estimate the costs of and manage those projects.
- We experience variability in operating results between periods, which impacts our ability to forecast future operating results and meet market expectations.
- We have a significant amount of goodwill, identifiable intangible assets and fixed assets that are subject to impairment in the future under certain circumstances, including additional goodwill impairment as a result of the COVID-19 pandemic.
- The COVID-19 pandemic presents risks to our business, markets, supply chain, customers and workforce, to the credit and financial markets, and to the global economy generally.

- Any shortfalls in our remediation of material weaknesses in our internal controls over financial reporting, or in our implementation and maintenance of effective controls, creates certain risks.
- Our substantial level of indebtedness and potential future indebtedness, and the associated compliance obligations contained in the financial maintenance covenants in our Credit Facilities (as later defined) and restrictions on our operations set forth in the Credit Agreement, increases the potential negative impact of interest rate increases and creates risks to our cash flow, liquidity, and ability to operate our business.
- We are effectively self-insured against many potential liabilities, which increases the financial risks associated with the realization of such potential liabilities.
- We generally bear the risks of increases in the cost, or reductions in the supply, of the materials we use in our business.
- Our contracts portfolio is primarily comprised of contracts with durations of less than six months, many of which are subject to reduction or cancellation, which present risks that turn on our ability to maintain a stable pipeline of projects.
- Our contracts portfolio also contains many highly-regulated government contracts and guaranties of subsidiary contracts, which present elevated risks in the event of contract breach.
- A large portion of our workforce is covered by collective bargaining agreements, a fact which limits our discretion in the management of covered employees and carries a risk of strikes or other concerted activities that may impair our operations.
- We are vulnerable to the economic conditions affecting the industries we serve, including the construction industry and the energy sector, as well as general economic conditions, which present risks of a decline in demand for our services or in the financial condition of our customers and their ability and willingness to invest in infrastructure projects.
- We often perform our services under dangerous and challenging conditions, which presents substantial risks of injury and associated liability.
- Many of our services involve the installation of systems designed for the protection of lives and real and personal property, and any failures in the operations of those systems present significant potential liabilities.
- In our business we face regular litigation across a broad range of claims, including costs related to damages we may be assessed as a result of product liability claims against our customers.
- Certain of the markets we serve are seasonal, and our projects can be negatively impacted by poor or extreme weather.
- Our ability to collect on our contracts in the construction industry generally depends on the ability of our customers to collect on upstream contracts, which subjects us to risk of nonpayment or late payment.
- We are governed by many health, safety and environmental laws and regulations, which presents significant costs associated with compliance and significant risks associated with compliance deficiencies.
- Customer consolidation in our industries, if realized, presents risks to our business model.
- We face the general risks of cybersecurity incidents, faulty forecasting of key metrics, deterioration in our performance of services, increases in healthcare costs, significant employee misconduct, and adverse regulatory changes, all of which may negatively impact our operations and financial results.

- Our success ultimately depends on our ability to compete successfully in the industries and markets we serve which may be jeopardized by the loss of key senior management personnel or a shortage of skilled personnel.
- The Notes will be subject to restrictive debt covenants that may limit our ability to finance our future operations.
- The Notes will be structurally subordinated to existing and future liabilities and other indebtedness of our subsidiaries that do not guarantee the Notes.
- We can enter into transactions like recapitalizations, reorganizations and other highly leveraged transactions that do not constitute a change of control but that could adversely affect the holders of the Notes.
- We may redeem your Notes at our option, which may adversely affect your return.
- If the Notes are rated investment grade at any time by both Moody's and S&P, most of the restrictive covenants and corresponding events of default contained in the Indenture will be suspended.

Risks Related to Our Business

Our business strategy includes acquiring companies and making investments that complement our existing businesses. These acquisitions and investments could be unsuccessful or consume significant resources, which could adversely affect our operating results.

We expect to continue to evaluate the acquisition of strategic businesses, service lines, and technologies with the potential to strengthen our industry position or enhance our existing offerings. We cannot assure you that we will identify or successfully complete suitable acquisitions in the future or that completed acquisitions will be successful. Acquisitions that do not achieve the intended strategic or operational benefits could adversely affect our operating results and may result in an impairment charge.

Under certain circumstances, it may be difficult for us to complete transactions quickly and to integrate acquired operations efficiently into our current business operations. Acquisitions and investments may involve significant cash expenditures, debt incurrence, operating losses and expenses that could have a material adverse effect on our business, consolidated financial condition, results of operations and cash flows. Acquisitions involve numerous other risks, including: (i) diversion of management's time and attention from daily operations; (ii) difficulties integrating acquired businesses, technologies and personnel into our business; (iii) inability to obtain required regulatory approvals and/or required financing on favorable terms; (iv) potential loss of key employees, key contractual relationships, or key customers of acquired companies or from our existing businesses; and (v) assumption of the liabilities and exposure to unforeseen liabilities of acquired companies. Any acquisitions or investments may ultimately harm our business or consolidated financial condition, as such acquisitions may not be successful and may ultimately result in impairment charges.

We are a decentralized company and place significant decision-making authority with our subsidiaries' management, supported by certain integrated policies and processes.

We believe our practice of conferring significant authority upon the management of our subsidiaries has been important to our successful growth and has allowed us to be responsive to opportunities and to our customers' needs. We seek to maintain business continuity within our subsidiaries while identifying and implementing operational efficiencies, cost synergies, and integration of organizational processes across these companies. This balance presents certain risks, including the risk we would be slower to identify a misalignment between a subsidiary's and our overall business strategy or shared processes. Our decentralized organization also creates the possibility that our operating subsidiaries assume excessive risk without appropriate guidance from our centralized accounting, tax, treasury and insurance functions, or external legal counsel, as to the potential overall impact. If an operating subsidiary fails to follow our shared company policies and processes, including those relating to compliance with applicable laws, we could be subjected to risks of noncompliance with applicable regulations, or made party to a contract, arrangement or situation that requires the assumption of disproportionate liabilities or contain other less desirable terms.

As part of our business, we have entered into joint venture arrangements and likely will continue to do so. Our participation in joint ventures exposes us to liability and/or harm to our reputation for failures of our partners.

The purpose of our joint ventures is typically to combine skills and resources to allow for the proposing on and performance of particular projects. Success of these jointly performed projects can be adversely affected by the performance of our joint venture partners, over whom we may have little or no control. Differences in opinions or views between us and our joint venture partners could result in delayed decision-making or failure to agree on material issues that could adversely affect the business and operations of our joint ventures. Additionally, the failure by a joint venture partner to comply with applicable laws, regulations or client requirements could negatively impact our business.

We and our joint venture partners are generally jointly and severally liable for all liabilities and obligations of our joint ventures. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities stemming from claims or lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate share of a liability to make up for our partner's shortfall. Further, if our partners experience cost overruns or project performance issues that we are unable to adequately address, the customer may terminate the project, which could result in legal liability to us, harm our reputation and reduce our profit or increase our loss on a project.

As a newer U.S. public company, we face continued costs and administrative responsibilities associated with the transition from private to public ownership.

As a U.S. publicly traded company with listed equity securities, we need to comply with certain laws, regulations and requirements, including certain provisions of the Sarbanes-Oxley Act, certain regulations of the SEC and certain NYSE requirements applicable to public companies. Compliance with these various requirements includes: continued preparation and distribution of periodic public reports under the federal securities laws; continued development or refinement of our internal policies and establishment of frameworks and processes for compliance with such policies; continued establishment and maintenance of internal controls over financial reporting; and continued enhancement of our processes and systems for communicating with our investors. Complying with these statutes, regulations and requirements has and will occupy a significant amount of the time of our Board and management and may continue to increase our costs and expenses, or may not be completed timely.

In addition, as a public company the expense associated with director and officer liability insurance may be higher and more variable than what we have historically experienced. Consequently, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our Board, particularly to serve on our audit committee.

Risks Related to Our International Operations

We have expanded our international operations, which subjects us to additional risks.

With the acquisition of SK FireSafety ("SKG") in October 2020 (the "SKG Acquisition"), our international operations expanded from Canada and the United Kingdom (and to a much lesser extent, Mexico, Asia and the Caribbean) to include the Netherlands, Belgium, Norway, and Sweden. Approximately 10.8% and 6.7% of our revenue was derived from areas outside the United States for the three months ended March 31, 2021 and year ended December 31, 2020, respectively. Our overall business, consolidated financial condition, results of operations and cash flows could be negatively impacted by our international operations. We are paid for work outside the United States in currencies other than the U.S. dollar. Such payments may exceed our local currency needs, and, in certain instances, those amounts may be subject to temporary blocking or taxes or tariffs, and we may experience difficulties if we attempt to convert such amounts to U.S. dollars.

Applicable U.S. and non-U.S. anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act ("FCPA"), prohibit us from, among other things, corruptly making payments to non-U.S. officials for the purpose of obtaining or retaining business. We pursue opportunities in certain parts of the world and in certain industries that may experience corruption, and in certain circumstances, compliance with these laws may conflict with longstanding local customs and practices. Our policies mandate compliance with all applicable anti-corruption laws. We have policies and procedures designed to ensure that our employees and intermediaries who work for us outside the United States comply with these laws, and we otherwise require such employees and intermediaries to comply with these laws. However, there can be no assurance that such policies, procedures and other requirements will protect

us from liability under the FCPA or other similar laws for actions taken by our employees or intermediaries; moreover, detecting, investigating and resolving actual or alleged violations of such laws is expensive and could consume significant time and attention of our senior management, in-country management, and other personnel. Liability for such actions could result in severe criminal or civil fines, penalties, forfeitures, disgorgements or other sanctions. This in turn could have a material adverse effect on our reputation, business, consolidated financial condition, results of operations, and cash flows.

Financial Risks

Adverse developments in the credit markets could adversely affect the funding of significant construction projects and therefore reduce demand for our services.

Adverse developments in the credit markets, including reduced liquidity or rising interest rates, could reduce the availability of funding for large capital projects, including construction projects that require our services. Volatility in the credit and equity markets could reduce the availability of debt or equity financing for significant construction projects, causing a reduction in capital spending, which, in the past has resulted, and in the future could result, in project pipeline constraints, project deferrals and project cancellations, any of which could materially and adversely affect our results of operations and liquidity.

We may need additional capital in the future for working capital, capital expenditures or acquisitions, and we may not be able to access capital on favorable terms, or at all, which would impair our ability to operate our business or achieve our growth objectives.

Our ability to generate cash is essential for the funding of our operations and the servicing of our debt. If existing cash balances together with the borrowing capacity under our Revolving Credit Facility and the term loans available under our Credit Agreement (together with our Revolving Credit Facility, the “Credit Facilities”) were not sufficient to make future investments, make acquisitions or provide needed working capital, we may require financing from other sources. Our ability to obtain such additional financing in the future will depend on a number of factors including prevailing capital market conditions, conditions in our industry, and our operating results. These factors may affect our ability to arrange additional financing on terms that are acceptable to us. If additional funds were not available on acceptable terms, we may not be able to make future investments, take advantage of acquisitions or pursue other opportunities.

Our use of revenue recognition over time could result in a reduction or reversal of previously recorded revenue or profits.

A material portion of our revenue is recognized over time by measuring progress toward complete satisfaction of performance obligations in the proportion that our actual costs bear to our estimated contract costs at completion. The earnings or losses recognized on individual contracts are based on estimates of contract revenue, costs and profitability. We review our estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced, claims against the customer for increased costs incurred by us due to customer induced delays and other factors, or other changes in facts and circumstances that require modifications to estimated costs. Contract losses are recognized in the fiscal period when the loss is determined. Contract profit estimates are also adjusted in the fiscal period in which it is determined that an adjustment is required. As a result of the requirements of over time revenue recognition, the possibility exists, for example, that we could have estimated and reported a profit or loss on a contract over several periods and later determined that all or a portion of such previously estimated and reported profits or losses were overstated. If this occurs, the full aggregate amount of the overstatement or understatement will be reported for the period in which such determination is made, thereby eliminating all or a portion of any profits or losses from other contracts that would have otherwise been reported in such period or even resulting in a loss or gain being reported for such period. On a historical basis, we believe that we have made reasonably reliable estimates of the progress towards completion on our long-term contracts. However, given the uncertainties associated with these types of contracts, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits.

Discontinuation, reform or replacement of LIBOR and other benchmark rates, or uncertainty related to the potential for any of the foregoing, may adversely affect our business.

Interest payments for borrowings under the Credit Facilities are based on floating rates which at times references a LIBOR rate. It is expected that a transition away from the widespread use of LIBOR to alternative rates will occur over the course of the next few years. The United Kingdom (“U.K.”) Financial Conduct Authority announced in 2017 that it intends to phase out LIBOR by the end of 2021. In addition, other regulators have suggested reforming or replacing other benchmark rates. The discontinuation, reform or replacement of LIBOR or any other benchmark rates may have an unpredictable impact on contractual mechanics in the credit markets or cause disruption to the broader financial markets. Uncertainty as to the nature of such potential discontinuation, reform or replacement may negatively impact interest expense related to borrowings under our Credit Facilities, including the Term Loan and the interest rate swap we entered into with respect thereto. We may in the future pursue amendments to our Credit Facilities to provide for a transition mechanism or other reference rate in anticipation of LIBOR’s discontinuation, but we may not be able to reach agreement with its lenders on any such amendments. Further, certain of our current debt instruments limit the amount of indebtedness we and our subsidiaries may incur. As a result, additional financing to replace our LIBOR-based indebtedness may be unavailable, available on less favorable terms or restricted by the terms of our outstanding indebtedness.

We carry a significant amount of goodwill and identifiable intangible assets on our consolidated balance sheets. Earnings for future periods may be impacted by impairment charges for goodwill and intangible assets.

Goodwill is the excess of purchase price over the fair value of the net assets of acquired businesses. We assess goodwill and identifiable intangible assets for impairment each year, or more frequently if circumstances suggest an impairment may have occurred. As a result of the impact of COVID-19, in the year ended December 31, 2020 we determined that certain of our goodwill and intangible assets were impaired as the carrying values exceeded fair value and we recorded a non-cash charge of \$197 million. Given the uncertainty of these factors, as well as the inherent difficulty in predicting the severity and duration of the COVID-19 global pandemic and associated recovery and the uncertainties regarding the potential financial impact on our business and the overall economy, there can be no assurance that our estimates and assumptions made for purposes of the goodwill testing performed during the year ended December 31, 2020 will prove to be accurate predictions of the impact in future periods.

While we believe we have made reasonable estimates and assumptions to calculate the fair values of our reporting units which were based on facts and circumstances known at such time, it is possible that existing or new events may result in forecasted cash flows, revenue and earnings that differ from those that formed the basis of our estimates and assumptions, which could be materially different from our estimates and assumptions. If so, we may be required to record additional impairment charges in the future, which could be material.

Additionally, we have a significant amount of identifiable intangible assets and fixed assets that could also be subject to impairment. If we determine that a significant impairment has occurred in the value of our unamortized intangible assets or fixed assets, we could be required to write off a portion of our assets, which could adversely affect our consolidated financial condition or our reported results of operations.

The impact of the COVID-19 pandemic or similar global health concerns, could lead to project delays or cancellations, could adversely affect our ability to timely complete projects and source the supplies we need, and may impact labor availability and productivity, and could result in impairment risks, each of which could adversely impact our business, financial condition and results of operations.

The coronavirus outbreak in China in December 2019 and the subsequent spread of the virus throughout the world has resulted in widespread infections and fatalities. Governments in affected countries, including the United States, have launched measures to combat the spread of COVID-19, including travel bans, quarantines and lock-downs of affected areas that include closures of non-essential businesses. In addition, the initial outbreak has been followed by a resurgence of illness caused by the virus and/or variants of the virus in many areas. The future incidence of illness from the virus and its variants is highly unpredictable. We rely on the availability of our skilled workforce and third-party contractors to meet contractual milestones and timely complete projects. If the incidence of COVID-19 outbreaks were to require us to discontinue operations, or to cause shortages of our workforce or third-party contractors, it could result in cancellations or deferrals of project work, which could lead to a decline in revenue and an increase in costs. In addition, such outbreaks have and may continue to impact the availability and prices of the commodities, supplies and materials needed for projects, and we may experience difficulties obtaining such commodities, supplies and materials from suppliers or vendors whose supply chains are impacted by any outbreaks. Additionally, as certain areas are able to resume economic activity either due to a low or diminished incidence of

COVID-19 illness, the demand created by such resumption could easily outstrip available supply within supply chains. If we are unable to source the essential commodities, supplies and materials in adequate quantities, at acceptable prices and in a timely manner, our business, financial condition and results of operations could be adversely affected. Similarly, our customers may be impacted by the COVID-19 pandemic, which could cause them to cancel or defer project work, or have difficulty settling our accounts receivable timely, if at all, which could have a negative impact on our business.

In addition, our results of operations are materially affected by conditions in the credit and financial markets and the economy generally. Global credit and financial markets have experienced extreme volatility and disruptions as a result of the COVID-19 pandemic including diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that deterioration in credit and financial markets and confidence in economic conditions will not occur or be sustained as a result of the COVID-19 pandemic. Any protracted economic disruption or recession could lead customers to delay or cancel projects, which would negatively impact our revenues, earnings and financial condition. As noted, as a result of the pandemic, certain of our goodwill and intangible assets were impaired. The impacts of COVID-19 may also lead to increases in our future contribution obligations and potential withdrawal liability exposure in connection with the multiemployer pension plans in which we participate. In addition, our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure by us or our customers to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon current or expected projects.

The circumstances and global disruption caused by COVID-19 has affected, and we believe will continue to affect, our businesses, operating results, cash flows and financial condition; however, the scope and duration of the impact is highly uncertain. The full extent to which the COVID-19 pandemic impacts our business, markets, supply chain, customers and workforce will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 pandemic and the actions to treat or contain it or to otherwise limit its impact, among others.

In connection with our preparation of our consolidated financial statements for the years ended December 31, 2020, 2019 and 2018, we and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP (as later defined). Prior to the APi Acquisition, the acquired business was not subject to public company internal control framework requirements and therefore did not design and document its control environment to be in compliance with required public company standards. Additionally, we and our independent registered public accounting firm were not required to and did not perform an evaluation of our internal control over financial reporting as of December 31, 2020, 2019 and 2018 in accordance with the provisions of the Sarbanes-Oxley Act. In connection with our preparation of our consolidated financial statements in this registration statement for the years ended December 31, 2020, 2019 and 2018, we and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. Under standards established by the United States Public Company Accounting Oversight Board, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

As indicated above, control deficiencies in our internal control over financial reporting have been identified which constitute material weaknesses relating to inadequate design and implementation of:

- information technology general controls that prevent the information systems from providing complete and accurate information consistent with financial reporting objectives and current needs;
- internal controls over the preparation of the financial statements, including the insufficient review and oversight over financial reporting, journal entries along with related file documentation;
- internal controls to identify and manage segregation of certain accounting duties;

- internal controls over estimated costs of completion on contracts where revenue is recognized over time; and
- management review controls over projected financial information used in fair value financial models used for purchase accounting and intangible asset valuations.

We cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected. Management is in the process of executing its remediation plan. The material weaknesses will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. We will monitor the effectiveness of our remediation plans and will make changes management determines to be appropriate.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable when required in the future to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our Common Stock could be adversely affected, and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Our substantial indebtedness may adversely affect our cash flow and our ability to operate our business and fulfill our obligations under our indebtedness.

As of March 31, 2021, on a consolidated basis, we had approximately \$1.4 billion of indebtedness, consisting primarily of indebtedness outstanding under our Credit Facilities.

Our substantial indebtedness could have significant effects on our operations. For example, it may:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, dividends, research and development efforts and other general corporate purposes;
- increase the amount of our interest expense, because our borrowings are at variable rates of interest, which, if interest rates increase, would result in higher interest expense;
- cause credit rating agencies to view our debt level negatively;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- limit our ability to make strategic acquisitions, introduce new technologies or exploit business opportunities; and
- place us at a competitive disadvantage compared to our competitors that have less indebtedness.

In addition, the Credit Agreement governing the Credit Facilities contains covenants that restrict our operations. These covenants restrict, among other things, our ability to incur additional debt, grant liens, pay cash dividends, enter new lines of business, redeem our Common Stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. These restrictions could limit our ability to plan for or react to market conditions, meet extraordinary capital needs or otherwise take actions that we believe are in the best interest of the Company. Further, a failure by us to comply with any of these covenants and restrictions could result in an event of default that, if not waived or cured, could result in the acceleration of all or a substantial portion of the outstanding indebtedness thereunder.

The terms of our indebtedness may limit our ability to borrow additional funds or capitalize on business opportunities, and our future debt level may limit our future financial and operating flexibility.

The Credit Agreement governing the Credit Facilities prohibits distributions on, or purchases or redemptions of, securities if any default or event of default is continuing. In addition, it contains various covenants limiting our ability to, among other things, incur indebtedness if certain financial ratios are not maintained, grant liens, engage in transactions with affiliates, enter into sale-leaseback transactions, and sell substantially all of our assets or enter into a merger or consolidation. The Credit Agreement governing the Credit Facilities also treats a change of control as an event of default and also requires us to maintain certain leverage ratios.

Our ability to access capital markets to raise capital on favorable terms will be affected by our debt level, our operating and financial performance, the amount of our current maturities and debt maturing in the next several years, and by prevailing credit market conditions. Moreover, if lenders or any future credit rating agency downgrade our credit rating, then we could experience increases in our borrowing costs, face difficulty accessing capital markets or incurring additional indebtedness, be unable to receive open credit from our suppliers and trade counterparties, be unable to benefit from swings in market prices and shifts in market structure during periods of volatility in the crude oil and natural gas markets or suffer a reduction in the market price of our Common Stock. If we are unable to access the capital markets on favorable terms at the time a debt obligation becomes due in the future. The price and terms upon which we might receive such extensions or additional bank credit, if at all, could be more onerous than those contained in existing debt agreements. Any such arrangements could, in turn, increase the risk that our leverage may adversely affect our future financial and operating flexibility and thereby impact our ability to pay cash distributions at expected rates.

We may incur substantial additional indebtedness, which could further exacerbate the risks that we may face.

Subject to the restrictions in the agreements that govern the Credit Agreement, we may incur substantial additional indebtedness (including secured indebtedness) in the future. These restrictions are subject to waiver and a number of significant qualifications and exceptions, and indebtedness incurred in compliance with these restrictions could be substantial.

Any material increase in our level of indebtedness will have several important effects on our future operations, including, without limitation:

- we would have additional cash requirements in order to support the payment of interest on our outstanding indebtedness;
- increases in our outstanding indebtedness and leverage would increase its vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure; and
- depending on the levels of our outstanding indebtedness, our ability to obtain additional financing for working capital, capital expenditures and general corporate purposes could be limited.

An increase in interest rates would increase the interest costs on our Credit Facilities and on our floating rate indebtedness and could impact adversely our ability to refinance existing indebtedness or to sell assets.

Interest payments for borrowings under the Credit Facilities are based on floating rates. As a result, an increase in interest rates will reduce our cash flow available for other corporate purposes.

Rising interest rates also could limit our ability to refinance existing indebtedness when it matures and increase interest costs on any indebtedness that is refinanced. We have and may continue to enter into agreements such as floating-to-fixed interest rate swaps, caps, floors and other hedging contracts in order to fully or partially hedge against the cash flow effects of changes in interest rates for floating rate debt. For example, effective October 1, 2019, we entered into an interest rate swap on a portion of our Term Loan, which swapped a portion of the principal amount which was accruing interest at a rate based on LIBOR for a fixed rate. However, we may not maintain interest rate swaps with respect to all of our floating rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. In addition, these agreements expose us to the risk that other parties to the agreements will not perform or that the agreements will be unenforceable.

We are effectively self-insured against many potential liabilities.

We maintain insurance policies covering a broad range of risks, including automobile liability, general liability, workers' compensation and employee group health. However, these policies do not cover all possible claims and certain of the policies are subject to large deductibles. Accordingly, we are effectively self-insured for a substantial number of actual and potential claims. In addition, if any of our insurance carriers defaulted on their obligations to provide insurance coverage by reason of its insolvency or for other reasons, our exposure to claims would increase and our profits would be adversely affected.

Our estimates for unpaid claims and expenses are based on known facts, historical trends and industry averages, utilizing the assistance of an actuary. The determination of such estimated liabilities and their appropriateness are reviewed and updated at least quarterly. However, these liabilities are difficult to assess and estimate due to many relevant factors, the effects of which are often unknown, including the severity of an injury or damage, the determination of liability in proportion to other parties, the timeliness of reported claims, the effectiveness of our risk management and safety programs and the terms and conditions of our insurance policies. Our accruals are based upon known facts, historical trends and our reasonable estimate of future expenses, and we believe such accruals are adequate. However, unknown or changing trends, risks or circumstances, such as increases in claims, a weakening economy, increases in medical costs, changes in case law or legislation, or changes in the nature of the work we perform, could render our current estimates and accruals inadequate. In such case, adjustments to our balance sheet may be required and these increased liabilities would be recorded in the period that the experience becomes known. Our costs of insurance coverage have steadily risen and the market, particularly for excess coverage, has hardened. Insurance carriers may be unwilling, in the future, to provide our current levels of coverage without a significant increase in insurance premiums and/or collateral requirements to cover our obligations to them. Increased collateral requirements may be in the form of additional letters of credit and/or cash, and an increase in collateral requirements could significantly reduce our liquidity. If insurance premiums continued to increase, and/or if insurance claims are higher than our estimates, our profitability could be adversely affected.

Improperly managed projects or project delays may result in additional costs or claims against us, which could have a material adverse effect on our operating results, cash flows and liquidity.

The quality of our performance on any given project depends in large part upon the ability of the project manager(s) to manage relationships and the project itself and to timely deploy appropriate resources, including both third-party contractors and our own personnel. Our results of operations, cash flows and liquidity could be adversely affected if a project manager or our personnel miscalculate the resources or time needed to complete a project with capped or fixed fees, or the resources or time needed to meet contractual milestones. Additionally, delays on a particular project, including delays in designs, engineering information or materials provided to us by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, delays from failure to timely obtain permits or rights-of-way or to meet other regulatory requirements, weather-related delays, governmental, industry, political and other factors, some of which are beyond our control, could result in cancellations or deferrals of project work, which could lead to a decline in revenue, or, for project deferrals, could cause us to incur costs for standby pay, and could lead to personnel shortages on other projects scheduled to commence at a later date.

We could also encounter project delays due to local opposition, including political and social activism, which could include injunctive actions or public protests related to the siting of oil, natural gas, or electric power transmission lines or for power generation or other facilities, and such delays could adversely affect our project margins. In addition, some of our agreements require that we share in cost overages or pay liquidated damages if we do not meet project deadlines; therefore, any failure to properly estimate or manage cost, or delays in the completion of projects, could subject us to penalties, which could adversely affect our results of operations, cash flows and liquidity. Further, any defects or errors, or failures to meet our customers' expectations, could result in reputational harm and large damage claims against us. Due to the substantial cost of, and potentially long lead-times necessary to acquire certain of the materials and equipment used in our complex projects, damage claims could substantially exceed the amount we can charge for our associated services.

Risks Related to Our Contracts

We may not accurately estimate the costs associated with services provided under fixed price contracts, which could impair our financial performance.

A portion of our agreements with customers contain fixed price terms. Under these contracts, we typically set the price of our services on a per unit or aggregate basis and assume the risk that costs associated with our

performance may be greater than what we estimated. We also enter into contracts for specific projects or jobs that require the installation or construction of an entire infrastructure system or specified units within an infrastructure system, many of which are priced on a fixed price or per unit basis. Profitability for these contracts will be reduced if actual costs to complete a project exceed our original estimates. If estimated costs to complete the remaining work for a project exceed the expected revenue to be earned, the full amount of any expected loss is recognized in the period the loss is determined. Our profitability on these contracts is therefore dependent upon our ability to accurately estimate the costs associated with our services and our ability to execute in accordance with our plans. A variety of factors could negatively affect these estimates, including changes in expected productivity levels, conditions at work sites differing materially from those anticipated at the time we propose on the contract, and higher than expected costs of labor and/or materials. These variations, along with other risks inherent in performing fixed price contracts, could cause actual project results to differ materially from our original estimates, which could result in lower margins than anticipated, or losses, which could reduce our profitability, cash flows and liquidity.

A portion of our contracts allocate the risk of price increases in supplies to us.

For certain contracts, including where we have assumed responsibility for procuring materials for a project, we are exposed to market risk of increases in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in all of our operations. In addition, our customers' capital budgets may be impacted by the prices of certain materials. These prices could be materially impacted by general market conditions and other factors, including U.S. trade relationships with other countries or the imposition of tariffs. We are also exposed to increases in energy prices, including as they relate to gasoline prices for our rolling-stock fleet of approximately 8,000 units. Additionally, the price of fuel required to run our vehicles and equipment is unpredictable and fluctuates based on events outside our control. Any increase in fuel costs could materially reduce our profitability and liquidity to the extent we are not able to adjust our pricing for such expenses. While we believe we can increase our prices to adjust for some price increases in commodities, there can be no assurance that price increases of commodities, if they were to occur, would be recoverable. Additionally, some of our fixed price contracts do not allow us to adjust our prices and, as a result, increases in material or fuel costs could reduce our profitability with respect to such projects.

Some of our subsidiaries are government contractors, and they are subject to complex rules and regulations governing government contractors, and their contracts with government entities are subject to audit. Violations of the applicable rules and regulations could result in a subsidiary being barred from future government contracts.

Government contractors must comply with many regulations and other requirements that relate to the award, administration and performance of these contracts, and government contracts are subject to audit. A violation of these laws and regulations could result in imposition of fines and penalties, the termination of a government contract or debarment from proposing on government contracts in the future. Further, despite our decentralized nature, a violation at one of our locations could impact other locations' ability to propose on and perform government contracts. Additionally, because of our decentralized nature, we face risks in maintaining compliance with all local, state and federal government contracting requirements. Prohibition against proposing on future government contracts could have an adverse effect on our consolidated financial condition and results of operations.

Our backlog is subject to reduction or cancellation, and revenues may be realized in different periods than initially reflected in our backlog.

Our backlog includes the estimated unsatisfied performance obligations associated with the services to be performed under customer contracts. These estimates are based on contract terms and evaluations regarding the timing of the services to be provided. In many instances, our customers are not contractually committed to procure specific volumes of services under a contract. Revenue estimates reflected in our backlog can be subject to change due to a number of factors, including contract cancellations and contract changes made by our customers to the amount or nature of the work actually performed under a contract. In addition, revenue reflected in our backlog may be realized in periods different from those previously reported due to the factors above as well as project accelerations, or delays due to various reasons, including, but not limited to, customer scheduling changes, commercial issues such as permitting, engineering revisions, difficult job site conditions, and adverse weather. The amount or timing of our backlog can also be impacted by the merger or acquisition activity of our customers. As a result, our backlog as of any particular date is an uncertain indicator of the amount of or timing of future revenues and earnings.

Some of our customers require surety bonds as a contract term and, accordingly, a portion of our business depends on our ability to provide surety bonds. Any difficulties in the financial and surety markets or in our ability to obtain

surety bonds may cause a material adverse effect on our bonding capacity and, therefore, our capacity to compete for or work on projects.

As of March 31, 2021, we had approximately \$217 million in outstanding construction surety bonds (bid, payment, and performance bonds) related to our projects that required an underlying surety bond. Historically, surety market conditions have experienced times of difficulty as a result of significant losses incurred by surety companies and the results of macroeconomic trends outside of our control. Consequently, during times when less overall bonding capacity is available in the market, surety terms have become more expensive and more restrictive. We cannot guarantee our ability to maintain a sufficient level of bonding capacity in the future, which could preclude our ability to propose for certain contracts or successfully contract with some customers.

Our surety providers are under no commitment to guarantee us access to new bonds in the future; thus, our ability to access or increase bonding capacity is at the sole discretion of the providers. If our surety companies were to limit or eliminate our access to bonds, the alternatives would include seeking bonding capacity from other surety companies, increasing business with clients that do not require bonds, and posting other forms of collateral for project performance, such as letters of credit or cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on the portion of projects available to us that require bonding. Additionally, even if we continue to access bonding capacity to sufficiently bond future projects, we may be required to post collateral to secure bonds, which would decrease the liquidity we would have available for other purposes.

In some instances, we guarantee performance and completion of contracts entered into by our subsidiaries, which could subject us to additional costs.

In some instances, we guarantee completion of a subsidiary's contract or project by a specific date or price, cost savings, or achievement of certain performance standards. If a third party holding the guaranty seeks relief thereunder, we may be held responsible for performance under the subsidiary's contract and costs resulting from the subsidiary's failures. If we subsequently fail to meet such guarantees, such failure could result in our payment of liquidated or other damages. To the extent that any of these events occur, the total costs of a project could exceed the original estimated costs, and we would experience reduced profits or, in some cases, a loss.

Risks Related to Our Workforce

Our unionized workforce and related obligations could adversely affect our operations. These obligations may include cash contributions to meet our underfunded obligations in certain multiemployer pension plans.

As of March 31, 2021, approximately 47.2% of our employees were covered by collective bargaining agreements. The terms of these agreements limit our discretion in the management of covered employees and our ability to nimbly implement changes in the terms and conditions of employment to meet business needs. Certain of our unionized employees have participated in strikes and work stoppages in the past, and we cannot be certain that strikes or work stoppages will not occur in the future. Strikes or work stoppages could adversely impact relationships with our customers and could cause us to lose business and experience a decline in revenues. Our ability to complete future acquisitions also could be adversely affected because of our union status for a variety of reasons. For instance, our union agreements may be incompatible with the union agreements of a business we want to acquire, and some businesses may not want to become affiliated with a union-based company. Moreover, certain of our customers require or prefer a non-union workforce, and they may reduce the amount of work assigned to us if our non-union labor crews become unionized, which could negatively affect our business, consolidated financial condition, results of operations and cash flows.

Additionally, our collective bargaining agreements generally require us to participate with other companies in multiemployer pension plans. To the extent those plans are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we withdraw from them or they are terminated or experience a mass withdrawal. In connection with our acquisitions, we may be required to increase our exposure to withdrawal liabilities for underfunded multiemployer pension plans to which an acquired company historically contributed or presently contributes. Our future contribution obligations and potential withdrawal liability exposure with respect to these plans could increase significantly based on the investment and actuarial performance of those plans, the insolvency of other companies that contribute to those plans and other factors, which could be negatively impacted as a result of the

unfavorable and uncertain economic and financial market conditions resulting from the ongoing COVID-19 pandemic and related issues.

In addition, certain plans to which we contribute or may contribute in the future are in “endangered,” “seriously endangered” or “critical” status. The Pension Protection Act of 2006 added special funding and operational rules generally applicable to plan years beginning after 2007 for multiemployer plans that are classified as “endangered,” “seriously endangered” or “critical” status based on multiple factors (including, for example, the plan’s funded percentage, cash flow position and whether it is projected to experience a minimum funding deficiency). Plans in these classifications must adopt measures to improve their funded status through a funding improvement or rehabilitation plan, as applicable, which may require additional contributions from employers (which may take the form of a surcharge on benefit contributions) and/or modifications to retiree benefits. The amount of additional funds, if any, that we may be obligated to contribute to these plans in the future cannot be estimated due to uncertainty of the future levels of work that require the specific use of union employees covered by these plans, as well as the future contribution levels and possible surcharges on contributions applicable to these plans.

We maintain a workforce based upon current and anticipated workloads. We could incur significant costs and reduced profitability from underutilization of our workforce if we do not receive future contract awards, if contract awards are delayed, or if there is a significant reduction in the level of services we provide. Shortages of skilled labor could impede our ability to provide timely, cost-effective services to our customers

Our estimates of future performance and results of operations depend, among other factors, on whether and when we receive new contract awards, which affect the extent to which we are able to utilize our workforce. The rate at which we utilize our workforce is affected by a variety of factors, including our ability to forecast the need for our services, which allows us to maintain an appropriately sized workforce, our ability to transition employees from completed projects to new projects or between internal business groups, our ability to manage attrition, and our need to devote resources to non-chargeable activities such as training or business development. While our estimates are based upon our good faith judgment, professional knowledge and experience, these estimates may not be accurate and may frequently change based on newly available information. In the case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size to our project needs. If an expected contract award is delayed or not received, we could incur significant costs and reduced profitability resulting from underutilization of our workforce, redundancy of facilities, or from efforts to right-size our workforce and/or operations, which could reduce our profitability and cash flows. Conversely, general trends in our industry suggest that we may face a shortage of skilled workers in the mid- to long-term. Competition in the market for labor could drive up our costs, reduce our profitability, or impact our ability to deliver timely service to our customers.

Risks Related to Our Customer Base

We serve customers who are involved in energy exploration, production and transportation, and adverse developments affecting activities in these industries, including sustained low or further reduced oil or natural gas prices, reduced demand for oil and natural gas products, or increased regulation of exploration and production, could have a material adverse effect on our results of operations.

Our energy and infrastructure businesses depend on energy industry participants’ willingness to make operating and capital expenditures to build pipelines to transport oil and natural gas and the development and production of oil and natural gas in the United States. The level of activity in the new construction of oil and natural gas pipelines, oil and natural gas exploration and production in the U.S. has been volatile. A reduction in these activities generally results in decreased demand for our support services in that industry. Therefore, if these expenditures decline, our business is likely to be adversely affected.

During the COVID-19 pandemic, the prices of crude oil and related products dropped substantially in 2020. This price and demand volatility impacted the level of work customers were undertaking. However, the price of crude oil and related products have largely recovered in 2021, and remain uncertain. This uncertainty is heightened by the potential for significant change in energy policy under the Biden administration. If crude oil prices fall or experience further volatility, energy and production companies, pipeline owners and operators and public utility or local distribution companies in the regions we conduct our business may reduce or delay capital spending to expand or maintain their pipelines or oil and natural gas production. Decreases in production related field activities could have an adverse effect on our consolidated financial position, results of operations, demand for services, and cash flows.

A portion of our future growth is based on the ability and willingness of public and private entities to invest in infrastructure.

A portion of our current business and a portion of our future growth is expected to result from public and private investments in infrastructure. As a result, reduced or delayed spending, including the impact of government sequestration programs or other changes in budget priorities could result in the deferral, delay or disruption of our projects. These potential events could also impact our ability to be timely paid for our current services, which could adversely affect our cash flows and margins.

Risks Related to Our Occupational Hazards

Our businesses at times perform services under challenging conditions involving factors outside of our control.

The challenging conditions we encounter may include, without limitation, (i) hard to reach terrain and difficult site conditions; (ii) challenging engineering, procurement and construction phases, which may occur over extended time periods; (iii) difficulties or delays in designs or materials provided by the customer or a third party; (iv) equipment and material delivery delays; (v) schedule changes; (vi) delays from customer failure to timely obtain rights-of-way; (vii) weather-related delays, (viii) COVID-19-related changes to working conditions or disruptions; and (ix) delays by subcontractors in completing their portion of the project. Performing services under such conditions can result in project delays or cancellations, potentially causing us to incur unanticipated costs, reductions in revenue or the payment of liquidated damages. In addition, some of our contracts require that we assume the risk should actual site conditions vary from those expected.

In some cases, delays and additional costs may be substantial, and we may be required to cancel a project and/or compensate the customer for the delay. We may not be able to recover any of such costs. Any such delays, cancellations, errors or other failures to meet customer expectations could result in damage claims substantially in excess of the revenue associated with a project. Delays or cancellations could also negatively affect our reputation or relationships with our customers, which could adversely affect our ability to secure new contracts.

Our business is subject to operational hazards due to the nature of services we provide and the conditions in which we operate, including electricity, fires, explosions, mechanical failures and weather-related incidents.

The Occupational Safety and Health Act of 1970, as amended (the “OSH Act”), establishes certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by the Occupational Safety and Health Administration and various recordkeeping, disclosure and procedural requirements. Various standards, including standards for notices of hazards and safety, may apply to our operations. We incur capital and operating expenditures and other costs in the ordinary course of business in complying with the OSH Act and other state and local laws and regulations, and could incur penalties and fines in the future, including, in extreme cases, criminal sanctions.

While we invest substantial resources in occupational health and safety programs, the construction industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability. Although we have taken what we believe to be appropriate precautions, we have had employee injuries and fatalities in the past and may suffer additional injuries or fatalities in the future. Serious accidents of this nature may subject us to substantial penalties, civil litigation or criminal prosecution. Personal injury claims for damages, including for bodily injury or loss of life, could result in substantial costs and liabilities, which could materially and adversely affect our consolidated financial condition, results of operations or cash flows. In addition, if our safety record were to deteriorate, or if we suffered substantial penalties or criminal prosecution for violation of health and safety regulations, customers could cancel existing contracts and not award future business to us, which could materially adversely affect our liquidity, cash flows and results of operations. If we were not able to successfully resolve such issues, our ability to service our customers could be damaged, which could lead to a material adverse effect on our consolidated results of operations, cash flows and liquidity.

Construction projects undertaken by us expose our employees to electrical lines, pipelines carrying potentially explosive or toxic materials, heavy equipment, transportation accidents, adverse weather conditions and the risk of damage to equipment and property. These hazards, among others, can cause personal injuries and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations and large damage claims which could, in some cases, substantially exceed the amount we charge for the associated services. In addition, if serious accidents or fatalities occur, or if our safety records were to deteriorate, we may be restricted from proposing on certain work or obtaining new contracts, and certain existing

contracts could be terminated. Our safety processes and procedures are monitored by various agencies and ratings bureaus. The occurrence of accidents in the course of our business could result in significant liabilities, employee turnover, increase the costs of our projects or harm our ability to perform under our contracts or enter into new customer contracts, all of which may subject us to liabilities, affect customer relationships, result in higher operating costs, negatively impact employee morale and result in higher employee turnover and could materially adversely affect our profitability and our consolidated financial condition.

Claims and Litigation Risks

We are and may become subject to periodic litigation which may adversely affect our business and financial performance.

We are subject to various lawsuits, administrative proceedings and claims that arise in the ordinary course of business. We could be party to class and collective actions, along with other complex legal disputes, that could materially impact our business by requiring, among other things, unanticipated management attention, significant attorney fees and settlement spend, or operational adjustments implemented in response to a settlement, court order or to mitigate future exposure.

We may have litigation in a variety of matters, some matters may be unpredictable or unanticipated, and the frequency and severity of litigation could increase. Because lawsuits are inherently unpredictable, assessing contingencies is highly subjective and requires judgements about future events. A judgement that is not covered by insurance or that is significantly in excess of our insurance coverage could materially adversely affect our consolidated financial condition or results of operations.

We are exposed to product liability, workmanship warranty, casualty, negligence, construction defect, breach of contract and other claims and legal proceedings.

From time to time, we are subject to product liability, workmanship warranty, casualty, negligence, construction defect, breach of contract and other claims and legal proceedings relating to the products we install that, if adversely determined, could adversely affect our consolidated financial condition, results of operations and cash flows. We rely on manufacturers and other suppliers to provide us with most of the products we install. Because we do not have direct control over the quality of such products manufactured or supplied by such third-party suppliers, we are exposed to risks relating to the quality of such products. In addition, we are exposed to potential claims arising from the conduct of our employees, and other subcontractors, for which we may be contractually liable.

We have in the past been, and may in the future be, subject to liabilities in connection with injury, death, or damage incurred in conjunction with the installation of our products. Although we currently maintain what we believe to be suitable and adequate insurance, we may be unable to maintain such insurance on acceptable terms or such insurance may not provide adequate protection against potential liabilities.

Such claims and legal proceedings can be expensive to defend and can divert the attention of management and other personnel for significant periods of time, regardless of the ultimate outcome. In addition, lawsuits relating to construction defects typically have statutes of limitations that can run as long as ten years. Claims of this nature could also have a negative impact on customer confidence in our businesses and services. Current or future claims could have a material adverse effect on our reputation, business, consolidated financial condition and results of operations.

We are and may become subject to periodic regulatory proceedings, including Fair Labor Standards Act and state wage and hour class action lawsuits, which may adversely affect our business and financial performance.

Pending and future wage and hour litigation, including claims relating to the Fair Labor Standards Act, analogous state laws, or other state wage and hour laws could result in significant attorney fees and settlement costs. Resolution of non-litigated alleged wage and hour violations could also negatively impact our performance. The potential settlement of, or awards of damages for, such claims also could materially impact our financial performance as could operational adjustments implemented in response to a settlement, court order or in an effort to mitigate future exposure. Additionally, an increased volume of alleged statutory violations or matters referred to an agency for potential resolution could result in significant attorney fees and settlement costs that could, in the aggregate, materially impact our financial performance.

Our contracts contain provisions that may require us to pay damages or incur costs if we fail to meet our contractual obligations.

If we do not meet our contractual obligations, our customers may look to us to pay damages or pursue other remedies, including, in some instances, the payment of liquidated damages. Additionally, if we fail to meet our contractual obligations, or if our customer anticipates that we cannot meet our contractual obligations, our customers may, in certain circumstances, seek reimbursement from us to cover the incremental cost of having a third party complete or remediate our work. Our results of operations could be adversely affected if we are required to pay damages or incur costs as a result of a failure to meet our contractual obligations.

Risks Related to the Industries in Which We Operate

We have significant operations in the construction industry, which is highly competitive, and our failure to effectively compete could reduce our market share and harm our financial performance.

The construction industry is highly fragmented, and we compete with other companies in each of the markets in which we operate, ranging from small independent firms servicing local markets to larger firms servicing regional and national markets. We also compete with existing and prospective customers who perform some of the services we offer, which could reduce the amount of services we perform for our customers. There are relatively few barriers to entry for certain of the services we provide and, as a result, any organization that has adequate financial resources and access to technical expertise and skilled personnel may become a competitor. Further, smaller competitors are more susceptible to consolidation. Consolidation of smaller entities could create larger national competitors which could adversely affect our business or profitability.

Most of our customers' work is awarded through proposal processes. Consequently, price is often a significant factor that determines whether we are awarded the project, especially on smaller, less complex projects. Smaller competitors may have an advantage against us based on price alone due to their lower costs and financial return requirements. Additionally, our proposals for certain projects may depend on customer perception, including our perceived relative ability to perform the work as compared to our competitors or a customer's perception of technological advantages held by our competitors as well as other factors. Our market share and results of operations could be materially and adversely affected if we are unsuccessful in proposing on projects or renewing our master service agreements, or if our ability to be awarded such projects or agreements requires that we accept less desirable terms, including lower margins.

Our businesses are dependent on levels of construction activity and an economic downturn in that industry could materially and adversely affect our business.

The demand for our services – including without limitation general construction, safety services, electrical utility transmission buildouts, grid connections, and pipeline construction – is substantially dependent upon the existence of construction projects across multiple markets including energy and infrastructure, commercial, and industrial. Any period of economic recession affecting the volume or size of those projects is likely to adversely impact our business. Many of the projects that require our services involve long timelines from conception to completion, and many of the services that we offer are required later in the project's lifecycle. Consequently, some of our businesses experience the results of economic trends later in an economic cycle.

The construction industry and individual markets within that industry have historically been vulnerable to macroeconomic downturns and we expect that will continue to be the case. The industry is traditionally cyclical in nature and economic downturns can adversely affect the willingness and ability of our customers to commit to capital expenditures. Such a decline would likely reduce the demand for certain of our services.

For example, the market for hydrocarbons has historically experienced significant volatility since 2015 and this volatility has continued during the COVID-19 pandemic. To the extent that energy producers reduce exploration, development or refining activities in response to changes in their respective markets, the demand for our services would be adversely affected. In the past, reductions in new housing starts have also negatively affected the construction industry. Generally, when demand for our services is reduced, it leads to greater price competition and decreased revenue and profit, any of which could materially and adversely affect our results of operations and liquidity.

The industries we serve, including the construction industry, can be seasonal, cyclical and affected by weather conditions at project sites and other variations, the combined effects of which can potentially delay cash flows and adversely impact our results of operations.

Our revenue and results of operations can be subject to seasonal and other variations. These variations are influenced by various factors, including weather, customer spending patterns, proposal seasons, project schedules, holidays and timing, in particular, for large, non-recurring projects. In particular, many of the construction projects that demand our services include significant portions of outdoor work. As a result, seasonal changes and adverse weather conditions can adversely affect our business operations through declines in demand for our services and alterations and delays in applicable schedules. Adverse weather conditions such as extended rainy and cold weather in the spring and fall can reduce demand for our products and reduce sales or render our contracting operations less efficient resulting in under-utilization of crews and equipment and lower contract profitability. Although our projects are geographically dispersed across the U.S., Canada, the U.K. and Europe, extreme weather patterns or events such as hurricanes, tornadoes, tropical storms and heavy snows could also adversely impact a substantial number of projects and affect our revenues and profitability. Warmer and drier weather during the third and fourth quarters of our fiscal year typically results in higher activity and revenues during those quarters. Our first and second fiscal quarters typically have lower levels of activity due to weather conditions. A cool, wet spring increases drying time on projects, which can delay sales in our third fiscal quarter, while a warm dry spring may enable earlier project startup.

Furthermore, the industries we serve can be cyclical in nature. Fluctuations in end-user demand within those industries, or in the supply of services within those industries, can affect demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations or unanticipated changes in project schedules in connection with large construction and installation projects can create fluctuations in revenue and could adversely affect our business, consolidated financial position, results of operations and cash flows.

Our ability to collect payments on contracts (at milestones, modifications, and completion) is often dependent on the occurrence of a preceding payment to our customer (by, for example, a project owner or general contractor) and on the financial health of our customer. Our inability to collect could negatively affect our business.

At times, it can be difficult for us to collect payments owed to us by customers. Slowing conditions in the overall economy or in the industries we serve, customer difficulties in obtaining project financing, and bankruptcies at times could impair the financial condition of one or more of our customers and hinder their ability to pay us on a timely basis or at all. In certain cases, our clients are project-specific entities that do not have significant assets other than their interests in the project. To the extent that any of our contracts require customers to pay at specific milestones or at the end of a project, our ability to timely identify these difficulties and pare back our expenses and resources could be further impaired. In the past, we incurred losses after customers filed for bankruptcy or experienced financial difficulties following a general economic downturn, in which certain industry factors worsened the effect of the overall economic downturn on those customers. In difficult economic times, some of our clients may find it difficult to pay for our services on a timely basis, increasing the risk that our accounts receivable could become uncollectible and ultimately be written off. Even mere delays in client payments may require us to make a working capital investment, which could negatively affect our cash flows and liquidity. If a client fails to pay us on a timely basis or defaults in making payments on a project for which we have devoted significant resources, it could materially and adversely affect our consolidated results of operations, cash flows and liquidity.

We routinely present contract change orders to our clients and subcontractors for changes in contract specifications or requirements, and at times the work specified in the change order is performed before the change order is executed. Claims can also be caused by non-customer-caused changes, such as rain or other weather delays. In some cases, settlement of contract modifications may not occur until after completion of work under the contract. A failure to promptly negotiate and execute substantial or multiple contract modifications could negatively impact our cash flows, and reductions in our ability to recover contract modifications could have a negative impact on our consolidated financial condition, results of operations and cash flows.

A failure in the systems we construct and install, whether due to employee acts or omissions or faulty workmanship or design, may subject us to significant liability.

Our business involves professional judgments regarding the planning, design, development, construction, operations and management of electric power transmission, communications and pipeline infrastructure. Because our projects are often technically complex, our failure to make judgments and recommendations in accordance with applicable professional standards, including engineering standards, could result in damages. A significantly adverse or catastrophic event at a project site or completed project resulting from the services we performed could result in

significant professional or product liability, personal injury (including claims for loss of life) or property damage claims or other claims against us, as well as reputational harm. These liabilities could exceed our insurance limits or could impact our ability to obtain third-party insurance in the future. In addition, customers, subcontractors or suppliers who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. An uninsured claim, either in part or in whole, if successful and of a material magnitude, could have a substantial impact on our business, consolidated financial condition, results of operations and cash flows.

Because many of our services are intended to protect lives and real and personal property, we may have greater exposure to litigation risks than businesses that provide other services. For example, with respect to our safety services, we could face liability for failure to respond adequately to alarm activations, failure of our safety systems to operate as expected, or losses caused by erroneous alarm activations. Many of our businesses perform services at large projects and industrial facilities where accidents or system failures can be disastrous and costly. The nature of the services we provide exposes us to the risks that we may be held liable for employee acts or omissions, faulty construction or system failures. We work to include contractual provisions limiting our liability for our installation and monitoring services, and we typically maintain liability insurance to cover losses if our services fail to satisfy applicable requirements and standards. However, in the event of litigation, it is possible that contract limitations may be deemed inapplicable or unenforceable, that our insurance coverage is insufficient, or that insurance carriers deny coverage of our claims. Any claim, regardless of its merit or eventual outcome, could result in substantial costs, divert management's attention and create negative publicity, particularly for claims relating to environmental matters where the amount of the claim could be extremely large. As a result, such employee acts or omissions, faulty construction or system failures could have a material adverse effect on our business, consolidated financial condition, results of operations and cash flows. If a customer or third party believes that he or she has suffered harm to person or property due to an actual or alleged act or omission of one or more of our employees, faulty construction, or a failure of a system we installed, then they may pursue legal action against us.

Under our contracts with customers, we may guarantee the work performed against, among other things, defects in workmanship, and we may agree to indemnify our customers for losses related to our services and materials. As much of the work we perform is inspected by our customers for any defects in construction prior to acceptance of the project, the claims that we have historically received have not been substantial. Additionally, materials used in construction are often provided by the customer or are warranted against defects by the supplier. If customer claims occur, we generally would be obligated to re-perform the services and/or repair or replace the item and any other facilities impacted thereby, at our sole expense, and we could also be responsible for other damages if we are not able to adequately satisfy customer claims. In addition, we may be required under contractual arrangements with our customers to honor any defects or failures in materials we provide. While we generally require the materials suppliers to provide us warranties or indemnification that are consistent with those we provide to our customers, if any of these suppliers default on their obligations to us, we may incur costs to repair or replace the defective materials. Costs incurred as a result of claims could adversely affect our business, consolidated financial condition, results of operations and cash flows.

Our failure to comply with environmental laws could result in significant liabilities and increased environmental regulations could result in increased costs.

We often perform services in and around environmentally-sensitive areas. These areas include underground environments and areas in proximity to rivers, lakes and wetlands. Likewise, we perform directional drilling operations below certain environmentally-sensitive terrains and water bodies. It is possible that such directional drilling may cause a surface fracture, resulting in the release of subsurface materials. These subsurface materials may contain contaminants in excess of amounts permitted by law, potentially exposing us to remediation costs and fines.

Our work may also cause unanticipated environmental damage or risks to employees, customers, or public health. If the field location maps supplied to us are not accurate, or if objects are present in the soil that are not indicated on the field location maps, our underground work could strike objects in the soil, some of which may contain pollutants. These objects may also rupture, resulting in the discharge of pollutants. In such circumstances, we may be liable for fines and damages, and we may be unable to obtain reimbursement from the parties providing the incorrect information. Additionally, we own and lease several facilities at which we store our equipment. Some of these facilities contain fuel storage tanks that are above or below ground. If these tanks were to leak, we could be responsible for the cost of remediation as well as potential fines.

This work subjects us to various environmental laws and regulations, including those dealing with the handling and disposal of waste products, PCBs, industrial chemicals, fuel storage, water quality and air quality. New laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown

contamination or leaks, the discovery of previously unknown risks of materials or chemicals, or the imposition of new clean-up requirements could require us to incur significant costs or become the basis for new or increased liabilities that could negatively impact our business, consolidated financial condition, results of operations and cash flows. In certain instances, we have obtained indemnification or covenants from third parties (including predecessors or lessors) for such clean-up and other obligations and liabilities. However, such third-party indemnities or covenants may not cover all of our costs and the indemnitors may not pay amounts owed to us, and such unanticipated obligations or liabilities, or future obligations and liabilities, may have a material adverse effect on our business, consolidated financial condition, results of operations and cash flows. Further, we cannot be certain that we will be able to identify or be indemnified for all potential environmental liabilities relating to any acquired business.

Certain of our businesses are party to asbestos-related litigation that could adversely affect our consolidated financial condition, results of operations and cash flows.

Certain of our businesses, along with numerous other third parties, are named as defendants in personal injury lawsuits based on alleged exposure to asbestos containing materials. These cases typically involve product liability claims based primarily on allegations of sale, distribution, installation or use of industrial products that either contained asbestos or were used with asbestos containing components. We cannot predict with certainty the extent to which we will be successful in litigating or otherwise resolving lawsuits in the future and we continue to evaluate different strategies related to asbestos claims filed against us including entity restructuring and judicial relief. Unfavorable rulings, judgments or settlement terms could have a material adverse impact on our business and consolidated financial condition, results of operations and cash flows.

The amounts we have recorded for asbestos-related liabilities in the consolidated statements of financial position are based on our current strategy for resolving asbestos claims, currently available information, and a number of variables, estimates and assumptions. Key variables and assumptions include the number and type of new claims that are filed each year, the average cost of resolution of claims, the identity of defendants and the resolution of coverage issues with insurance carriers, amount of insurance, and the solvency risk with respect to our insurance carriers. Many of these factors are closely linked, such that a change in one variable or assumption will impact one or more of the others, and no single variable or assumption predominately influences the determination of our asbestos-related liabilities and insurance-related assets. Furthermore, predictions with respect to these variables are subject to greater uncertainty in the later portion of the projection period. Other factors that may affect our liability and cash payments for asbestos-related matters include uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, reforms of state or federal tort legislation and the applicability of insurance policies among subsidiaries. As a result, actual liabilities or insurance recoveries could be significantly higher or lower than those recorded if assumptions used in our calculations vary significantly from actual results. If actual liabilities are significantly higher than those recorded, the cost of resolving such liabilities could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

Risks Related to Our Organizational Structure

We operate as a holding company and our principal source of operating cash is income received from our subsidiaries.

We have a holding company structure and do not have any material assets or operations other than ownership of equity interests of our subsidiaries. Our operations are conducted almost entirely through our subsidiaries, and our ability to generate cash to meet our obligations or to pay dividends is highly dependent on the earnings of, and receipt of funds from, our subsidiaries through dividends or intercompany loans. As a result, we are dependent on the income generated by our subsidiaries to meet our expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from APG and its subsidiaries to us will depend on many factors, including APG's results of operations and consolidated financial condition, its constitutional documents, documents governing any indebtedness of us or APG, limits on dividends under applicable law, and other factors which may be outside of our control. If our subsidiaries are unable to generate sufficient cash flow, we may be unable to pay our expenses or make distributions and dividends on the Common Stock.

Delaware law and our organizational documents contain certain provisions, including anti-takeover provisions, which limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our certificate of incorporation and bylaws, and the Delaware General Corporate Law ("DGCL"), contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed

undesirable by our Board of Directors and therefore depress the trading price of our Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our Board of Directors or taking other corporate actions, including effecting changes in our management. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our Board of Directors or management.

In addition, Section 203 of the DGCL restricts certain “business combinations” with “interested stockholders” for three years following the date that a person becomes an interested stockholder unless: (1) the “business combination” or the transaction which caused the person or entity to become an interested stockholder is approved by the Board of Directors prior to such business combination or transactions; (2) upon the completion of the transaction in which the person or entity becomes an “interested stockholder,” such interested stockholder holds at least 85% of our voting stock not including (i) shares held by officers and directors and (ii) shares held by employee benefit plans under certain circumstances; or (3) at or after the person or entity becomes an “interested stockholder,” the “business combination” is approved by the Board of Directors and holders of at least 66 2/3% of the outstanding voting stock, excluding shares held by such interested stockholder. A Delaware corporation may elect not to be governed by Section 203. We have not made such an election.

Our securityholders may be required to bring certain actions or proceedings relating to us in the Delaware Court of Chancery and certain actions asserting claims arising under the Securities Act in the federal district courts of the United States.

Pursuant to our certificate of incorporation, unless we consent in writing to an alternative forum, the Delaware Court of Chancery is the sole and exclusive forum for: (1) derivative actions or proceedings brought on behalf of us; (2) actions asserting a claim of fiduciary duty owed by any of our directors, officers or employees to us or our stockholders; (3) civil actions to interpret, apply, enforce or determine the validity of the our certificate of incorporation or bylaws; or (4) actions asserting a claim governed by the internal affairs doctrine. Under our certificate of incorporation, if the Delaware Court of Chancery lacks jurisdiction over any of the foregoing actions or proceedings, then the sole and exclusive forum for such actions or proceedings will be another state or federal court located in the State of Delaware, as long as such court has jurisdiction over the parties. These Delaware forum provisions require our stockholders to bring certain types of actions and proceedings relating to Delaware law in the Delaware Court of Chancery or another state or federal court located in the State of Delaware and therefore may prevent our stockholders from bringing such actions or proceedings in another court that a stockholder may view as more convenient, cost-effective or advantageous to the stockholder or the claims made in such action or proceeding, or may discourage them from bringing such actions or proceedings.

In addition, pursuant to our certificate of incorporation, unless we consent in writing to an alternative forum, the U.S. federal district courts will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any action asserting a claim arising under the Securities Act. This forum provision prevents our securityholders from bringing claims arising under the Securities Act in state court, which court our securityholders may view as more convenient, cost effective or advantageous to the claims made in such action and therefore may discourage such actions. In addition, while the Delaware Supreme Court has recently upheld provisions of the certificates of incorporation of other Delaware corporations that are similar to this forum provision, a court of a state other than the State of Delaware could decide that such provisions are not enforceable under the laws of that state.

Neither the Delaware nor the Securities Act forum provisions are intended by us to limit the forums available to our stockholders for actions or proceedings asserting claims arising under the Exchange Act.

General Risk Factors

In the event of a cybersecurity incident, we could experience operational interruptions, incur substantial additional costs, become subject to legal or regulatory proceedings or suffer damage to our reputation.

In addition to the disruptions that may occur from interruptions in our information technology systems, cybersecurity threats and sophisticated and targeted cyberattacks pose a risk to our information technology systems and the systems that we design and install. We have established security policies, processes and defenses designed to help identify and protect against intentional and unintentional misappropriation or corruption of our information technology systems, disruption of our operations or the secure operation of the systems we install. Despite these efforts, our information technology systems may be damaged, disrupted or shut down due to attacks by unauthorized access, malicious software, computer viruses, undetected intrusion, hardware failures or other events, and in these circumstances our disaster recovery plans may be ineffective or inadequate. These breaches or intrusions could lead

to business interruption, exposure of proprietary or confidential information, data corruption, damage to our reputation, exposure to legal and regulatory proceedings and other costs. Such events could have a material adverse impact on our consolidated financial condition, results of operations and cash flows. In addition, we could be adversely affected if any of our significant customers or suppliers experiences any similar events that disrupt their business operations or damage their reputation. We maintain monitoring practices and protections of our information technology to reduce these risks and test our systems on an ongoing basis for potential threats. There can be no assurance, however, that our efforts will prevent the risk of a security breach of our databases or systems that could adversely affect our business.

Our financial results are based, in part, upon estimates and assumptions that may differ from actual results. In addition, changes in accounting principles may cause unexpected fluctuations in our reported financial information.

In preparing our consolidated financial statements in conformity with U.S. GAAP, our management made a number of estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. These estimates and assumptions must be made because certain information used in the preparation of our consolidated financial statements is either dependent on future events or cannot be calculated with a high degree of precision from data available. In some cases, these estimates are particularly uncertain, and we must exercise significant judgment. Furthermore, some of the inherent estimates and assumptions used in determining the fair value of our reporting units are outside the control of management, including interest rates, cost of capital, tax rates, industry growth, credit ratings, foreign exchange rates, and labor inflation. Key estimates include: the recognition of revenue and project profit or loss, which we define as project revenue, less project costs of revenue, including project-related depreciation, in particular, on construction contracts accounted for under the cost-to-cost method, for which the recorded amounts require estimates of costs to complete and the amount of variable consideration included in the contract transaction price; allowances for doubtful accounts; fair value estimates, including those related to acquisitions, valuations of goodwill and intangible assets, acquisition-related contingent consideration and equity investments; asset lives used in computing depreciation and amortization; fair values of financial instruments; self-insurance liabilities; other accruals and allowances; income taxes; and the estimated effects of litigation and other contingencies. Actual results could differ materially from the estimates and assumptions that we use, which could have a material adverse effect on our consolidated results of operations, cash flows and liquidity.

In addition, accounting rules and regulations are subject to review and interpretation by the Financial Accounting Standards Board (the “FASB”), the SEC and various other governing bodies. A change in U.S. GAAP could have a significant effect on our reported financial results. Additionally, the adoption of new or revised accounting principles could require that we make significant changes to our systems, processes and controls. We cannot predict the effect of future changes to accounting principles, which could have a significant effect on our reported financial results and/or our consolidated results of operations, cash flows and liquidity.

The loss of key senior management personnel or the failure to hire and retain highly skilled personnel could negatively affect our business.

We depend on our senior management and other key personnel to operate our businesses. We also rely on other highly skilled personnel. Competition for qualified personnel in our industries, especially with respect to specialized projects or unique skill sets in applicable trades, is intense. The loss of any of our executive officers or other key employees or the inability to identify, hire, train, retain, and manage skilled personnel, could harm our business.

Increases in healthcare costs could adversely affect our financial results.

The costs of providing employee medical benefits have steadily increased over a number of years due to, among other things, rising healthcare costs and legislative requirements. Because of the complex nature of healthcare laws, as well as periodic healthcare reform legislation adopted by Congress, state legislatures, and municipalities, we cannot predict with certainty the future effect of these laws on our healthcare costs. Continued increases in healthcare costs or additional costs created by future health care reform laws adopted by Congress, state legislatures, or municipalities could adversely affect our consolidated results of operations and financial position.

Misconduct by our employees, subcontractors or partners or our overall failure to comply with laws or regulations could harm our reputation, damage our relationships with customers, reduce our revenue and profits, and subject us to criminal and civil enforcement actions.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one or more of our employees, subcontractors or partners could have a significant negative impact on our business and reputation. Examples of such misconduct include employee or subcontractor theft, the failure to comply with safety standards, laws and regulations, customer requirements, environmental laws and any other applicable laws or regulations. While we maintain policies and procedures to prevent and detect these activities, such precautions may not be effective and are subject to inherent limitations, including human error and malfeasance. The failure of any of our employees to comply with applicable laws or regulations or other acts of misconduct could subject us to fines and penalties, harm our reputation, damage our relationships with customers, reduce our revenue and profits and subject us to criminal and civil enforcement actions.

Our long-term success depends, in part, on the quality and safety of the services we provide and systems we install. A deterioration in the quality or reputation of our businesses could have an adverse impact on our reputation, business, consolidated financial condition or results of operations.

The success of each of our businesses and our ability to attract and retain customers typically depends in large part on reputation. Such dependence makes our businesses susceptible to reputational damage and heightened competition from other companies. Changes in management practices, or acts or omissions that adversely affect our business, including any crime, scandal, litigation, negative publicity, catastrophic fires or similar events or accidents and injuries can have a substantial negative impact on the operations of our businesses, and can cause a loss of customer and prospective customer confidence. We or any of our businesses could also face legal claims and adverse publicity from a variety of events or conditions, many of which are beyond our control. If the reputation or perceived quality of our businesses decline, then our business, consolidated financial condition or results of operations could be adversely affected.

We are subject to many laws and regulations in the jurisdictions in which we operate, and changes to such laws and regulations may result in additional costs and impact our operations.

We are committed to upholding the highest standards of corporate governance and legal compliance. We are subject to many laws and regulations in the jurisdictions in which we operate. We expect to be subject to various laws and regulations that apply specifically to U.S. public companies. These include the rules and regulations of the NYSE, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as the various regulations, standards and guidance put forth by the SEC and other governmental agencies to implement those laws. New laws, rules and regulations, or changes to existing laws or their interpretations, could create added legal and financial costs and uncertainty for us. In addition, our international operations are subject to laws and regulations that are in some cases different from those of the United States, including labor laws and laws and regulations governing information collected from employees, customers and others, specifically the European Union's General Data Protection Regulation, which went into effect in May 2018. These laws and regulations, and the economic, financial, political and regulatory impact of the U.K.'s decision to leave the European Union, could increase the cost and complexity of doing business in the U.K. and negatively impact our financial position and results of operations. Our efforts to comply with evolving laws, regulations and reporting standards may increase our general and administrative expenses, divert management time and attention or limit our operational flexibility, all of which could have a material adverse effect on our consolidated financial position and results of operations.

Demand for our businesses can be materially affected by new or changed governmental regulation.

Our customers operate in regulated industries and are subject to regulations that can change frequently and without notice. The adoption of new laws or regulations, or changes to the enforcement or interpretation of existing laws or regulations, could cause our customers to reduce spending on the services we provide, which could adversely affect our revenues, results of operations, and liquidity. Delays in implementing anticipated regulations or reversals of previously adopted regulations could adversely affect demand for our services. For example, the anticipation by utilities that coal-fueled power plants may become uneconomical to operate because of potential environmental regulations has increased demand for gas pipeline construction for utility customers. If these environmental regulations are not implemented, this could reduce demand for our services.

Our customers may further consolidate, which could materially adversely affect our revenues and margins.

Our customers may consolidate, especially in periods of significant industry downturns. We expect any customers that consolidate will take actions to harmonize pricing from their suppliers and rationalize their supply chain, which could adversely affect our business and results of operations. There can be no assurance that, following consolidation, our large customers will continue to buy from us across different service offerings or geographic regions, or at the same levels as prior to consolidation, which could adversely affect our business, consolidated financial condition, results of operations and cash flows.

Risks Relating to the Notes

We will be subject to restrictive debt covenants under the Indenture governing the Notes as well as under the Credit Agreement that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. If we default under these covenants, we will not be able to meet our payment obligations.

The Indenture will, and the Credit Agreement currently does, contain a number of significant covenants that restrict some of Holdings' and our subsidiaries' corporate activities, including our ability to:

- incur or guarantee additional debt and issue certain preferred stock;
- make restricted payments, including paying dividends or making other distributions and prepaying or redeeming subordinated debt or equity;
- create or incur certain liens;
- sell, lease or transfer certain assets;
- enter into arrangements that restrict dividends or other payments to us;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets.

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

Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under Indenture. Any event of default or declaration of acceleration under our Indenture could also result in an event of default under one or more of our other debt instruments.

We are dependent on cash flows from our operating subsidiaries to fund our debt obligations, capital expenditures and ongoing operations.

We do not have any material assets or operations other than ownership of equity interests of our subsidiaries. Our operations are conducted almost entirely through our subsidiaries, and our ability to generate cash to meet our obligations or to pay dividends, if any, is highly dependent on the earnings of, and receipt of funds from, our subsidiaries through dividends or intercompany loans. As a result, we are dependent on the income generated by our subsidiaries, and to some degree on our ability to repatriate earnings from our foreign operations effectively, to meet our debt service obligations, expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid to us from each of our subsidiaries depends on many factors, including the results of operations and financial condition of our subsidiaries, limits on dividends or otherwise under applicable law, constitutional documents of our subsidiaries, documents governing their indebtedness, and other factors which may be outside our control. If our subsidiaries are unable to generate sufficient cash flows or if we are unable to repatriate earnings

effectively, we may be unable to service our debt obligations, pay our expenses and/or meet our operating cash requirements. subsidiaries.

Our ability to service our indebtedness, including the Notes, may depend on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the Notes. Our subsidiaries are separate and distinct legal entities and other than the subsidiaries that guarantee the Notes have no obligation, contingent or otherwise, to make payments on the Notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from our non-guarantor subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations. As of March 31, 2021, accounts receivable, inventory and fixed assets, collectively, for the Issuer and the guarantors of the Notes were approximately \$877 million, which was approximately 86.5% of the same class of assets of the Company as a whole as of March 31, 2021. As of March 31, 2021, as adjusted to give pro forma effect to this offering and the application of proceeds as described under “Use of Proceeds,” our non-guarantors would have had approximately \$2 million of indebtedness.

An event of default under either of our Credit Agreement or Indenture could cause an event of default under the other, and if our debts under the Credit Agreement and Notes were accelerated, our assets may be insufficient to repay our debts in full.

Our Credit Agreement contains, and the Indenture will contain, a number of significant covenants that restrict Holdings’ and some of its subsidiaries’ corporate activities. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. If we breach any of these covenants or restrictions, we could be in default under our Credit Agreement. This would permit the lenders to take certain actions, including declaring all amounts that we have borrowed under our Credit Agreement to be due and payable, together with accrued and unpaid interest. A failure to pay such amounts would also result in an event of default under the Indenture. If we are unable to repay our debt to the lenders, they could proceed against the collateral that secures the debt under our Credit Agreement. If the debt under our Credit Agreement, the Notes, or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

The Notes will be structurally subordinated to existing and future liabilities and other indebtedness of our subsidiaries that do not guarantee the Notes.

The Notes will be guaranteed only by Holdings’ direct and indirect domestic subsidiaries that guarantee the Credit Agreement from time to time with certain permitted exceptions. The Notes will be structurally subordinated to all existing and future liabilities of any of Holdings’ existing non-guarantor subsidiaries and all liabilities of any of Holdings’ future non-guarantor subsidiaries. In the event of a bankruptcy, liquidation or dissolution of any of our non-guarantor subsidiaries, holders of their indebtedness, their trade creditors and holders of their preferred equity will generally be entitled to payment on their claims from assets of those non-guarantor subsidiaries before any assets are made available for distribution to the Issuer or a guarantor of the Notes.

As of March 31, 2021, accounts receivable, inventory and fixed assets, collectively, for the Issuer and the guarantors of the Notes were approximately \$877 million, which is approximately 86.5% of the same class of assets of the Company as a whole as of March 31, 2021. The amount is derived from the unaudited general ledgers maintained by the Issuer. For the three months ended March 31, 2021 and the fiscal year ended December 31, 2020, the combined net sales of the Issuer and the guarantor subsidiaries, including net sales to non-guarantor subsidiaries, were approximately \$706 million, or approximately 87.9% of net sales, and \$3,224 million, or approximately 89.9% of net sales, respectively. Dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations. As of March 31, 2021, as adjusted to give pro forma effect to this offering and the application of proceeds as described under “Use of Proceeds,” our non-guarantor subsidiaries would have had approximately \$2 million of indebtedness.

The Notes are unsecured and will be effectively subordinated to our 2020 Term Loan and 2019 Term Loan, to the extent of the value of the collateral securing the 2020 Term Loan and the 2019 Term Loan.

Our obligations under the Notes will be unsecured and will be effectively subordinated to our secured indebtedness, to the extent of the value of the collateral securing such secured indebtedness. Borrowings under the 2020 Term Loan and the 2019 Term Loan are secured by substantially all of the assets of the Issuer, Holdings and

certain subsidiaries, including all issued and outstanding equity interests of the Issuer and certain wholly owned restricted subsidiaries owned by the Issuer or the guarantors.

If an event of default occurs under the Credit Agreement, the holders of such senior secured indebtedness will have a priority right to our secured assets, to the exclusion of the holders of the Notes, even if we are in default with respect to the Notes. In that event, our secured assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under the 2020 Term Loan and 2019 Term Loan), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the Notes and other unsecured indebtedness. Therefore, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of the Notes will participate in our remaining assets ratably with each other and with all holders of our unsecured indebtedness that is deemed to be of the same class as the Notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. As a result, holders of such Notes may receive less, ratably, than holders of secured indebtedness.

As of March 31, 2021, as adjusted to give pro forma effect to this offering and the application of proceeds as described in “Use of Proceeds,” the Issuer and the guarantors would have had total indebtedness of \$1.4 billion other than the Notes, all of which ranks senior in right of payment with the Notes. In addition, as of March 31, 2021 on a pro forma basis after giving effect to this offering, we would have had an additional \$300 million of availability to incur additional secured indebtedness under our Revolving Credit Facility (excluding \$73 million of letters of credit). In addition, we are permitted to add incremental facilities under the Credit Agreement, subject to certain conditions being satisfied. The Indenture will also permit us to incur additional secured indebtedness, which could be substantial.

The Indenture does not fully prohibit us from incurring substantial additional indebtedness, which could further exacerbate the risks that we may face.

Despite our current indebtedness levels, Holdings and its subsidiaries may still be able to incur substantially more debt in the future and the terms of the Indenture will not fully prohibit Holdings or its subsidiaries from doing so. The Credit Agreement permits borrowings in an aggregate amount of \$1.75 billion, consisting of a Revolving Credit Facility in an aggregate principal amount of up to \$300 million and term loans in an aggregate principal amount of up to \$1.45 billion. If new debt is added to Holdings’ and its subsidiaries’ current debt levels, the related risks that Holdings and they face could be exacerbated. See “Risk Factors—Financial Risks—We may incur substantial additional indebtedness, which could further exacerbate the risks that we may face” for a description of the potential effects of an increase in our indebtedness, and “Description of Other Indebtedness—Credit Agreement” for a description of the terms of our Credit Agreement.

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

Certain important corporate events, such as leveraged recapitalizations, may not, under the Indenture, constitute a “change of control” that would require us to purchase the Notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the Notes. Therefore, we could, in the future, enter into certain transactions, including acquisitions, reorganizations, refinancings or other recapitalizations, which would not constitute a change of control requiring mandatory redemption under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings and thereby potentially adversely affect the holders of the Notes.

We may redeem your Notes at our option, which may adversely affect your return.

We may redeem the Notes, in whole or in part, at our option at any time or from time to time at the applicable redemption prices described in this offering circular. Prevailing interest rates at the time we redeem the Notes may be lower than the interest rate on the Notes. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an interest rate equal to or higher than the interest rate on the Notes. See “Description of Notes—Optional Redemption” for a more detailed description of the conditions under which we may redeem the Notes.

If the Notes are rated investment grade at any time by both Moody's and S&P, most of the restrictive covenants and corresponding events of default contained in the Indenture will be suspended.

If, at any time, the credit rating on the Notes, as determined by both Moody's and S&P, equals or exceeds Baa3 (or the equivalent), and BBB-1 (or the equivalent), respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the Indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the Notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, except for the covenant described under "Description of Notes—Certain Covenants—Limitation on Restricted Payments," the actions taken while the covenants were suspended will not result in an event of default under the Indenture even if it would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the Notes are issued.

We may not have the ability to raise funds necessary to finance any change of control offer required under the Indenture and our Credit Agreement.

If a change of control (as defined in the Indenture) occurs, we will be required to offer to purchase your Notes at 101% of their principal amount plus accrued and unpaid interest. If a purchase offer obligation arises under the Indenture, a change of control could also have occurred under the Credit Agreement, which could result in the acceleration of the indebtedness outstanding thereunder. Any of our future debt agreements may contain similar restrictions and provisions. If a purchase offer were required under the Indenture and/or under our Credit Agreement, we may not have sufficient funds to pay the purchase price of all debt, including the Notes, that we are required to purchase or repay.

Holders of the Notes may not be able to determine when a change of control giving rise to their right to have the Notes repurchased has occurred following a sale of "substantially all" of our assets.

The definition of change of control in the Indenture will include a phrase relating to the sale of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of the Notes to require us to repurchase its Notes as a result of a sale of less than all our assets to another person may be uncertain. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."

Federal and state laws allow courts, under certain circumstances, to void guarantees and require holders of the Notes to return payments received from guarantors.

The Notes will be guaranteed by all of Holdings' direct and indirect domestic subsidiaries that guarantee our Credit Agreement from time to time with certain permitted exceptions. The guarantees may be subject to review under U.S. federal bankruptcy law and comparable provisions of state fraudulent conveyance laws if a bankruptcy or insolvency proceeding or a lawsuit is commenced by or on behalf of us or one of our guarantors or by our unpaid creditors or the unpaid creditors of one of our guarantors. Under these laws, a court could void the obligations under the guarantees, subordinate the guarantees of the Notes to that guarantor's other debt or take other action detrimental to the holders of the Notes and the guarantees of the Notes, if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- issued the guarantee to delay, hinder or defraud present or future creditors;
- received less than reasonably equivalent value or fair consideration for issuing the guarantee at the time it issued the guarantee;
- was insolvent or rendered insolvent by reason of issuing the guarantee;
- was engaged, or about to engage, in a business or transaction for which its remaining assets constituted
- unreasonably small capital to carry on its business; or

- intended to incur, or believed that it would incur, debts beyond its ability to pay as they mature.

In those cases where our solvency or the solvency of one of our guarantors is a relevant factor, the measures of insolvency will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a party would be considered insolvent if:

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

We cannot be sure as to the standard that a court would use to determine whether or not a party was solvent at the relevant time, or, regardless of the standard that the court uses, that the issuance of the guarantees would not be voided or the guarantees would not be subordinated to the guarantors' other debt. If such a case were to occur, the guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration.

There is currently no public market for the Notes, and an active trading market may not develop for the Notes. The failure of a market to develop for the Notes could adversely affect the liquidity and value of the Notes.

The Notes are a new issue of securities, and there is no existing market for the Notes. We do not intend to apply for listing of the Notes on any U.S. or foreign securities exchange or for quotation of the Notes on any automated dealer quotation system. We have been advised by the initial purchasers that following the completion of the offering, certain of the initial purchasers currently intend to make a market in the Notes. However, they are not obligated to do so and any market-making activities with respect to the Notes may be discontinued by them at any time without notice. A market may not develop for the Notes, and there can be no assurance as to the liquidity of any market that may develop for the Notes. If an active, liquid market does not develop for the Notes, the market price and liquidity of the Notes may be adversely affected. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for non-investment grade debt such as the Notes has been subject to disruptions that have caused substantial volatility in prices. It is possible that the market for the Notes, if an active trading market develops, will be subject to disruptions which may have a negative effect on the holders of the Notes, regardless of our operating results, financial performance or prospects. In addition, the Indenture will allow us to issue additional Notes in the future, which could adversely impact the liquidity of the Notes.

Transfers of the Notes will be restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been, and will not be, registered under the Securities Act. As a result, the Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. As a result of the foregoing, your ability to resell the Notes in the public market may be limited, which may adversely affect the size of the market for these securities and pricing on resales. Additional interest payable in respect of the Notes is payable only under specified circumstances and may not adequately compensate you for any loss of value or tradability or any other negative impact on the Notes that may result from the risks described in this paragraph. See "Transfer Restrictions."

We do not intend to apply for listing of the Notes on any U.S. or foreign securities exchange or for quotation through an automated dealer quotation system. Therefore, an active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In that case, holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price. The liquidity of any market for the Notes will depend on a number of factors, including:

- the number of holders of Notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the Notes;
- prevailing interest rates; and
- the aggregate principal amount of Notes outstanding.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your Notes. In addition, subsequent to their initial issuance, the Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our operating performance and financial condition and other factors.

The Indenture will not be qualified under the Trust Indenture Act and we will not be required to comply with the provisions of the Trust Indenture Act.

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

Any adverse rating of the Notes may negatively affect the trading price and liquidity of the Notes.

We may seek a rating for the Notes. A rating agency's rating of the Notes is not a recommendation to purchase, sell or hold any particular security, including the Notes. Such ratings are limited in scope, and do not comment as to material risks relating to an investment in the Notes. If one or more rating agencies rates the Notes and assigns the Notes a rating lower than the rating expected by investors, reduces its rating of the Notes below the rating initially assigned to the Notes or announces its intention to put us on credit watch, the trading price or liquidity of the Notes could decline.

Our credit ratings may not reflect all risks associated with an investment in the Notes.

Credit rating agencies rate our debt securities on factors that include our results of operations, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the Notes.

USE OF PROCEEDS

We estimate that the net proceeds from this offering of the Notes will be approximately \$ million, after deducting discounts to the initial purchasers and estimated offering fees and expenses. We intend to use a portion of the net proceeds from this offering to repay all of our outstanding indebtedness under the 2020 Term Loan and the remainder of the net proceeds to repay outstanding indebtedness under the 2019 Term Loan and for general corporate purposes, as well as transaction fees and expenses. In addition, certain initial purchasers and/or their affiliates are agents and/or lenders under the 2020 Term Loan and the 2019 Term Loan and therefore will receive a portion of the net proceeds from this offering.

For a discussion regarding our 2019 Term Loan and 2020 Term Loan, including the use of proceeds thereof, please see “Description of Other Indebtedness.”

CAPITALIZATION

The following table summarizes our capitalization and cash and cash equivalents as of March 31, 2021:

- on an actual basis; and
- on an as adjusted basis after giving effect to this offering and the application of proceeds as described under “Use of Proceeds” other than proceeds used for general corporate purposes.

You should read this information in conjunction with our consolidated financial statements and the related notes thereto and other financial information included, or incorporated by reference, in this offering circular. In particular, you should read this information in conjunction with the sections entitled “Summary—Summary Financial Data,” “Description of Other Indebtedness,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as with our historical financial statements, included or incorporated by reference herein.

(\$ in millions)	As of March 31, 2021	
	Actual	As Adjusted
	(unaudited)	
Cash and Cash Equivalents	\$ 745	\$ 745
Revolving Credit Facility (1)	—	—
2019 Term Loan	1,185	1,138
2020 Term Loan	249	—
Notes Offered Hereby	—	\$300
Other Debt	5	5
Total Debt	\$ 1,439	\$ 1,443
Total Equity (2)	1,791	1,791
Total Capitalization	\$ 3,230	\$ 3,234

(1) Not inclusive of \$73 million in outstanding letters of credit as of March 31, 2021.

(2) Total equity refers to book value.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") section should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in our Quarterly Report, and the audited consolidated financial statements, related notes and the MD&A section and other disclosures contained in our Annual Report, including financial results for the year ended December 31, 2020. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements. Factors that might cause a difference include, but are not limited to, those discussed under the "Cautionary Note Regarding Forward-Looking Statements" section of this offering circular.

We prepare our financial statements in accordance with U.S. GAAP. To supplement our financial results presented in accordance with U.S. GAAP in this MD&A section, we present EBITDA, which is a non-U.S. GAAP financial measure, to assist readers in understanding our performance and provide an additional perspective on trends and underlying operating results on a period-to-period comparable basis. Non-U.S. GAAP financial measures either exclude or include amounts not reflected in the most directly comparable measure calculated and presented in accordance with U.S. GAAP. Where a non-U.S. GAAP financial measure is used, we have provided the most directly comparable measure calculated and presented in accordance with U.S. GAAP, a reconciliation to the U.S. GAAP measure and a discussion of the reasons why management believes this information is useful to it and may be useful to investors.

Unless the context otherwise requires, any references to "first quarter 2021" and "first quarter 2020" are referring to the three months ended March 31, 2021 and 2020, respectively.

Overview

APG is a market-leading business services provider of safety, specialty and industrial services in over 200 locations, primarily in North America and with an expanding platform in Europe. APG provides statutorily mandated and other contracted services to a strong base of long-standing customers across industries. We have a winning leadership culture driven by entrepreneurial business leaders to deliver innovative solutions for our customers.

We operate our business under three primary operating segments which are also our reportable segments:

- **Safety Services** – A leading provider of safety services in North America and Europe, focusing on end-to-end integrated occupancy systems (fire protection solutions, HVAC and entry systems), including design, installation, inspection and service of these integrated systems. The work performed within this segment spans across industries and facilities and includes commercial, education, healthcare, high tech, industrial and special-hazard settings.
- **Specialty Services** – A leading provider of a variety of infrastructure services and specialized industrial plant services, which include maintenance and repair of critical infrastructure such as underground electric, gas, water, sewer and telecommunications infrastructure. Our services include engineering and design, fabrication, installation, maintenance service and repair, and retrofitting and upgrading. Customers within this segment vary from private and public utilities, communications, healthcare, education, transportation, manufacturing, industrial plants and governmental agencies throughout the United States.
- **Industrial Services** – A leading provider of a variety of services to the energy industry focused on transmission and distribution. This segment's services include pipeline infrastructure, access and road construction, supporting facilities, and performing ongoing integrity management and maintenance.

We focus on growing our recurring revenue and repeat business from our diversified long-standing customers across a variety of end markets, which we believe provides us with stable cash flows and a platform for organic growth. Maintenance and service revenues are generally more predictable through contractual arrangements with typical terms ranging from days to three years, with the majority having durations of less than six months, and are often recurring due to consistent renewal rates and long-standing customer relationships.

For financial information about our operating segments, see Note 15 – "Segment Information" to our unaudited condensed consolidated financial statements included in our Quarterly Report.

Certain Factors and Trends Affecting our Results of Operations

Effect of Seasonality and Cyclical Nature of Business

Our revenue and results of operations can be subject to seasonal and other variations. These variations are influenced by weather and include impacts of customer spending patterns, bidding seasons, project schedules, holidays and timing, in particular, for large, non-recurring projects. Typically, our revenue is lowest in the first quarter during the winter months in North America because cold, snowy or wet conditions can cause project delays. Revenue is generally higher during the summer and fall months during the third and fourth quarters, due to increased demand for our services when favorable weather conditions exist in many of the regions in which we operate. Continued cold and wet weather can often affect second quarter productivity. In the fourth quarter, many projects tend to be completed by customers seeking to spend their capital budgets before the end of the year, which generally has a positive effect on our revenue. However, the holiday season and inclement weather can cause delays, which can reduce revenue and increase costs on affected projects. The effects of the COVID-19 pandemic have resulted and could continue to result in greater seasonal and cyclical volatility than would otherwise exist under normal conditions.

Additionally, the industries we serve can be cyclical. Fluctuations in end-user demand within those industries, or in the supply of services within those industries, can affect demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations or unanticipated changes in project schedules in connection with large projects can create fluctuations in revenue.

Economic, Industry and Market Factors

We closely monitor the effects of general changes in economic and market conditions on our customers. General economic and market conditions can negatively affect demand for our customers' products and services, which can affect their planned capital and maintenance budgets in certain end markets. Market, regulatory and industry factors could affect demand for our services, including: (i) changes to customers' capital spending plans; (ii) mergers and acquisitions among the customers we serve; (iii) new or changing regulatory requirements or other governmental policy changes or uncertainty; (iv) economic, market or political developments; (v) changes in technology, tax and other incentives; and (vi) access to capital for customers in the industries we serve. Availability of transportation and transmission capacity and fluctuations in market prices for energy and other fuel sources can also affect demand for our services for pipeline and power generation construction services. These fluctuations, as well as the highly competitive nature of our industries, can result, and has resulted, in lower proposals and lower profit on the services we provide. In the face of increased pricing pressure on key materials, such as steel, or other market developments, we strive to maintain our profit margins through productivity improvements, cost reduction programs, pricing adjustments, and business streamlining efforts. While we actively monitor economic, industry and market factors that could affect our business, we cannot predict the effect that changes in such factors may have on our future consolidated results of operations, liquidity and cash flows, and we may be unable to fully mitigate, or benefit from, such changes.

Recent Developments

Acquisitions

During 2021, we completed several immaterial acquisitions for consideration transferred of \$7 million, primarily made up of cash paid at closing, and the results of operations of these acquisitions are included in our unaudited condensed consolidated statement of operations from their respective dates of acquisition and were not material. See Note 4 – "Business Combinations" to our unaudited condensed consolidated financial statements in our Quarterly Report for further details.

COVID-19 Update

We continue to monitor the short- and long-term impacts of COVID-19, a global pandemic that has caused a significant slowdown in the global economy beginning in March 2020. To date, the services we provide have been deemed to be essential in most instances under various governmental orders. However, as the COVID-19 situation has continued to evolve, we have seen impacts on our work due to the domino effects of various local, state and national governmental orders, including but not limited to, reduced efficiency in performing our work while adhering to physical distancing protocols demanded by COVID-19, customers deferring inspection and service projects, and temporary shutdowns of active projects as customers work through COVID-19 related matters. As a result, we are experiencing delays in certain projects and disruptions to the flow of our work to meet COVID-19 working protocols.

Although we are actively quoting new work for customers, should the macro economy continue to be negatively impacted by the COVID-19 pandemic or worsen due to surges in cases, it is possible additional projects could be delayed indefinitely or cancelled, or that we may not be allowed access to our customers' facilities to perform inspection and service projects. In addition, the effects of the COVID-19 pandemic have resulted and could continue to result in greater seasonal and cyclical volatility than would otherwise exist under normal conditions.

New or extended shelter-in-place orders or closures, or outbreaks in jurisdictions in which we operate or at our project or work sites, could have a material negative impact on our net revenues and earnings. If a large number of our employees who are located in a particular jurisdiction or are working on a project or work site are exposed to or infected with COVID-19 and we are unable to hire qualified personnel due to labor shortages and other impacts of the COVID-19 outbreak, we may be required to delay projects or the provision of our services for a period of time. This could negatively impact our revenue, have a material adverse impact on our operating results and cause harm to our reputation.

As we have continued to monitor our activity, revenue period over period has been negatively impacted by the level of shelter-in-place orders and outbreaks of COVID-19, causing certain customers to temporarily halt work to implement COVID-19 working protocols and other customers have delayed or cancelled projects. Generally, during the latter half of 2020 and continuing into first quarter 2021, we saw indications of stabilizing and some volume improvements as our teams and customers adapted to working in the COVID-19 environment and with the easing of some shelter-in-place orders. There can be no assurance that this trend, which would allow us to recover prior year volume levels, will continue in a positive manner.

To date, we have been able to source the supply and materials needed for our business with minimal disruptions. However, the continued impact of COVID-19 on our vendors is evolving and could make it difficult to obtain needed materials and at reasonable prices. We also implemented a preemptive cost reduction plan, which saved both expense and cash in 2020. As COVID-19 restrictions were easing and volumes were increasing from earlier lows, these cost reductions have eased and costs were reinstated.

The United States Department of Homeland Security's Cybersecurity and Infrastructure Security Agency has warned that cybercriminals will take advantage of the uncertainty created by COVID-19 and federal and state mandated quarantines to launch cybersecurity attacks. The risks could include more frequent malicious cybersecurity and fraudulent activities, as well as schemes which attempt to take advantage of employees' use of various technologies to enable remote work activities. We believe the COVID-19 outbreak has incrementally increased our cyber risk profile, but we are unable to predict the extent or impacts of those risks at this time. A significant disruption in our information technology systems, unauthorized access to or loss of confidential information, or legal claims resulting from violation of privacy laws could each have a material adverse effect on our business.

While we cannot estimate the duration or future negative financial impact of the COVID-19 pandemic on our business, we are currently experiencing some negative impact, which we expect to continue in the future.

In prior economic downturns, the impact on our business has generally lagged against the impact of other industries. We have no way of knowing if the economic crisis caused by COVID-19 will impact us similarly to past economic downturns.

Recent Accounting Pronouncements

A summary of recent accounting pronouncements is included in Note 3 – "Recent Accounting Pronouncements" to our unaudited condensed financial statements included in the Quarterly Report.

Description of Key Line Items

Net Revenues

Revenue is generated from the sale of various types of contracted services, fabrication and distribution. We derive revenue primarily from services under contractual arrangements with durations ranging from days to three years, with the majority having durations of less than six months, and which may provide the customer with pricing options that include a combination of fixed, unit, or time and material pricing. Revenue for fixed price agreements is generally recognized over time using the cost-to-cost method of accounting which measures progress based on the cost incurred to total expected cost in satisfying our performance obligation.

Revenue from time and material contracts is recognized as the services are provided. Revenue earned is based on total contract costs incurred plus an agreed-upon markup. Revenue for these cost-plus contracts is recognized over time on an input basis as labor hours are incurred, materials are utilized, and services are performed. Revenue from wholesale or retail unit sales is recognized at a point-in-time upon shipment.

Cost of Revenues

Cost of revenues consists of direct labor, materials, subcontract costs and indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Labor costs are considered to be incurred as the work is performed. Subcontractor labor is recognized as the work is performed.

Gross Profit

Our gross profit is influenced by direct labor, materials and subcontract costs. Our profit margins are also influenced by raw material costs, contract mix, weather and proper coordination with contract providers. Labor intensive contracts usually drive higher margins than those contracts that include material, subcontract and equipment costs.

Selling, General and Administrative Expenses

Selling expenses consist primarily of compensation and associated costs for sales and marketing personnel, costs of advertising, trade shows and corporate marketing. General and administrative expense consists primarily of compensation and associated costs for executive management, personnel, facility leases, outside professional fees and other corporate expenses.

Amortization of Intangible Assets

Amortization expense reflects the charges incurred to amortize our finite-lived identifiable intangible assets, such as customer relationships, which are amortized over their estimated useful lives. There is a portion of amortization expense related to the backlog of intangible assets reflected in cost of revenues in the unaudited condensed consolidated statement of operations.

Impairment of Goodwill and Intangible Assets

Goodwill is tested for impairment annually, or more frequently as events and circumstances change. Expenses for impairment charges related to the write-down of goodwill balances and identifiable intangible assets balances are recorded to the extent their carrying values exceed their estimated fair values. Expenses for impairment charges related to the write-down of other long-lived assets (which includes amortizable intangibles) are recorded when triggering events indicate their carrying values may exceed their estimated fair values.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies, see “APG Management’s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies” in our Annual Report.

Results of Operations

The following is a discussion of our financial condition and results of operations during the three months ended March 31, 2021 and the three months ended March 31, 2020.

Three months ended March 31, 2021 compared to the three months ended March 31, 2020

(\$ in millions)	Three Months Ended March 31,		Change	
	2021	2020	\$	%
Net revenues	\$ 803	\$ 858	\$ (55)	(6.4)%
Cost of revenues	622	696	(74)	(10.6)%
Gross profit	181	162	19	11.7%
Selling, general, and administrative expenses	183	188	(5)	(2.7)%
Impairment of goodwill and intangible assets	—	208	(208)	NM
Operating income	(2)	(234)	232	99.1%
Interest expense, net	15	14	1	7.1%
Investment income and other, net	(3)	(3)	—	—
Other expense, net	12	11	1	9.1%
Income before income taxes	(14)	(245)	231	94.3%
Income tax provision	(6)	(51)	45	88.2%
Net loss	<u>\$ (8)</u>	<u>\$ (194)</u>	<u>\$ 186</u>	<u>95.9%</u>

NM = Not meaningful

Net revenues

Net revenues for the three months ended March 31, 2021 were \$803 million compared to \$858 million for the same period in 2020, a decrease of \$55 million or (6.4)%. The decrease in net revenues was primarily driven by the Industrial Services segment, which was impacted by the sale of two businesses that accounted for \$38 million in revenue during first quarter 2020, disciplined project selection resulting from our strategic focus on improving margins, suppression of demand for our services due to a general slowing in the energy industry, and the continuing negative impacts from the COVID-19 pandemic. This change was partially offset by increased revenues in our Safety Services and Specialty Services segments due to acquisitions that occurred primarily during the fourth quarter of 2020 and higher volumes due to project timing.

Gross profit

The following table presents our gross profit (net revenues less cost of revenues) and gross margin (gross profit as a percentage of net revenues) for the three months ended March 31, 2021 and 2020, respectively:

(\$ in millions)	Three Months Ended March 31,		Change	
	2021	2020	\$	%
Gross profit	\$ 181	\$ 162	\$ 19	11.7%
Gross margin	22.5%	18.9%		

Our gross profit for the three months ended March 31, 2021 was \$181 million compared to \$162 million for the same period in 2020, an increase of \$19 million, or 11.7%. Gross margin was 22.5%, an increase of 360 basis points compared to prior year primarily due to a \$21 million decrease in backlog amortization expense, which positively impacted the rate by 260 basis points. We also divested two lower margin businesses during 2020 in our Industrial Services segment, which contributed 90 basis points to the improvement. In addition, favorable mix from a higher content of service work, higher volumes in more profitable segments, and disciplined project and customer selection drove higher gross margin. These increases were partially offset by project delays, jobsite conditions and suppression of demand in the energy industry.

Operating expenses

The following table presents operating expenses for APG for the three months ended March 31, 2021 and 2020, respectively:

(\$ in millions)	Three Months Ended March 31,		Change	
	2021	2020	\$	%
Selling, general, and administrative expenses (excluding amortization expense)	\$ 153	\$ 158	\$ (5)	(3.2)%
Amortization expense	\$ 30	\$ 30	\$ —	—
Impairment of goodwill and intangible assets	\$ —	\$ 208	\$ (208)	NM
Total operating expenses	\$ 183	\$ 396	\$ (213)	(53.8)%
Operating expenses as a percentage of net revenues	22.8%	46.2%		

Our operating expenses for the three months ended March 31, 2021 were \$183 million compared to \$396 million for the same period in 2020, a decrease of \$213 million. Operating expenses as a percentage of net revenues were 22.8% for 2021 compared to 46.2% for 2020, improving primarily due to the \$208 million impairment charge related to goodwill and intangible assets recorded in the first quarter 2020 that did not repeat during 2021. In addition, selling, general, and administrative expenses (excluding amortization) decreased \$5 million, primarily due to a reduction in depreciation expense and the divestiture of two businesses in the Industrial Services segment.

Interest expense, net

Interest expense was \$15 million for the three months ended March 31, 2021 relatively flat compared to \$14 million for the same period of the prior year.

Income tax provision

The income tax benefit for the three months ended March 31, 2021 was \$6 million compared to a benefit of \$51 million in the first quarter of the prior year. The decrease in tax benefit was driven by a lower loss before income taxes. The effective tax rate for the three months ended March 31, 2021 was 42.3%, compared to 20.9% in the first quarter of 2020. The difference in the effective tax rate was driven by discrete and nondeductible permanent items, which have a greater impact on the effective tax rate when income or losses are smaller. The tax law changes in the CARES Act had an immaterial impact on the Company's income tax provision during the three months ended March 31, 2021. The difference between the effective tax rate and the statutory U.S. federal income tax rate of 21.0% is due to the nondeductible permanent items, state taxes and foreign earnings in jurisdictions that have higher tax rates.

Net income (loss) and EBITDA

(\$ in millions)	Three Months Ended March 31,		Change	
	2021	2020	\$	%
Net loss	\$ (8)	\$ (194)	\$ 186	95.9%
EBITDA	51	(161)	212	131.7%
Net income as a % of Net Revenues	(1.0)%	(22.6)%		
EBITDA as % of Net Revenues	6.4%	(18.8)%		

Our net loss for the three months ended March 31, 2021 of \$8 million compared to \$194 million for the same period in 2020, an improvement of \$186 million. Net loss as a percentage of net revenues for the three months ended March 31, 2021 was (1.0)% compared to (22.6)% for the same period in 2020. The change was principally from an impairment charge that occurred in first quarter 2020 related to goodwill and intangible assets of \$208 million that did not recur, and an improved gross margin rate and lower operating expenses (discussed above). EBITDA as a percentage of net revenues for the first quarter 2021 was 6.4% compared to (18.8)% for the same period in 2020. Improvements in EBITDA were primarily a result of the impairment charge of \$208 million recorded in first quarter 2020 and an improved gross margin rate. See the discussion and reconciliation of our non-U.S. GAAP financial measures below.

Operating Segment Results for the three months ended March 31, 2021 versus the three months ended March 31, 2020

(\$ in millions)	Net Revenues			
	Three Months Ended		Change	
	2021	2020	\$	%
Safety Services	\$ 466	\$ 424	\$ 42	9.9%
Specialty Services	321	300	21	7.0%
Industrial Services	25	137	(112)	(81.8)%
Corporate and Eliminations	(9)	(3)	(6)	(200.0)%
	<u>\$ 803</u>	<u>\$ 858</u>	<u>\$ (55)</u>	<u>(6.4)%</u>

(\$ in millions)	Operating Income (Loss)			
	Three Months Ended		Change	
	2021	2020	\$	%
Safety Services	\$ 45	\$ (10)	\$ 55	550.0%
<i>Safety Services operating margin</i>	9.7%	(2.4)%		
Specialty Services	(3)	(136)	133	97.8%
<i>Specialty Services operating margin</i>	(0.9)%	(45.3)%		
Industrial Services	(15)	(58)	43	74.1%
<i>Industrial Services operating margin</i>	(60.0)%	(42.3)%		
Corporate and Eliminations	(29)	(30)	1	3.3%
	<u>\$ (2)</u>	<u>\$ (234)</u>	<u>\$ 232</u>	<u>99.1%</u>

(\$ in millions)	EBITDA			
	Three Months Ended		Change	
	2021	2020	\$	%
Safety Services	\$ 65	\$ 18	\$ 47	261.1%
<i>Safety Services EBITDA as a % of net revenues</i>	13.9%	4.2%		
Specialty Services	20	(108)	128	118.5%
<i>Specialty Services EBITDA as a % of net revenues</i>	6.2%	(36.0)%		
Industrial Services	(6)	(45)	39	86.7%
<i>Industrial Services EBITDA as a % of net revenues</i>	(24.0)%	(32.8)%		
Corporate and Eliminations	(28)	(26)	(2)	(7.7)%
	<u>\$ 51</u>	<u>\$ (161)</u>	<u>\$ 212</u>	<u>131.7%</u>

The following discussion breaks down the net revenues, operating income and EBITDA by operating segment for the three months ended March 31, 2021 compared to the three months ended March 31, 2020.

Safety Services

Safety Services net revenues for the three months ended March 31, 2021 increased by \$42 million, or 9.9% compared to the same period in the prior year. This increase is primarily driven by the 2020 acquisitions, and higher volumes from increased demand for our HVAC services, partially offset by continued negative impacts of COVID-19.

Safety Services operating margin for the three months ended March 31, 2021 and 2020 was approximately 9.7% and (2.4)%, respectively. The improvement was primarily driven by an impairment charge of \$34 million recorded in the first quarter 2020 that did not recur. In addition, the improvement was impacted by favorable contract mix which shifted to more inspection and service related work, disciplined project and customer selection, and a decrease in amortization expense of \$9 million. Safety Services EBITDA as a percentage of net revenues for the three months ended March 31, 2021 and 2020 was approximately 13.9% and 4.2%, respectively. This improvement is

primarily related to the impairment charges recorded in first quarter 2020 that did not recur, and improved project mix.

Specialty Services

Specialty Services net revenues for the three months ended March 31, 2021 increased by \$21 million, or 7.0% compared to the same period in the prior year. The increase in segment revenue was primarily driven by project timing and higher volumes of specialty fabrication projects during first quarter 2021. These increases were partially offset by adverse jobsite conditions and project delays for certain projects.

Specialty Services operating margin for the three months ended March 31, 2021 and 2020 was approximately (0.9)% and (45.3)%, respectively. The improvement was the result of an impairment charge of \$120 million recorded in first quarter 2020 that did not recur, and decreased amortization expense of \$7 million. Our Specialty Services EBITDA as a percentage of net revenues for the three months ended March 31, 2021 and 2020 was approximately 6.2% and (36.0)%, respectively. This improvement is primarily related to the impairment charges recorded in first quarter 2020 that did not recur.

Industrial Services

Industrial Services net revenues for the three months ended March 31, 2021 decreased by \$112 million, or (81.8)% compared to the same period in the prior year. The sale of two Industrial Services businesses accounted for \$38 million of the decline. The revenue decline was also impacted by suppression of demand for our services due to COVID-19, strategic focus on improving margin resulting from disciplined project and customer selection, and a general slowing in the energy industry.

Industrial Services operating margin for the three months ended March 31, 2021 and 2020 was approximately (60.0)% and (42.3)%, respectively. The decline was primarily driven by a lower volume of projects while certain indirect costs for leases and equipment remained consistent with prior quarters, partially offset by an impairment charge of \$49 million which was recorded in first quarter 2020 that did not recur. Industrial Services EBITDA as a percentage of net revenues was (24.0)% and (32.8)% for the three months ended March 31, 2021 and 2020, respectively. This improvement is primarily related to the impairment charge of \$49 million in 2020 that did not recur, partially offset by the impacts of lower volumes described above.

Non-GAAP Financial Measures (Unaudited)

We supplement our reporting of consolidated financial information determined in accordance with U.S. GAAP with EBITDA (defined below), which is a non-U.S. GAAP financial measure. We use EBITDA to evaluate our performance, both internally and as compared with our peers, because it excludes certain items that may not be indicative of our core operating results. Management believes this measure is useful to investors since it (a) permits investors to view the Company's performance using the same tools that management uses to evaluate the Company's past performance, reportable business segments and prospects for future performance, (b) permits investors to compare the Company with its peers and (c) determines certain elements of management's incentive compensation. Specifically, earnings before interest, taxes, depreciation and amortization ("EBITDA") is the measure of profitability used by management to manage its segments and, accordingly, in its segment reporting. The Company supplements the reporting of its consolidated financial information with EBITDA. The Company believes this non-U.S. GAAP measure provides meaningful information and help investors understand the Company's financial results and assess its prospects for future performance. The Company uses EBITDA to evaluate its performance, both internally and as compared with its peers, because it excludes certain items that may not be indicative of the Company's core operating results. Consolidated EBITDA is calculated in a manner consistent with segment EBITDA, which is a measure of segment profitability.

This non-U.S. GAAP financial measure, however, has limitations as an analytical tool and should not be considered in isolation from, a substitute for, or superior to, the related financial information that we report in accordance with U.S. GAAP. The principal limitation of this non-U.S. GAAP financial measure is that it excludes significant expenses that are required by U.S. GAAP to be recorded in our financial statements and may not be comparable to similarly titled measures of other companies due to potential differences in calculation methods. In addition, this measure is subject to inherent limitations as it reflects the exercise of judgment by management about which items are excluded or included in determining this non-U.S. GAAP financial measure. Investors are encouraged to review the following reconciliation of this non-U.S. GAAP financial measure to its most comparable U.S. GAAP financial measure and not to rely on any single financial measure to evaluate our business.

The following table presents a reconciliation of net loss to EBITDA for the periods indicated:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Reported net loss	\$(8)	\$(194)
<i>Adjustments to reconcile net loss to EBITDA:</i>		
Interest expense, net	15	14
Income tax provision	(6)	(51)
Depreciation	19	18
Amortization	31	52
EBITDA	<u>\$51</u>	<u>\$(161)</u>

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash flows from the operating activities of our consolidated subsidiaries, available cash and cash equivalents, and our access to our Revolving Credit Facility. We believe these sources will be sufficient to fund our liquidity requirements for at least the next twelve months. Although we believe we have sufficient resources to fund our future cash requirements, there are many factors with the potential to influence our cash flow position including weather, seasonality, commodity prices, market conditions, and prolonged impacts of COVID-19 and shelter-in-place governmental action, over which we have no control. As of March 31, 2021, we had \$972 million of total liquidity, comprising \$745 million in cash and cash equivalents and \$227 million (\$300 million less outstanding letters of credit of approximately \$73 million, which reduce availability) of available borrowings under our Revolving Credit Facility. During first quarter 2021, we received approximately \$230 million of cash proceeds resulting from the exercise of approximately 60 million outstanding warrants, resulting in the issuance of approximately 20 million shares of common stock.

Given the uncertainties regarding the COVID-19 global pandemic and in preparation for its potential unforeseen impacts, in late March 2020, we drew down \$200 million under our Revolving Credit Facility. Subsequently, in April 2020, we repaid the full amount borrowed on the Revolving Credit Facility. As of March 31, 2021, we had \$1.2 billion of indebtedness outstanding under the 2019 Term Loan, \$249 million outstanding under the 2020 Term Loan, and no amounts outstanding under the \$300 million Revolving Credit Facility.

We expect to continue to be able to access the capital markets through equity and debt offerings for liquidity purposes as needed. Our principal liquidity requirements have been, and we expect will be, any deferred consideration due to selling shareholders, including tax payments in connection therewith, for working capital and general corporate purposes, including capital expenditures and debt service, as well as to identify, execute and integrate strategic acquisitions and business transformation. Our capital expenditures were approximately \$18 million and \$11 million in the three months ended March 31, 2021 and 2020, respectively.

Our annual capital expenditures were decreased in 2020 due to the impacts of COVID-19 and may return to pre-COVID-19 levels in future periods which we expect to be less than 2% of net revenues annually.

In December 2020, our Board of Directors authorized a share repurchase program, authorizing the purchase of up to an aggregate of \$100 million of shares of common stock. There were no stock repurchases during first quarter 2021 under the share repurchase program, and approximately \$70 million of repurchases remained authorized.

Cash Flows

The following table summarizes net cash flows with respect to our operating, investing and financing activities for the periods indicated:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities	\$32	\$55
Net cash used in investing activities	(23)	(15)
Net cash provided by financing activities	223	139
Effect of foreign currency exchange rate change on cash and cash equivalents	1	1
Net increase in cash and cash equivalents	<u>\$233</u>	<u>\$180</u>
Cash, cash equivalents, and restricted cash at the end of the period	\$748	\$436

Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$32 million for the three months ended March 31, 2021 compared to \$55 million for the same period in 2020. Cash flow from operations is primarily driven by changes in the mix and timing of demand for our services and working capital needs associated with the various services we provide. Working capital is primarily affected by changes in total accounts receivable, accounts payable, accrued expenses, and contract assets and contract liabilities, all of which tend to be related and are affected by changes in the timing and volume of work performed. The decrease in net cash provided by operating activities was primarily driven by changes in working capital levels as the declines in net revenues during first quarter 2021 have resulted in less impactful reductions in our working capital balances.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$23 million for the three months ended March 31, 2021 compared to \$15 million for the same period in 2020. The increase in cash used in investing activities was attributable to an increase in purchases of property and equipment during the current period as management enacted adjustments to capital expenditures in response to COVID-19 during the prior year.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was \$223 million for the three months ended March 31, 2021 compared to \$139 million for the same period in 2020. The increase in cash provided by financing activities was primarily due to \$230 million of proceeds from the issuance of common shares in connection with the warrant exercises which occurred during first quarter 2021 and acquisition-related consideration payments made in the prior year period that did not recur in first quarter 2021. During first quarter 2020, we borrowed \$200 million on our Revolving Credit Facility due to uncertainties around the future impact of COVID-19, which was repaid early in the second quarter of 2020.

Credit Facilities

We have the Credit Agreement which provides for: (1) a term loan facility, pursuant to which we incurred the \$1.2 billion 2019 Term Loan used to fund a part of the cash portion of the purchase price in the APi Acquisition; and the incremental \$250 million 2020 Term Loan, which we used to replenish balance sheet cash utilized for acquisitions, including the SKG Acquisition, and to pay fees and expenses related to such acquisitions and the financing; and (2) the Revolving Credit Facility of which up to \$150 million can be used for the issuance of letters of credit. As of March 31, 2021, the Company had no amounts outstanding under the Revolving Credit Facility and \$227 million was available after giving effect to \$73 million of outstanding letters of credit, which reduce availability.

One of our Canadian subsidiaries had a \$20 million unsecured line of credit agreement with a variable interest rate based upon the prime rate. This line of credit was closed during January 2021.

The Credit Agreement contains customary affirmative and negative covenants, including limitations on additional indebtedness, dividends and other distributions, entry into new lines of business, use of loan proceeds, capital expenditures, restricted payments, restrictions on liens on assets, transactions with affiliates and dispositions.

To the extent total outstanding borrowings under the Revolving Credit Facility (excluding undrawn letters of credit up to \$40 million) is greater than 30% of the total commitment amount of the Revolving Credit Facility, APG's first lien net leverage ratio shall not exceed: (i) 4.50 to 1.00 for each fiscal quarter ending in 2020; (ii) 4.00 to 1.00 for each fiscal quarter ending in 2021; and (iii) 3.75 to 1.00 for each fiscal quarter ending thereafter. Our first lien net leverage ratio as of March 31, 2021 was 1.75 to 1.00.

We were in compliance with all covenants contained in the Credit Agreement as of March 31, 2021 and December 31, 2020.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a description of certain of our current indebtedness. The descriptions of the agreements relating to our current indebtedness contained herein are summaries thereof and do not purport to be complete descriptions of the full text of such agreements.

Credit Agreement

In connection with the closing of the APi Acquisition, we entered into the Credit Agreement, which we used to fund a part of the cash portion of the purchase price in the APi Acquisition. We entered into the 2020 Term Loan on October 22, 2020, which we used to replenish balance sheet cash utilized for acquisitions, including the SKG Acquisition, and to pay fees and expenses related to such acquisitions and the 2020 Term Loan. The Credit Agreement includes the Revolving Credit Facility of which up to \$150 million can be used for the issuance of letters of credit. At March 31, 2021, the Company had no amounts outstanding under the Revolving Credit Facility and \$227 million was available after giving effect to \$73 million of outstanding letters of credit which reduce availability.

The interest rate applicable to the 2019 Term Loan and 2020 Term Loan is, at our option, either (1) a base rate plus an applicable margin equal to 1.50% for the 2019 Term Loan and 1.75% for the 2020 Term Loan or (2) a Eurocurrency rate (adjusted for statutory reserves) plus an applicable margin equal to 2.50% for the 2019 Term Loan and 2.75% for the 2020 Term Loan. At our option, the interest period for a 2019 Term Loan or 2020 Term Loan that is a Eurocurrency rate loan may be one, two, three or six months (or twelve months or any other period agreed with the lenders under the 2019 Term Loan or our 2020 Term Loan, as applicable). Interest on the 2019 Term Loan and 2020 Term Loan is payable (1) with respect to a Eurocurrency rate loan, at the end of each interest period except that, if the interest period exceeds three months, interest is payable every three months and (2) with respect to a base rate loan, on the last business day of each March, June, September and December. Principal payments on the 2019 Term Loan commenced the first quarter ending on March 31, 2020 and will be made in quarterly installments on the last day of each fiscal quarter, for a total annual amount equal to 1.00% of the initial aggregate principal amount of the 2019 Term Loan. Principal payments on the 2020 Term Loan commenced with the first quarter ending on March 31, 2021 and will be made in quarterly installments on the last day of each fiscal quarter, for a total annual amount equal to 1.00% of the initial aggregate principal amount of the 2020 Term Loan. The 2019 Term Loan matures on October 1, 2026 and the 2020 Term Loan matures on October 1, 2026.

Covenants

The Credit Agreement contains customary affirmative and negative covenants, including limitations on additional indebtedness, dividends and other distributions, entry into new lines of business, use of loan proceeds, investments, restricted debt payments, restrictions on liens on assets, transactions with affiliates and dispositions. To the extent total outstanding borrowings under the Revolving Credit Facility (excluding undrawn letters of credit up to \$40 million) is greater than 30% of the total commitment amount of the Revolving Credit Facility, the Company's first lien net leverage ratio shall not exceed (i) 4.00 to 1.00 for each fiscal quarter ending in 2021 and (ii) 3.75 to 1.00 for each fiscal quarter ending thereafter. Our first lien net leverage ratio as of March 31, 2021 was 1.75 to 1.00.

In addition, the Credit Agreement contains customary provisions relating to events of default that include, among others, non-payment of principal, interest or fees, breach of covenants, inaccuracy of representations and warranties, failure to make payment on, or defaults with respect to, certain other indebtedness having an aggregate principal amount in excess of \$75 million, bankruptcy and insolvency events, judgments in excess of \$75 million or that could reasonably be expected to have a material adverse effect, change of control and certain events relating to ERISA plans. Upon the occurrence of an event of default, and after the expiration of any applicable grace period, payment of any outstanding loans under the Credit Agreement may be accelerated and the lenders could enforce their security interests in the assets of the borrower and the guarantors under the Credit Agreement.

The 2020 Incremental Amendment (1) modified the negative covenants in the Credit Agreement to permit the Company to make acquisitions of and investments in entities that would not become guarantors under the Credit Agreement if, after giving effect to the acquisition or investment, the Company is in compliance with its guarantor coverage ratio and the total net leverage ratio under the Credit Agreement is less than 3.25 to 1.00, giving the Company more flexibility to make acquisitions and investments in the future, (2) modified the Credit Agreement to provide for a guarantor coverage ratio commencing with the fiscal quarter ended March 31, 2021, which requires the Company to maintain a loan party group that represents at least 85% of the Company's consolidated EBITDA and (3) made other changes to the Credit Agreement to recognize the Company's expanded non-U.S. platform.

The obligations of the borrowers under the Credit Agreement are guaranteed, jointly and severally, by certain of the Company's current and future direct and indirect subsidiaries and secured by a first priority security interest in substantially all of the assets of the Company and the guarantors, including mortgages on material real property, subject to certain exceptions.

We were in compliance with all covenants contained in the Credit Agreement as of March 31, 2021.

DESCRIPTION OF NOTES

General

Certain terms used in this “Description of Notes” are defined under the subheading “Certain Definitions.” In this “Description of Notes,” (1) the term “Holdings” refers to APi Group Corporation, a Delaware corporation, and not to any of its Subsidiaries, (2) the term “Company” refers to APi Group DE, Inc., a Delaware corporation and a wholly owned subsidiary of Holdings, and not any of its Subsidiaries or Affiliates, and (3) the terms “we,” “our” and “us” each refer to Holdings and its consolidated Subsidiaries, unless the context otherwise requires.

The \$300,000,000 % Senior Notes due 2029 (the “Notes”) will be issued by the Company under an indenture (the “Indenture”) to be dated as of , 2021 among, inter alia, the Company, the Guarantors party thereto and Computershare Trust Company, N.A., as trustee (the “Trustee”). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of Notes will not be entitled to any registration rights. See “Transfer Restrictions.” The terms of the Notes will be those stated in the Indenture.

The following description is only a summary of the material provisions of the Notes, the Guarantees and the Indenture and does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, including the definitions therein of certain terms used below. We urge you to read the Indenture because it, not this “Description of Notes,” will define your rights as Holders of the Notes. You may request copies of the Indenture at our address set forth in “Summary—Company Corporate Information.”

Brief Description of the Notes

The Notes:

- will be general, unsecured, senior obligations of the Company;
- will be effectively subordinated to any existing or future Secured Indebtedness of the Company (including the Company’s existing and future Obligations under the Senior Secured Credit Facilities) to the extent of the value of the collateral securing such Secured Indebtedness;
- will rank equally in right of payment with all existing and future Senior Indebtedness of the Company, including the Company’s existing and future Obligations under the Senior Secured Credit Facilities;
- will be structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of the Company’s Subsidiaries that do not guarantee the Notes;
- will be senior in right of payment to any Subordinated Indebtedness of the Company; and
- will be guaranteed on a senior unsecured basis by the Guarantors, as described under “—Guarantees.”

As of the date of the Indenture, all of Holdings’ Subsidiaries will be “Restricted Subsidiaries.” However, under certain circumstances, we will be permitted to designate additional Subsidiaries as “Unrestricted Subsidiaries.” Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes. Unless otherwise expressly noted herein, the term “Restricted Subsidiaries” includes the Company.

Guarantees

The Notes and the Obligations under the Indenture will be guaranteed on a senior unsecured basis by Holdings and each of Holdings’ direct and indirect Domestic Restricted Subsidiaries that guarantee our Senior Secured Credit Facilities, other than any Foreign Subsidiary. Except as set forth in the next paragraph, the Guarantors, as primary obligors and not merely as sureties, will initially jointly and severally, fully and unconditionally guarantee, on a senior unsecured basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all Obligations of the Company under the Indenture and the Notes, whether for payment of principal of, or any premium or interest on or in respect of, the Notes, fees, costs, expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture.

In the future, each direct and indirect Restricted Subsidiary, other than a Foreign Subsidiary, that incurs material Indebtedness, any Indebtedness under a Credit Facility or guarantees Indebtedness of the Company or any Guarantor, will guarantee the Notes. As of the Issue Date, none of our Foreign Subsidiaries will guarantee the Notes and no Foreign Subsidiaries are expected to Guarantee the Notes in the future, but Foreign Subsidiaries may become Guarantors at the Company's option. Each of the Guarantees of the Notes:

- will be a general senior unsecured obligation of each Guarantor;
- will be effectively subordinated to such Guarantor's Guarantee of the Senior Secured Credit Facilities to the extent of the value of the collateral securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Senior Indebtedness of each such Guarantor, including such Guarantor's existing and future Obligations under the Senior Secured Credit Facilities;
- will be senior in right of payment to any Subordinated Indebtedness of each such Guarantor; and
- will be structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Subsidiaries of each Guarantor that do not Guarantee the Notes (other than the Company).

Not all of Holdings' Subsidiaries will be required to Guarantee the Notes. In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company or any Guarantor. As a result, all of the existing and future liabilities of these non-guarantor Subsidiaries (other than the Company), including any claims of trade creditors, will be effectively senior to the Notes. We will not be permitted to designate the Company or any Intermediate Parent as an "Unrestricted Subsidiary".

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance or similar limitation under applicable law. This provision may not, however, be effective to protect a Guarantee from being voided under fraudulent transfer law, or may reduce the applicable Guarantor's obligation to an amount that effectively makes its Guarantee worthless.

Any entity that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

If a Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. See "Risk Factors—Risks Relating to the Notes—Federal and state laws allow courts, under certain circumstances, to void guarantees and require holders of the Notes to return payments received from guarantors."

A Guarantee by a Subsidiary Guarantor (other than any Intermediate Parent) will provide by its terms that it will be automatically and unconditionally released and discharged with respect to the Notes upon:

- (1) (a) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of such Subsidiary Guarantor, after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary, if such sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture;
- (b) the release or discharge of the guarantee by such Subsidiary Guarantor of all Indebtedness that resulted in the creation of such Guarantee except a discharge or release by or as a result of payment under such guarantee (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision);
- (c) the sale or disposition of all or substantially all of the assets of such Subsidiary Guarantor otherwise in accordance with the terms of the Indenture;

(d) the release of such Subsidiary Guarantor from its guarantee, and of all pledges and security, if any, granted by such Subsidiary Guarantor in connection with the Senior Secured Credit Facilities;

(e) the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the provisions set forth under “—Certain Covenants—Limitation on Restricted Payments” and the definition of “Unrestricted Subsidiary;”

(f) the merger or consolidation of any Guarantor with and into the Company or another Guarantor or upon the liquidation of such Guarantor following the transfer of all of its assets to the Company or another Guarantor; or

(g) the Company exercising its defeasance option or covenant defeasance option with respect to the Notes as described under “—Legal Defeasance and Covenant Defeasance” or the Company’s obligations under the Indenture being discharged with respect to the Notes in accordance with the terms of the Indenture;

and in the case of clause (c), other than to us or one of our Affiliates and as permitted by the Indenture and we will comply with our obligations under the “Repurchase at the Option of Holders—Asset Sales” covenant in respect of such disposition; and

(2) such Subsidiary Guarantor delivering to the Trustee an Officer’s Certificate, stating that all conditions precedent provided for in the Indenture relating to such release of such Guarantee have been complied with.

The Guarantee by Holdings and any Intermediate Parent will provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) the exercise by the Company of its legal defeasance option or covenant defeasance option as described under “—Legal Defeasance and Covenant Defeasance” or the discharge of the Company’s obligations under the Indenture in accordance with the terms of the Indenture as described under “Satisfaction and Discharge” or the consolidation or merger of Issuer with Holdings in a manner permitted pursuant to, the provisions described above under “Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets”;

(2) such Guarantor delivering to the Trustee an Officer’s Certificate, stating that all conditions precedent provided for in the Indenture relating to such release and discharge have been complied with.

Each Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Guarantor without the Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Ranking

The payment of the principal of, premium, if any, and interest on the Notes and the payment of any Guarantee will be *pari passu* in right of payment with all Senior Indebtedness of the Company or the relevant Guarantor, as the case may be, including the obligations of the Company and such Guarantor under the Senior Secured Facilities. The ranking of the Notes and the Guarantees is more fully described above under “Brief Description of the Notes” and “Guarantees.”

As of March 31, 2021, the Company and the Guarantors would have had approximately \$1.4 billion of indebtedness that is effectively senior in right of payment to the Notes.

As of March 31, 2021, accounts receivable, inventory and fixed assets, collectively, for the Issuer and the legal entities that will be guarantors of the Notes were approximately \$877 million, which is approximately 86.5% of the same class of assets of the Company as a whole as of March 31, 2021.

For the three months ended March 31, 2021 and the fiscal year ended December 31, 2020, the combined net sales of the Issuer and the guarantors of the Notes, including net sales to non-guarantor subsidiaries, were approximately \$706 million, or approximately 87.9% of net sales, and \$3,224 million, or approximately 89.9% of net

sales, respectively. For the three months ended March 31, 2021 and the fiscal year ended December 31, 2020, the combined EBITDA of the Issuer and the guarantors of the Notes, including intercompany transactions with non-guarantor subsidiaries but excluding APi Group Corporation's corporate costs, was approximately \$50 million and \$356 million, respectively.

Although the Indenture will contain limitations on the amount of additional Indebtedness that the Company and the Guarantors may incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Senior Indebtedness. The Indenture does not limit the amount of liabilities that are not considered Indebtedness which may be incurred by Holdings or any Restricted Subsidiary, including the non-guarantor Subsidiaries. See "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

Paying Agent and Registrar for the Notes

The Company will maintain one or more paying agents for the Notes. The initial paying agent for the Notes will be the Trustee.

The Company will also maintain a registrar with respect to the Notes. The initial registrar for the Notes will be the Trustee.

The Company may change the paying agent or the registrar without prior notice to the Holders. Holdings or any of its Subsidiaries may act as a paying agent or registrar with respect to the Notes.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. The Company will not be required to transfer or exchange any Note selected for redemption. Also, the Company will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Neither the Trustee, the Registrar nor any transfer agent shall have any obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under the Indenture or under applicable law with respect to any transfer or exchange of any Note (including any transfers between or among participants or other beneficial owners of interests in any global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by the terms of the Indenture and to examine the same to determine substantial compliance as to form with the express requirements thereof.

Principal, Maturity and Interest

The Company will issue an aggregate principal amount of \$300,000,000 of Notes in this offering. The Notes will mature on _____, 2029. Subject to compliance with the covenants described below under the caption "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Company may issue additional Notes from time to time after this offering under the Indenture (any such additional Notes, for purposes of this "Description of Notes", "Additional Notes"). Except as otherwise provided herein, the Notes offered hereby and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, the Additional Notes will have a separate CUSIP and/or ISIN number, if applicable. Unless otherwise specified, or the context requires otherwise, references to "Notes" for all purposes of the Indenture and this "Description of Notes" include any additional Notes that are actually issued. The Company will issue Notes in minimum denominations of \$2,000 (the "Minimum Denomination") and integral multiples of \$1,000 in excess thereof.

Interest on the Notes will accrue at the rate of _____ % per annum. Interest on each series of Notes will be payable semiannually in arrears on _____ and _____ of each year, commencing on _____, 2021 to the Holders of Notes of record on the immediately preceding _____ and _____. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date of the Notes. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable at the office or agency of the Company maintained for such purpose or, at the option of the Company, payment of interest may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest with respect to the Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. Until otherwise designated by the Company, the Company's office or agency will be the office of the Trustee maintained for such purpose.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Company will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to make an offer to purchase Notes as described under the heading "Repurchase at the Option of Holders." In addition, Holdings, the Company and their affiliates may, at their discretion, at any time and from time to time purchase Notes, in the open market or otherwise.

Optional Redemption

Except as set forth below, the Company will not be entitled to redeem the Notes at its option prior to _____, 2024.

At any time prior to _____, 2024, the Company may redeem all or a part of the Notes, upon notice as described under "Optional Redemption—Selection and Notice" below, at a redemption price equal to 100% of the principal amount of Notes redeemed *plus* the Applicable Premium as of, and accrued and unpaid interest, if any, to, the date of redemption (the "Redemption Date"), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

On and after _____, 2024, the Company may redeem the Notes, in whole or in part, upon notice as described under the heading "Optional Redemption—Selection and Notice" below, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, *plus* accrued and unpaid interest thereon, to the applicable 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, if redeemed beginning on _____ of the years indicated below:

<u>Date</u>	<u>Percentage</u>
2024.....	%
2025.....	%
2026 and thereafter.....	%

In addition, until _____, 2024, the Company may, at its option, on one or more occasions, redeem up to 35% of the aggregate principal amount of Notes issued by it at a redemption price equal to _____ % of the aggregate principal amount thereof, *plus* accrued and unpaid interest thereon, to, but excluding, the applicable Redemption Date, subject to the right of Holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date, with the net cash proceeds of one or more Equity Offerings or a contribution to the Company's common equity capital made with the net cash proceeds of an Equity Offering; *provided* that at least 65% of the aggregate principal amount of the Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of each such redemption; *provided further* that each such redemption occurs within 90 days of the date of closing of each such Equity Offering.

Notwithstanding the foregoing, in connection with any tender offer for the Notes at a price of at least 100% of the principal amount of the Notes tendered, *plus* accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date, 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 Company, or any third party making such a tender offer in lieu of the Company, purchase all of the Notes validly tendered and not withdrawn by such Holders, the Company or such third party will have the right upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date.

Notice of any redemption of the Notes may, at the Company's discretion, be given prior to the completion of a transaction (including an Equity Offering, an incurrence of Indebtedness, a Change of Control or other transaction) and any redemption notice may, at the Company's discretion, be subject to one or more conditions precedent,

including, but not limited to, completion of a related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied, or 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 Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Holdings, the Company and its Affiliates may acquire the Notes by any means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise.

Selection and Notice

If the Company is redeeming less than all of the Notes issued under the Indenture at any time, in the case of physical Notes, the Trustee or Registrar will select the Notes to be redeemed (1) if the Company has notified the Trustee or Registrar that the Notes are listed on an exchange, in compliance with the requirements of such exchange or (2) on a pro rata basis in the case of physical notes to the extent practicable, or, in the case of global Notes, by such other method as may be prescribed by DTC's applicable procedures. No Notes of the Minimum Denomination or less can be redeemed in part.

Notices of redemption shall be delivered electronically through DTC or mailed by first-class mail, postage prepaid, at least 15 but not more than 60 days before the redemption date to each Holder of Notes at such Holder's registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. The Company shall provide the notice to the Trustee of any such redemption at least three (3) Business Days prior to when notice is due to holders. If any Note is to be redeemed in part only, any notice of redemption that relates to such Note shall state the portion of the principal amount thereof that has been or is to be redeemed. With respect to Notes represented by certificated notes, the Company will issue a Note in a principal amount equal to the unredeemed portion of the original Note in the name of the Holder upon cancellation of the original Note; *provided*, that new Notes will only be issued in the Minimum Denomination and integral multiples of \$1,000 in excess thereof. Notes called for redemption become due on the date fixed for redemption, unless such redemption is conditioned on the happening of one or more future events or conditions precedent. On and after the Redemption Date, interest ceases to accrue on Notes or portions of them called for redemption.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs, unless the Company has previously or concurrently mailed a redemption notice with respect to all the outstanding Notes as described under "Optional Redemption," the Company will make an offer to purchase all of the Notes pursuant to the offer described below (the "Change of Control Offer") at a price in cash (the "Change of Control Payment") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Company will send notice of such Change of Control Offer by first-class mail, with a copy to the Trustee, to each Holder of Notes to the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC, with the following information:

- (1) that a Change of Control Offer is being made pursuant to the covenant entitled "Change of Control" under the Indenture and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Company;
- (2) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"), except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below;
- (3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Notes and their election to require the Company to purchase such Notes; *provided* that the paying agent receives, not later than the close of business on the expiration date of the Change of Control Offer, an electronic transmission, facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that if the Company is redeeming *less* than all of the Notes, the remaining Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to the Minimum Denomination or an integral multiple of \$1,000 in excess thereof;

(8) the other instructions, as determined by the Company, consistent with the covenant described hereunder, that a Holder must follow; and

(9) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional upon the occurrence of such Change of Control.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

On the Change of Control Payment Date, the Company will, to the extent permitted by law,

(1) accept for payment all Notes issued by it or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered, and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to, and purchased by, the Company.

The Senior Secured Credit Facilities provide, and future credit agreements or other agreements relating to Indebtedness to which the Company becomes a party may provide, that certain change of control events with respect to Holdings or the Company would constitute a default thereunder (including events that would constitute a Change of Control under the Indenture). If we experience a change of control event that triggers a default under the Senior Secured Credit Facilities or any such future Indebtedness, we could seek a waiver of such default or prepayment provision or seek to refinance the Senior Secured Credit Facilities or such future Indebtedness. In the event we do not obtain such a waiver or refinance the Senior Secured Credit Facilities or such future Indebtedness, such default could result in amounts outstanding under the Senior Secured Credit Facilities or such future Indebtedness being declared due and payable or lending commitments being terminated.

Notwithstanding the foregoing, in connection with any Change of Control Offer, 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 Company, or any third party making such a Change of Control Offer in lieu of the Company, purchase all of the Notes validly tendered and not withdrawn by such Holders, the Company or such third party will have the right upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such

purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such Change of Control Offer; *plus*, to the extent not included in the Change of Control Offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date.

Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. See “Risk Factors—Risks Relating to the Notes—We may not have the ability to raise funds necessary to finance any change of control offer required under the Indenture and the Credit Agreement.”

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Initial Purchasers and us. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and “Certain Covenants—Liens.” However, the covenants are subject to significant exceptions. Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes, then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The definition of “Change of Control” includes a disposition of all or substantially all of the assets of Holdings and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of Holdings and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Company to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Company’s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

Asset Sales

The Indenture will provide that Holdings will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

- (1) Holdings or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by Holdings at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and
- (2) except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by Holdings or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that the following shall be deemed to be cash for purposes of this provision and for no other purpose:

(a) any liabilities (as reflected in Holdings' or such Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or, if incurred or increased subsequent to the date of such balance sheet, such liabilities that would have been shown on Holdings' or such Restricted Subsidiary's balance sheet or in the footnotes thereto if such incurrence or increase had taken place on the date of such balance sheet, as determined by Holdings) of Holdings or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a written agreement which releases or indemnifies Holdings or such Restricted Subsidiary from such liabilities;

(b) any securities, notes or other similar obligations received by Holdings or such Restricted Subsidiary from such transferee that are converted by Holdings or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days of the receipt thereof; and

(c) any Designated Non-cash Consideration received by Holdings or such Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (i) \$150.0 million and (ii) 40% of LTM EBITDA at the time of the receipt of such Designated Non-cash Consideration, with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value.

Within 450 days after the receipt of any Net Proceeds of any Asset Sale, Holdings or such Restricted Subsidiary, at its option, may apply the Net Proceeds from such Asset Sale,

(1) to permanently reduce Indebtedness as follows:

(a) to permanently reduce Secured Indebtedness, including without limitation, under the Senior Secured Credit Facilities, in each case, which is secured by a Lien that is permitted by the Indenture and to correspondingly reduce commitments with respect thereto;

(b) to permanently reduce Obligations under other Senior Indebtedness of the Company or a Guarantor (and to correspondingly reduce commitments with respect thereto), *provided* that the Company or such Guarantor shall equally and ratably reduce (or offer to reduce, as applicable) Obligations under the Notes on a pro rata basis to the extent the Obligations being reduced were incurred after the date hereof; *provided further* that all reductions of Obligations under the Notes shall be made as provided under "Optional Redemption" or through open-market purchases (to the extent such purchases are at or above 100% of the principal amount thereof *plus* accrued and unpaid interest) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders of Notes to purchase their Notes at 100% of the principal amount thereof, *plus* the amount of accrued but unpaid interest, if any, on the amount of Notes that would otherwise be prepaid; or

(c) if the assets subject of such Asset Sale are the property or assets of a Restricted Subsidiary (other than the Company) that is not a Guarantor, to permanently reduce Indebtedness of (i) a Restricted Subsidiary (other than the Company) that is not a Guarantor, other than Indebtedness owed to Holdings or any Restricted Subsidiary, or (ii) the Company or a Guarantor,

(2) to make (a) an Investment in any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and results in Holdings or any of its Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (b) capital expenditures or (c) acquisitions of other assets, in each of (a), (b) and (c), used or useful in a Similar Business; or

(3) to make an Investment in (a) any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and results in Holdings or any of its Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (b) properties or (c) acquisitions of other assets that, in each of (a), (b) and (c), replace the businesses, properties and/or assets that are the subject of such Asset Sale;

provided that, in the case of clauses (2) and (3) above, a binding commitment entered into not later than such 450-day period shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as Holdings or such other Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an “Acceptable Commitment”) and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in (x) connection therewith or (y) such Net Proceeds are not actually so invested or paid in accordance with clause (2) or (3) above by the end of such 180-day period, then such Net Proceeds shall constitute Excess Proceeds.

Any Net Proceeds from the Asset Sale that are not invested or applied as provided and within the time period set forth in the first sentence of the preceding paragraph will be deemed to constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds \$100.0 million, the Company shall make an offer to all Holders of the Notes and if required by the terms of any Indebtedness that is *pari passu* with the Notes or any Guarantee (“Pari Passu Indebtedness”), to the holders of such Pari Passu Indebtedness (an “Asset Sale Offer”), to purchase the maximum aggregate principal amount of the Notes and such Pari Passu Indebtedness that is an integral multiple of \$1,000 (but in minimum amounts of the Minimum Denomination) that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, to the date fixed for the closing of such offer, and in the case of any Pari Passu Obligations at the offer price required by the terms thereof but not to exceed 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, in accordance with the procedures set forth in the Indenture. The Company will commence an Asset Sale Offer with respect to Excess Proceeds within 10 Business Days after the date that Excess Proceeds exceed \$100.0 million by mailing the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. The Company may satisfy the foregoing obligations with respect to any Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to such Net Proceeds prior to the expiration of the relevant 450 days or with respect to Excess Proceeds of \$100.0 million or *less*.

To the extent that the aggregate amount of Notes and such Pari Passu Indebtedness, as the case may be, tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, Holdings may use any remaining Excess Proceeds for any purposes not otherwise prohibited under the Indenture. If the aggregate principal amount of Notes or Pari Passu Indebtedness, as the case may be, surrendered by such holders thereof exceeds the amount of Excess Proceeds, such Notes or Pari Passu Indebtedness, as the case may be, will be purchased on a pro rata basis based on the accreted value or principal amount of such Notes or Pari Passu Indebtedness, as the case may be, tendered (and the Trustee or Registrar will select the tendered Notes (in the case of physical Notes) of tendering holders on a pro rata basis, or such basis in accordance with DTC procedures (in the case of global Notes), based on the amount of Notes tendered). Additionally, the Company may, at their option, make an Asset Sale Offer using proceeds from any Asset Sale at any time after consummation of such Asset Sale. Upon consummation or expiration of any Asset Sale Offer, any Net Proceeds not used to purchase Notes in such Asset Sale Offer shall not be deemed Excess Proceeds and Holdings may use any Net Proceeds not required to be used for general corporate purposes, subject to other covenants contained in the Indenture.

Pending the final application of any Net Proceeds, the holder of such Net Proceeds may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture.

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

The provisions under the Indenture relative to the Company’s obligation to make an offer to repurchase the Notes as a result of an Asset Sale may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

Future credit agreements or other similar agreements to which the Company becomes a party may contain restrictions on the Company’s ability to repurchase Notes. In the event an Asset Sale occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of their lenders to the repurchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, the Company will remain prohibited from repurchasing Notes. In such a case,

the Company's failure to repurchase tendered Notes when required by the Indenture would constitute an Event of Default under the Indenture which would, in turn, likely constitute a default under such other agreements.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture that will apply to Holdings and its Restricted Subsidiaries. For the avoidance of doubt, all covenant basket sizes including any definitions relating thereto are as drafted in U.S. Dollars.

If on any date following the Issue Date (i) the Notes have Investment Grade Ratings from both Rating Agencies, and (ii) no Default or Event of Default has occurred and is continuing under the Indenture then, beginning on that day (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event") and continuing until the occurrence of the Reversion Date, if any, the covenants specifically listed under the following captions in this "Description of Notes" section of this offering circular will not be applicable to the Notes (collectively, the "Suspended Covenants"):

- (1) "Repurchase at the Option of Holders—Asset Sales";
- (2) "—Limitation on Restricted Payments";
- (3) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";
- (4) clause (4) of the first paragraph of "—Merger, Consolidation or Sale of All or Substantially All Assets—Company";
- (5) "—Transactions with Affiliates"; and
- (6) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries."

The Company or Holdings shall give the Trustee written notice of any Covenant Suspension Event and in any event not later than five (5) Business Days after such Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Company or Holdings shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

During any period that the foregoing covenants have been suspended, Holdings may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the second clause of the definition of "Unrestricted Subsidiary."

If and while Holdings and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that Holdings and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then Holdings and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "Suspension Period." Upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Asset Sales shall be reset to zero.

During any Suspension Period, Holdings will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction; *provided, however*, that Holdings or any Restricted Subsidiary may enter into a Sale and Lease-Back Transaction if (i) Holdings or such Restricted Subsidiary could have incurred a Lien to secure the Indebtedness attributable to such Sale and Lease-Back Transaction pursuant to "—Liens" below without equally and ratably securing the Notes pursuant to the covenant described under such covenant; and (ii) the consideration received by Holdings or such Restricted Subsidiary in that Sale and Lease-Back Transaction is at least equal to the fair market value of the property sold and otherwise complies with "Repurchase at the Option of Holders—Asset Sales" above; *provided, further*, that the foregoing provisions shall cease to apply on and subsequent to the Reversion Date following such Suspension Period.

During the Suspension Period, Holdings and its Restricted Subsidiaries will be entitled to incur Liens to the extent provided for under “—Liens” (including, without limitation, Permitted Liens) to the extent provided for in such covenant and any Permitted Liens which may refer to one or more Suspended Covenants shall be interpreted as though such applicable Suspended Covenant(s) continued to be applicable during the Suspension Period (but solely for purposes of the “—Liens” covenant and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by Holdings or any of its Restricted Subsidiaries during the Suspension Period will give rise to a Default or Event of Default under the Indenture with respect to the Notes; *provided* that (1) with respect to Restricted Payments made after such reinstatement, the amount of Restricted Payments made will be calculated as though the covenant described below under the caption “—Limitation on Restricted Payments” had been in effect since the Issue Date and throughout the Suspension Period; (2) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (3) of the second paragraph of “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;” (3) any Affiliate Transaction entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under “—Transactions with Affiliates”; and (4) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries” that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the second paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries”.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Limitation on Restricted Payments

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

(I) declare or pay any dividend or make any payment or distribution on account of Holdings’, or any of its Restricted Subsidiaries’ Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation other than:

(a) dividends or distributions by Holdings payable solely in Equity Interests (other than Disqualified Stock) of Holdings; or

(b) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary, Holdings or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of Holdings, or any direct or indirect parent of Holdings, including any purchase, redemption, defeasance, acquisition or retirement, in connection with any merger or consolidation;

(III) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness, other than (a) Indebtedness permitted under clauses (7) and (8) of the second paragraph of the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” or (b) the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(IV) make any Restricted Investment;

(all such payments and other actions set forth in clauses (I) through (IV) above (other than any exceptions thereof) being collectively referred to as “Restricted Payments”), unless, at the time of such Restricted Payment:

(1) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) immediately after giving effect to such transaction on a *pro forma* basis, Holdings could incur \$1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Holdings and its Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clauses (1), (2) (with respect to the payment of dividends on Refunding Capital Stock (as defined below) pursuant to clause (b) thereof only), (6)(c), (7), (9) and (13) (to the extent not deducted in calculating Consolidated Net Income) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is *less* than the sum of (without duplication):

(a) 50% of the Consolidated Net Income of Holdings for the period (taken as one accounting period) from the beginning of the fiscal quarter immediately succeeding the quarter in which the indenture is executed, to the end of Holdings’ most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit; *plus*

(b) 100% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by Holdings since immediately after the Issue Date (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness, or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”) from the issue or sale of:

(i) Equity Interests of Holdings, including Treasury Capital Stock (as defined below), but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of:

(x) Equity Interests to any present, former or future employees, directors, officers, managers or consultants of Holdings, any direct or indirect parent company of Holdings and Holdings’ Subsidiaries after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph; and

(y) Designated Preferred Stock; and

(ii) debt securities of Holdings that have been converted into or exchanged for such Equity Interests of Holdings;

provided, however, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below), (X) Equity Interests or convertible debt securities of Holdings (or any direct or indirect parent company of Holdings) sold to a Restricted Subsidiary, as the case may be, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; *plus*

(c) 100% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by Holdings or any Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to Holdings or a Restricted Subsidiary) of Restricted Investments made by Holdings or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from Holdings or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by Holdings or its Restricted Subsidiaries, in each case after the Issue Date; or

(ii) the sale (other than to Holdings or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary (other than to the extent the Investment in such Unrestricted Subsidiary was made by Holdings or a Restricted Subsidiary pursuant to clause (7) of the

next succeeding paragraph or to the extent such Investment constituted a Permitted Investment) or a distribution or dividend from an Unrestricted Subsidiary, in each case, after the Issue Date; *plus*

(d) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the Issue Date, the fair market value (as determined in good faith by Holdings, *provided* that if such fair market value may exceed lesser of (x) the fair market value (as determined in good faith by Holdings) of the investments of Holdings and any Restricted Subsidiary in such Unrestricted Subsidiary at the time of such re-designation or merger or consolidation and (y) the fair market value (as determined in good faith by Holdings, such determination shall be made by the board of directors of Holdings and evidenced by a board resolution) of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary other than to the extent the Investment in such Unrestricted Subsidiary was made by Holdings or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment; *plus*

(e) \$120.0 million.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of the irrevocable redemption notice, as applicable, if at the date of declaration or notice such payment would have complied with the provisions of the Indenture;

(2) (a) the redemption, repurchase, defeasance, retirement or other acquisition of any Equity Interests ("Treasury Capital Stock") or Subordinated Indebtedness of Holdings or any Equity Interests of any direct or indirect parent company of Holdings, in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of Holdings or any direct or indirect parent company of Holdings to the extent contributed to Holdings (in each case, other than any Disqualified Stock or Designated Preferred Stock) ("Refunding Capital Stock") and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent company of Holdings) in an aggregate amount no greater than the aggregate amount per year of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock of the Company or a Guarantor made in exchange for, or out of the proceeds of the substantially concurrent sale of, new Subordinated Indebtedness of the Company or a Guarantor or Disqualified Stock, as the case may be, that in each case which is incurred in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" but only:

(a) to the extent that the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount of (or accreted value, if applicable), *plus* any accrued and unpaid interest on, the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired for value, *plus* the amount of any reasonable premium to be paid, defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness, and any excess amount is otherwise permitted under the Indenture;

(b) if such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least to the same extent, if at all, as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value;

(c) if such new Indebtedness or Disqualified Stock has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness or Disqualified Stock being so redeemed, repurchased, defeased, acquired or retired; and

(d) if such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so redeemed, repurchased, defeased, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, redemption or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of Holdings or any of its direct or indirect parent companies held by any future, present or former employee, director or consultant of Holdings, any of its Restricted Subsidiaries or any of its direct or indirect parent companies pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement (x) upon the death or disability of such employee, director or consultant or (y) upon the resignation or other termination of employment of such employee, director or consultant; *provided, however*, that the aggregate Restricted Payments made under this clause (4) do not exceed in any calendar year \$40.0 million (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to the following proviso) of \$60.0 million in any calendar year; *provided further* that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of Holdings and, to the extent contributed to Holdings, Equity Interests of any of Holdings' direct or indirect parent companies, in each case to members of management, directors or consultants of Holdings, any of its Restricted Subsidiaries or any of its direct or indirect parent companies that occurs after the Issue Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3) of the preceding paragraph; *plus*

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

(c) the amount of any Restricted Payments previously made with the cash proceeds described in clauses (a) and (b) of this clause (4);

and *provided further* that (i) cancellation of Indebtedness owing to Holdings or any of its Restricted Subsidiaries from any future, present or former employers, directors, officers, members of management or consultants of Holdings, any of its direct or indirect parent companies or any of Holdings' Restricted Subsidiaries in connection with a repurchase of Equity Interests of Holdings or any of its direct or indirect parent companies and (ii) the repurchase of Equity Interests deemed to occur upon the exercise of options, warrants or similar instruments if such Equity Interests represents all or a portion of the exercise price thereof or payments, in lieu of the issuance of fractional Equity Interests or withholding to pay other taxes payable in connection therewith, in the case of each of clauses (i) and (ii), will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Holdings or any of its Restricted Subsidiaries and of Preferred Stock of any Restricted Subsidiary issued in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" to the extent such dividends are included in the definition of "Fixed Charges";

(6) (a) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by Holdings after the Issue Date;

(a) the declaration and payment of dividends to a direct or indirect parent company of Holdings, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent corporation issued after the Issue Date, *provided* that the amount of dividends paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to Holdings from the sale of such Designated Preferred Stock; or

(b) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph;

provided, however, in the case of each of (a) and (b) of this clause (6), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a *pro forma* basis, Holdings and its Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities, not to exceed the greater of (x) \$100.0 million and (y) 25% 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);

(8) repurchases of Equity Interests deemed to occur upon exercise of stock options, warrants or other equity-based awards if such Equity Interests represent a portion of the exercise price of such options, warrants or awards and, so long as no Event of Default or Default shall have occurred and be continuing or would result therefrom;

(9) the declaration and payment of dividends on Holdings' common stock (or payments of dividends to any direct or indirect parent entity to fund payments of dividends on such entity's common stock) following any public offering of Holdings' common stock or the common stock of any direct or indirect parent company of Holdings after the Issue Date, in an amount not to exceed 6.0% per annum of the amount of net cash proceeds received by or contributed to Holdings in or from any such public offering, other than public offerings with respect to Holdings' common stock registered on Form S-4 or Form S-8 and other than any public sale constituting an Excluded Contribution;

(10) Restricted Payments that are made in an amount equal to the amount of Excluded Contributions previously received;

(11) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11) not to exceed in each case since the date of the Indenture the greater of (x) \$120.0 million and (y) 30% of LTM EBITDA;

(12) distributions or payments of Receivables Fees or any payments in connection with a Factoring Program;

(13) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness in accordance with the provisions similar to those described under the captions "Repurchase at the Option of Holders—Change of Control" and "Repurchase at the Option of Holders—Asset Sales"; *provided* that all Notes tendered in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have first been repurchased, redeemed or acquired for value;

(14) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Holdings or a Restricted Subsidiary by Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents);

(15) payments made or expected to be made by Holdings or any Restricted Subsidiary in respect of withholding or similar taxes payable by any present, former or future employees, director, officers, managers or consultants of Holdings or any Restricted Subsidiary;

(16) other Restricted Payments so long as, immediately after giving effect to such Restricted Payment, the Total Net Leverage Ratio for the most recently ended four fiscal quarters ending immediately prior to such date for which internal financial statements are available preceding such Restricted Payment is not greater than (x) in the case of any Restricted Investment, 3.00 to 1.00 and (y) for any Restricted Payment other than a Restricted Investment, 2.75 to 1.00, each on a *pro forma* basis; and

(17) Restricted Payments by Holdings or any Restricted Subsidiary to the holders of its Equity Interests in an aggregate amount per annum not to exceed 5.0% of Market Capitalization;

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (7), (9), (11), (14), (16) and (17), no Default shall have occurred and be continuing or would occur as a consequence thereof.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (1) through (17) above or is entitled to be made pursuant to the first paragraph of this covenant, Holdings will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (17) and such first paragraph in any manner that otherwise complies with this covenant.

If Holdings or any of its Restricted Subsidiaries become contractually obligated to make any Restricted Payment at the time the requirements set forth in clauses (1) and (2) of the first paragraph of this section “—Limitation on Restricted Payments” continues to be satisfied, then Holdings or such Restricted Subsidiary, as the case may be, may continue to make such Restricted Payments, even if such requirements cease to be satisfied at the time such Restricted Payment is actually made and the amount available for Restricted Payments pursuant to clause (3) of the first paragraph of this section “—Limitation on Restricted Payments” on or after the date on which such requirements cease to be satisfied shall be equal to the amount that would have been available for Restricted Payments pursuant to such clause (3) on such date without giving effect to any Restricted Payments made on such date pursuant to and in compliance with this sentence.

As of the Issue Date of the Notes, all of Holdings’ Subsidiaries will be Restricted Subsidiaries. Holdings will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of “Unrestricted Subsidiary”. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by Holdings and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of “Investments.” Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to the first paragraph of this covenant or under clauses (7), (10), (11) or (16) of the second paragraph of this covenant, or pursuant to the definition of “Permitted Investment,” and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture. Holdings will not be permitted to designate the Company or any Intermediate Parent as an “Unrestricted Subsidiary”.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, “incur” and an “incurrence”) with respect to any Indebtedness (including Acquired Indebtedness) and Holdings will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided, however*, that Holdings may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and subject to the second provision in this paragraph, any of its Restricted Subsidiaries may incur indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if the Fixed Charge Coverage Ratio on a consolidated basis for Holdings and its Restricted Subsidiaries’ most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The foregoing limitations will not apply to:

- (1) the Senior Secured Credit Facilities plus the incurrence of Indebtedness pursuant to Credit Facilities by Holdings or any of its Restricted Subsidiaries and the issuance and creation of letters of credit and bankers’ acceptances thereunder (with letters of credit and bankers’ acceptances being deemed to have a principal amount equal to the face amount thereof), up to an aggregate principal amount at the time of incurrence not exceeding the sum of (a) the greater of \$400.0 million and 100% of LTM EBITDA and (b) additional indebtedness if, after giving effect to the incurrence of such amount, the Senior Secured Leverage Ratio is less than or equal to 3.50 to 1.00;

- (2) the incurrence by the Company and any Guarantor of Indebtedness under the Notes (including Guarantees thereof) (other than any Additional Notes) and any notes (including Guarantees thereof) issued in exchange for the Notes pursuant to a registration rights agreement;
- (3) Indebtedness and Disqualified Stock of Holdings and its Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness permitted in clauses (1) and (2));
- (4) Indebtedness (including Capitalized Lease Obligations) and Disqualified Stock incurred or issued by Holdings or any of its Restricted Subsidiaries, and the issuance of Preferred Stock by any Restricted Subsidiary of Holdings, to finance the purchase, lease or improvement of property (real or personal) or equipment (other than software) 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, in an aggregate principal amount at the date of such incurrence (including all Refinancing Indebtedness Incurred to refinance any other Indebtedness incurred pursuant to this clause (4)) not to exceed the greater of (x) \$150.0 million and (y) 40% of LTM EBITDA; *provided, however*, that such Indebtedness exists at the date of such purchase or transaction or is created within 365 (for the avoidance of doubt, the purchase date for any asset shall be the later of the date of completion of installation and the beginning of the full productive use of such asset) days thereafter (it being understood that any Indebtedness incurred or Disqualified Stock or Preferred Stock issued, pursuant to this clause (4) shall cease to be deemed incurred or outstanding for purposes of this clause (4) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which Holdings or such Restricted Subsidiary could have incurred such Indebtedness or issued such Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (4));
- (5) Indebtedness incurred by Holdings or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including letters of credit in respect of workers' compensation claims, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; *provided, however*, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;
- (6) Indebtedness arising from agreements of Holdings or its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; *provided, however*, that such Indebtedness is not reflected on the balance sheet of Holdings or any of its Restricted Subsidiaries (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (6));
- (7) Indebtedness of Holdings to a Restricted Subsidiary; *provided* that any such Indebtedness owing to a Restricted Subsidiary (other than the Company) that is not a Guarantor shall be deemed to be subordinated in right of payment to the Notes unless the terms of such Indebtedness expressly provide otherwise (in which case such Indebtedness shall not be permitted by this clause); *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in the Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to Holdings or another Restricted Subsidiary) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (7);
- (8) Indebtedness of a Restricted Subsidiary to Holdings or another Restricted Subsidiary; *provided* that if the Company or a Guarantor incurs such Indebtedness to a Restricted Subsidiary (other than the Company) that is not a Guarantor, such Indebtedness shall be deemed to be subordinated in right of payment to the Notes (in case of the Company) or to the Guarantee of the Notes of such Guarantor (in the case of a Guarantor) unless the terms of such Indebtedness expressly provide otherwise (in which case such Indebtedness shall not be permitted by this clause); *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Indebtedness being held by a person other than Holdings or a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to Holdings or another Restricted Subsidiary) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (8);

(9) shares of Preferred Stock of a Restricted Subsidiary issued to Holdings or another Restricted Subsidiary, *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to Holdings or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of Preferred Stock not permitted by this clause (9);

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting interest rate risk with respect to any Indebtedness of Holdings or any Restricted Subsidiary permitted to be incurred pursuant to “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” exchange rate risk or commodity pricing risk;

(11) obligations arising under any performance or surety bond or obligations in respect of letters of credit related thereto, provided by Holdings or any of its Restricted Subsidiaries, in each case entered into in the ordinary course of business, which for the avoidance of doubt includes for purposes of this section, but is not limited to, bonding provided with respect to contracts and projects, including to support contracts and projects of permitted joint ventures of Holdings and its Restricted Subsidiaries, and where Holdings or any Restricted Subsidiary is co-bonding a project where a Restricted Subsidiary or permitted joint venture is a subcontractor on the contract or project;

(12) (a) Indebtedness or Disqualified Stock of Holdings and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary equal to 100.0% of the net cash proceeds received by Holdings since immediately after the Issue Date from the issue or sale of Equity Interests of Holdings or cash contributed to the capital of Holdings (in each case, other than proceeds of Disqualified Stock, Designated Preferred Stock or sales of Equity Interests to Holdings or any of its Subsidiaries) as determined in accordance with clauses (3)(c) of the first paragraph of “—Limitation on Restricted Payments” to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of “—Limitation on Restricted Payments” or to make Permitted Investments specified in clauses (10), (12), (14), (16), (17) or (18) of the definition thereof and (b) Indebtedness or Disqualified Stock of Holdings and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock or Preferred Stock then outstanding and incurred pursuant to this clause (12)(b), does not at any one time outstanding exceed the greater of (x) \$160.0 million and (y) 40% of LTM EBITDA (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (12)(b) shall cease to be deemed incurred or outstanding for purposes of this clause (12)(b) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which Holdings or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (12)(b));

(13) the incurrence or issuance by Holdings or any Restricted Subsidiary of Indebtedness or Disqualified Stock, and the issuance by any Restricted Subsidiary of Preferred Stock, in each case which serves to refund, refinance, replace, renew, extend or defease any Indebtedness or Disqualified Stock of Holdings or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary incurred or issued as permitted under the first paragraph of this covenant and clauses (2), (3), (4) and (12)(a) above, this clause (13) and clause (14) below or any Indebtedness, Disqualified Stock or Preferred Stock previously incurred or issued to so refund, refinance, replace, renew, extend or defease such Indebtedness or Disqualified Stock or Preferred Stock, including additional Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to pay premiums (including tender premiums), defeasance costs, accrued interest, fees and expenses in connection therewith (the “Refinancing Indebtedness”) prior to its respective maturity; *provided, however*, that such Refinancing Indebtedness:

(a) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness or Disqualified Stock or Preferred Stock being refunded, refinanced, replaced, renewed, extended or defeased (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Notes);

(b) to the extent such Refinancing Indebtedness refunds, refinances, replaces, renews, extends or defeases (i) Indebtedness subordinated in right of payment to the Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Guarantee thereof at least to the same extent as the Indebtedness being refunded, refinanced, replaced, renewed, extended or defeased or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively; and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of Holdings (other than the Company) that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Company;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of Holdings (other than the Company) that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(iii) Indebtedness or Disqualified Stock of Holdings or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and, *provided, further*, that subclause (a) of this clause (13) will not apply to any refunding, refinancing, replacement, renewal, extension or defeasance of any Credit Facilities or Secured Indebtedness;

(14) (x) Indebtedness or Disqualified Stock of Holdings and Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary, incurred or issued to finance an acquisition (or other purchase of assets) or (y) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by Holdings or any Restricted Subsidiary or merged into or consolidated with Holdings or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that in the case of (x) and (y) after giving effect to such acquisition, merger or consolidation, either (a) Holdings would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or (b) the Fixed Charge Coverage Ratio of Holdings and the Restricted Subsidiaries is greater than immediately prior to such acquisition or merger;

(15) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

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

(17) (a) any guarantee by Holdings or a Restricted Subsidiary of Indebtedness or other obligations of Holdings or any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by Holdings or such Restricted Subsidiary is permitted under the terms of the Indenture, or

(a) any guarantee by a Restricted Subsidiary of Indebtedness of Holdings;

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

(19) Indebtedness consisting of Indebtedness issued by Holdings or any of its Restricted Subsidiaries to current or former officers, directors and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of Holdings or any direct or indirect parent company of Holdings to the extent described in clause (4) of the second paragraph under the heading “—Limitation on Restricted Payments”;

(20) Indebtedness consisting of cash management services incurred in the ordinary course of business;

(21) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(22) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of Holdings and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of Holdings and its Restricted Subsidiaries;

(23) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables or payables for credit management purposes, in each case incurred or undertaken consistent with past practice or in the ordinary course of business;

(24) Indebtedness of Foreign Subsidiaries of Holdings in an amount not to exceed, at any one time outstanding and together with any other Indebtedness incurred under this clause (24), the greater of (x) \$120.0 million and (y) 30% of LTM EBITDA;

(25) Indebtedness consisting of Guarantees in favor of customers of Holdings, its Restricted Subsidiaries or joint ventures to which Holdings or a Restricted Subsidiary is a party not to exceed \$20.0 million in the aggregate;

(26) Indebtedness of any Person that is not a Restricted Subsidiary not to exceed \$40.0 million at any time (without giving effect to any write-offs or write-downs of such Indebtedness); and

(27) Indebtedness of Holdings or any Restricted Subsidiary:

(i) pursuant to tenders, statutory obligations, bids, leases, governmental contracts, trade contracts, surety, stay, customs, appeal, performance and/or return of money bonds or other similar obligations incurred in the ordinary course of business; and

(ii) in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments to support any of the foregoing items.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (27) above or is entitled to be incurred pursuant to the first paragraph of this covenant, Holdings, in its sole discretion, will classify or reclassify such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one of the above clauses or under the first paragraph of this covenant; and

(2) at the time of incurrence, Holdings will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above; *provided* that all Indebtedness outstanding under the Senior Secured Facilities on the Issue Date will be treated as incurred on the Issue Date under clause (1) of the preceding paragraph.

Notwithstanding the above, Restricted Subsidiaries that are not Subsidiary Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock in the aggregate pursuant to the first paragraph of this covenant and clauses (12), (13), (14) and (24) of this covenant if, after giving *pro forma* effect to such incurrence or issuance (including a *pro forma* application of the net proceeds therefrom), the aggregate amount of Indebtedness or Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Subsidiary Guarantors incurred or issued pursuant to this covenant at any one time outstanding would exceed the greater of (x) \$160.0 million and (y) 40% of LTM EBITDA.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional Disqualified Stock or Preferred Stock, as applicable, will in each case not be deemed to be an incurrence of Indebtedness or Disqualified Stock or Preferred Stock for purposes 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 incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable 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, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture will provide that the Company will not, and will not permit any Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is subordinated or junior in right of payment to any Indebtedness of the Company or such Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Guarantor's Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Company or such Guarantor, as the case may be.

The Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Senior Indebtedness as subordinated or junior to any other Senior Indebtedness merely because it has a junior priority with respect to the same collateral or because such other Senior Indebtedness is guaranteed by other obligors.

Liens

Holdings will not, and will not permit the Company or any Subsidiary Guarantor to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist any Lien (except Permitted Liens) that secures obligations under any Indebtedness or any related Guarantee of the Company or any Guarantor, on any asset or property of the Company or any Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

- (1) in the case of any Liens securing Subordinated Indebtedness, the Notes and related Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; and
- (2) in all other cases, the Notes or the Guarantees are equally and ratably secured, except that the foregoing shall not apply to or restrict Liens securing obligations in respect of the Notes (and exchange notes with respect thereto) and the related guarantees.

Any Lien created for the benefit of the Holders of the Notes pursuant to this covenant shall be deemed automatically and unconditionally released and discharged upon the release and discharge of each of the Liens described in clauses (1) and (2) above. If Holdings, the Company or any Subsidiary Guarantor should require the Trustee to execute any document in connection with such release and discharge of a Lien, the Company shall provide an officer's certificate and opinion of counsel, each stating that (i) such release and discharge is authorized or permitted by the terms of the Indenture and Notes, and (ii) that all conditions precedent to such release and discharge have been satisfied.

Merger, Consolidation or Sale of All or Substantially All Assets

Holdings and the Company. Neither Holdings nor the Company may, directly or indirectly, consolidate or merge with or into or wind up into (whether or not Holdings or the Company, as applicable, is the surviving corporation) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of Holdings' or the Company's properties or assets, as applicable, in one or more related transactions, to any Person unless:

- (1) Holdings or the Company, as applicable, is the surviving entity or the Person formed by or surviving any such consolidation or merger (if other than Holdings or the Company, as applicable) or to

which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership (including a limited partnership), trust or limited liability company organized or existing under the laws of the jurisdiction of organization of Holdings or the Company, as applicable, or the laws of the United States, any state thereof, the District of Columbia or any territory thereof (such Person, as the case may be, being herein called the “Successor Company”); *provided* that in the case where the Successor Company is the successor to the Company and is not a corporation, a co-obligor of the Notes is a corporation;

(2) the Successor Company, if other than Holdings or the Company, expressly assumes all the obligations of Holdings or the Company, as applicable, under the Indenture and the Guarantee or the Notes, as applicable, pursuant to a supplemental indenture or other documents or instruments;

(3) immediately after such transaction, no Default exists;

(4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four-quarter period,

(a) Holdings or the Successor Company (if the successor to Holdings), as applicable, would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” or

(b) the Fixed Charge Coverage Ratio for Holdings or the Successor Company (if the successor to Holdings) and its Restricted Subsidiaries would be equal to or greater than such Ratio for Holdings and its Restricted Subsidiaries immediately prior to such transaction;

(5) each Guarantor, unless (i) it is the other party to the transactions described above, in which case subclause (b) of the second succeeding paragraph shall apply or (ii) Holdings is the surviving entity, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person’s obligations under the Indenture and the Notes; and

(6) the Company or the Successor Company (if the successor to the Company) shall have delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, complies with the Indenture.

The Successor Company will succeed to, and be substituted for, Holdings or the Company, as the case may be, under the Indenture, the Guarantees and the Notes, as applicable. Notwithstanding the foregoing clauses (3) and (4),

(1) any Restricted Subsidiary (other than the Company) may consolidate with or merge into or transfer all or part of its properties and assets to Holdings, the Company or a Guarantor, and

(2) Holdings or the Company may merge with an Affiliate of Holdings or the Company, as the case may be, solely for the purpose of reincorporating Holdings or the Company in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of Holdings and its Restricted Subsidiaries is not increased thereby.

Subsidiary Guarantors. Subject to certain limitations described in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Subsidiary Guarantor (other than any Intermediate Parent), no Subsidiary Guarantor will, and Holdings will not permit any Subsidiary Guarantor, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (a) such Guarantor is the surviving entity or the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, trust or limited liability company organized or existing under the laws of the jurisdiction of organization of such Guarantor, as the case may be, or the laws of the United States, any state thereof, the District of Columbia or any territory thereof (such Guarantor or such Person, as the case may be, being herein called the “Successor Person”);

(b) the Successor Person, if other than a Guarantor, expressly assumes all the obligations of such Guarantor under the Indenture and such Guarantor's related Guarantee pursuant to a supplemental indenture or other documents or instruments;

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

(d) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, complies with the Indenture;

(2) except in the case of an Intermediate Parent, the transaction is made in compliance with the covenant described under "Repurchase at the Option of Holders—Asset Sales", if applicable; or

(3) in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Guarantee. Notwithstanding the foregoing, any Subsidiary Guarantor may (1) merge or consolidate with or into, wind up into or transfer all or part of its properties and assets to another Guarantor or the Company, (2) merge with an Affiliate of Holdings or the Company solely for the purpose of reincorporating the Subsidiary Guarantor in the United States, any state thereof, the District of Columbia or any territory thereof, (3) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Subsidiary Guarantor, (4) liquidate or dissolve or change its legal form if Holdings determines in good faith that such action is in the best interests of Holdings, in each case, without regard to the requirements set forth in the preceding paragraph.

Transactions with Affiliates

Holdings will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of any Affiliate of Holdings (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of \$25.0 million, unless:

(1) such Affiliate Transaction is on terms that are not materially less favorable to Holdings or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person on an arm's-length basis; and

(2) the Company delivers to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of \$50.0 million, a resolution adopted by the majority of the board of directors of Holdings (or a resolution of the Audit Committee of the board of directors of Holdings approved by a majority of the members of the Audit Committee) approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) above.

The foregoing provisions will not apply to the following:

(1) transactions between or among Holdings or any of its Restricted Subsidiaries;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the covenant "—Limitation on Restricted Payments" and the definition of "Permitted Investment";

(3) the payment of reasonable and customary compensation and fees paid to, and indemnities provided for the benefit of, former, current or future officers, directors, employees or consultants of Holdings, any of its direct or indirect parent companies or any of its Restricted Subsidiaries;

(4) transactions in which Holdings or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor either stating that such transaction is fair to Holdings or such Restricted Subsidiary from a financial point of view or stating that such terms are

not materially less favorable to Holdings or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(5) any agreement as in effect as of the Issue Date, or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) or by any replacement agreement thereto (so long as any such amendment or replacement agreement is not more disadvantageous to the Holders in any material respect when taken as a whole as compared to the applicable agreement as in effect on the Issue Date as determined in good faith by Holdings);

(6) the existence of, or the performance by Holdings or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any similar agreements which it may enter into thereafter; *provided, however*, that the existence of, or the performance by Holdings or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (6) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect in the good faith judgment of the board of directors or management of Holdings to the Holders when taken as a whole;

(7) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture which are fair to Holdings and its Restricted Subsidiaries, in the reasonable determination of the board of directors of Holdings or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(8) the sale and issuance of Equity Interests of Holdings to any Permitted Holder or to any director, officer, employee or consultant of Holdings or its direct or indirect parent entities or its Restricted Subsidiaries or any Affiliates thereof otherwise in compliance with the terms of the Indenture;

(9) sales of accounts receivable, or participations therein, in connection with any Receivables Facility or Factoring Program;

(10) payments by Holdings or any of its Restricted Subsidiaries to any of the Investors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which payments are approved by a majority of the board of directors of Holdings in good faith;

(11) any issuances of securities or other payments, awards, grants in cash, securities or otherwise or loans (or cancellation of loans) to employees or consultants of Holdings, any of its direct or indirect parent entities or any of its Restricted Subsidiaries pursuant to, or for the funding of, employment arrangements or agreements, stock option plans, stock ownership plans and other similar arrangements with such employees or consultants which, in each case, are approved by Holdings in good faith;

(12) the pledge of Equity Interests of any Unrestricted Subsidiary to lenders to support the Indebtedness of such Unrestricted Subsidiary owed to such lenders;

(13) any transaction with a joint venture which would constitute an Affiliate Transaction solely because Holdings or its Restricted Subsidiary owns an equity interest or otherwise controls such joint venture or similar entity; and

(14) the payment of management, consulting, monitory and advisory fees and related expenses pursuant to the Advisory Agreement pursuant to the terms of the Advisory Agreement as in effect on the Issue Date or pursuant to any amendment thereto or a new or replacement agreement (so long as any such amendment or new or replacement agreement is not materially more disadvantageous to the Holders when taken as a whole as compared to the Advisory Agreement in effect on the Issue Date).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Holdings will not, and will not permit any of its Restricted Subsidiaries (other than the Company) that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not a Guarantor to:

- (1) (a) pay dividends or make any other distributions to Holdings or any Restricted Subsidiary on its Capital Stock, or
 - (b) pay any Indebtedness owed to Holdings or any Restricted Subsidiary;
- (2) make loans or advances to Holdings or any Restricted Subsidiary; or
- (3) sell, lease or transfer any of its properties or assets to Holdings or any Restricted Subsidiary, except (in each case) for such encumbrances or restrictions existing under or by reason of:
 - (a) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Secured Facilities and the related documentation and Hedging Obligations and any related documentation (or, in each case, any amendment, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings);
 - (b) the Indenture, the Notes and the Guarantees thereof;
 - (c) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature discussed in clause (3) above on the property so acquired;
 - (d) applicable law or any applicable rule, regulation or order;
 - (e) any agreement or other instrument (including an instrument governing Capital Stock or Indebtedness) of a Person acquired by Holdings or any Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into Holdings or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or the property or assets so assumed;
 - (f) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of Holdings pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;
 - (g) Secured Indebtedness and other Credit Facilities otherwise permitted to be incurred subsequent to the Issue Date pursuant to the covenants described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and “—Liens”;
 - (h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
 - (i) other Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
 - (j) customary provisions in joint venture agreements and other similar agreements or arrangements relating solely to such joint venture;
 - (k) customary provisions contained in leases, licenses or similar agreements, including with respect to intellectual property and other agreements, in each case, entered into in the ordinary course of business;

(l) restrictions created in connection with any Receivables Facility or Factoring Program that, in the good faith determination of Holdings are necessary or advisable to effect the transactions contemplated under such Receivables Facility or Factoring Program;

(m) non-assignment provisions of any contract or any lease of any Restricted Subsidiary entered into in the ordinary course of business;

(n) restrictions on the transfer of assets subject to any Lien permitted under the Indenture imposed by the holder of such Lien;

(o) any agreement or instrument governing Capital Stock of any Person that is acquired;

(p) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which Holdings or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business; *provided* that such agreement prohibits the encumbrance of solely the property or assets of Holdings 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 Holdings or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(q) any encumbrances or restrictions of the type referred to in clauses (1) and (2) above to the extent that such encumbrances or restrictions do not materially adversely affect the consolidated cash position of the Company or Guarantors;

(r) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (p) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Holdings, either (i) not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing, or (ii) ordinary and customary with respect to such instruments and obligations at the time of such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(s) restrictions and conditions on any Restricted Subsidiary organized in jurisdictions where such restrictions are customary, including the People's Republic of China, or any state or other political subdivision thereof;

(t) provisions in any customary indenture in connection with Indebtedness permitted hereunder, and any Contractual Obligations relating thereto; or

(u) restrictions in a surety or performance bond entered into in the ordinary course of business.

Reports and Other Information

Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, Holdings will furnish to the holders of notes, within the time periods specified in the SEC's rules and regulations:

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

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

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports. Each annual report on Form 10-K will include a report on Holdings' consolidated financial statements by Holdings' independent registered public accounting firm.

In addition, Holdings and the Company agree that, for so long as any Notes remain outstanding, if at any time they are not required to file with the SEC the reports required by the preceding paragraphs, they will furnish to the holders of Notes and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Each report or document required to be furnished or delivered pursuant to the Indenture shall be deemed to have been so furnished or delivered on the date on which Holdings posts such document on its current website, or when such document is posted on the SEC's website at www.sec.gov.

The Trustee will have no responsibility to determine whether the posting of such financial statements and reports has occurred; delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including Holdings' or the Company's, as applicable, compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely on officer's certificates).

Events of Default and Remedies

The Indenture will provide that each of the following is an Event of Default:

(1) default in payment when due and payable (whether at maturity, upon redemption, acceleration or otherwise) of principal of, or premium, if any, on the Notes;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(3) failure by Holdings, the Company or any Subsidiary Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not *less* than 25% of the aggregate principal amount of the then outstanding Notes (with a copy to the Trustee) to comply with any of its other obligations, covenants or agreements (other than a default referred to in clauses (1) and (2) above) contained in the Indenture or the Notes;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by Holdings or any of its Restricted Subsidiaries or the payment of which is guaranteed by Holdings or any of its Restricted Subsidiaries other than Indebtedness owed to the Company or a Guarantor if both:

(a) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate \$75.0 million or more at any one time outstanding;

(5) failure by Holdings, the Company or any Significant Subsidiary to pay final judgments aggregating in excess of \$75.0 million, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to Holdings, the Company or any Significant Subsidiary; or

(7) the Guarantee of Holdings or any Significant Subsidiary shall for any reason cease to be in full force and effect or be declared null and void or any responsible officer of Holdings or any Subsidiary Guarantor that is a Significant Subsidiary, as the case may be, denies in writing that it has any further liability under its Guarantee or gives notice to such effect, other than by reason of the termination of the Indenture or the release of any such Guarantee in accordance with the Indenture.

Except in the case of a default in the payment of principal of or premium, if any, or interest on any Note that is to be paid by the Trustee, as paying agent, the Trustee shall not be deemed to have knowledge or notice of the occurrence of any default or event of default, unless a responsible trust officer of the Trustee shall have received written notice from the Company or a holder describing such default or event of default and stating that such notice is a notice of default.

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Indenture, the Trustee or the Holders of not less than 25% of the aggregate principal amount of all then outstanding Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately.

Upon the effectiveness of such declaration, such principal of and premium, if any, and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section, all outstanding Notes will become due and payable without further action or notice on the part of the Trustee or any Holder. The Indenture will provide that the Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in their interest. In addition, the Trustee will have no obligation to accelerate the Notes.

The Indenture will provide that the Holders of a majority of the aggregate principal amount of all then outstanding Notes, by notice to the Trustee, may on behalf of the Holders of all of the Notes waive any existing Default and its consequences under the Indenture except a continuing Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder and rescind any acceleration with respect to the Notes and its consequences (*provided* such rescission would not conflict with any judgment or decree of a court of competent jurisdiction).

In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 30 days after such Event of Default arose:

- (1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged;
- (2) holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or
- (3) the default that is the basis for such Event of Default has been cured.

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 of the Notes unless the Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such Holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in the aggregate principal amount of all then outstanding Notes have requested the Trustee to pursue the remedy;
- (3) Holders of the Notes have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) holders of a majority in principal amount of all then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions contained in the Indenture, the Holders of a majority in principal amount of the total outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability.

The Indenture will provide that Holdings or the Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required, within 30 days of becoming aware of any continuing Default, to deliver to the Trustee a statement specifying such Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No present, past or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor or any of their direct or indirect parent companies shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting the Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The Obligations of the Company and the Guarantors with respect to the Notes under the Indenture, the Notes or the Guarantees, as the case may be, will terminate (other than certain obligations) and will be released upon payment in full of all of the Notes. The Company may, at its option and at any time, elect to have all of its Obligations discharged with respect to the Notes and have each Guarantor's obligation discharged with respect to its Guarantee ("Legal Defeasance") and cure all then existing Events of Default except for:

- (1) the rights of Holders of Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to the Indenture;
- (2) the Company's Obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights and immunities of the Trustee, and the Company's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations and those of each Guarantor released with respect to substantially all the restrictive covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to Holdings and the Company) described under "Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

- (1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. Dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest due on the Notes on the stated maturity date or on the

redemption date, as the case may be, of such principal, premium, if any, or interest on such Notes and the Company must specify whether such Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

(a) the Company has received from, or there has been published by, the United States Internal Revenue Service a ruling, or

(b) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holders and the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default (other than that resulting from borrowing funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) shall have occurred and be continuing on the date of such deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Senior Secured Credit Facilities or any other material agreement or instrument (other than the Indenture) to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound (other than that resulting with respect to any Indebtedness being defeased from any borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to such Indebtedness, and the granting of Liens in connection therewith);

(6) the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or any Guarantor or others; and

(7) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a Legal Defeasance need not be delivered if all Notes not therefore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable on the maturity date within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in our name, and at our expense.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes, when:

(1) either

(a) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or 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 Company and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of the Notes, cash in U.S. Dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) the Company has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

The Trustee will acknowledge the satisfaction and discharge of the Indenture if we have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent to satisfaction and discharge have been complied with.

Amendment, Supplement and Waiver

Except as provided below, the Indenture, any Guarantee and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes and any existing Default or compliance with any provision of the Indenture or the Notes issued thereunder may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, other than Notes beneficially owned by the Company or its Affiliates (including consents obtained in connection with a purchase of or tender offer or exchange offer for the Notes); *provided* that (x) if any such amendment or waiver will only affect one series of Notes (or *less* than all series of Notes) then outstanding under the Indenture, then only the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) shall be required and (y) if any such amendment or waiver by its terms will affect a series of Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Notes, then the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) shall be required.

The Indenture will provide that, without the consent of each affected Holder of Notes, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed final maturity of any such Note or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor;

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

(4) (A) waive a Default in the payment of principal of or premium, if any, or interest on the Notes, except a rescission of acceleration of the Notes by the Holders of a majority in aggregate principal amount of all then outstanding Notes, and a waiver of the payment default that resulted from such acceleration, or (B) waive a Default in respect of a covenant or provision contained in the Indenture or any Subsidiary Guarantee which cannot be amended or modified without the consent of all Holders;

(5) make any Note payable in money other than U.S. Dollars;

(6) make any change in these amendment and waiver provisions;

(7) impair the right of any Holder to receive payment of principal of, premium, if any, or interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes or the Subsidiary Guarantees;

(8) make any change to or modify the ranking of the Notes that would adversely affect the Holders; or

(9) except as expressly permitted by the Indenture, modify the Guarantee of Holdings in any manner materially adverse to the Holders of such Notes.

Notwithstanding the foregoing, the Company, any Guarantor (with respect to a Guarantee or the Indenture to which it is a party) and the Trustee may amend or supplement the Indenture and any Guarantee or Notes without the consent of any Holder:

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

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of the Indenture relating to the form of the Notes (including the related definitions) in a manner that does not materially adversely affect any Holder (as determined by Holdings) (*provided* that, in each case, the resulting Notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code of 1986, as amended);

(3) to comply with the covenant relating to mergers, consolidations and sales of assets;

(4) to provide for the assumption of the Company's or any Guarantor's obligations to the Holders;

(5) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder (as determined by Holdings);

(6) to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Company or any Guarantor;

(7) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee thereunder pursuant to the requirements thereof;

(8) to provide for the issuance of exchange notes or private exchange notes, which are identical to exchange notes except that they are not freely transferable;

(9) to provide for the issuance of Additional Notes in accordance with the Indenture;

(10) to add a Guarantor under the Indenture and to allow a Guarantor to execute a supplemental indenture and/or guarantee the Notes or to release a Guarantor in accordance with the terms of the Indenture;

(11) to conform the text of the Indenture, Guarantees or the Notes to any provisions of this "Description of Notes" (as determined by Holdings);

(12) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer Notes (in each case, as determined by Holdings); or

(13) to provide for the issuance of the Notes in a manner consistent with the terms of the Indenture.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment or waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver.

For purposes of determining whether the Holders of the requisite principal amount of Notes have taken any action under the Indenture, the principal amount of Notes shall be deemed to be the U.S. Dollar equivalent of such principal amount of Notes as of (i) if a record date has been set with respect to the taking of such action, such date or (ii) if no such record date has been set, the date the taking of such action by the Holders of such requisite principal amount is certified to the Trustee by the Company.

The Trustee may execute any amendment, supplement or waiver of the Indenture if the Company shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent to the amendment, supplement or waiver of the Indenture have been complied with and that the amendment, supplement or waiver of the Indenture is authorized or permitted by the terms of the Indenture.

Notices

Notices given by publication or electronic delivery will be deemed given on the first date on which publication or electronic delivery is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting.

Concerning the Trustee

Computershare Trust Company, N.A., shall be appointed as the Trustee under the Indenture and will be appointed by the Company as registrar and a paying agent Notes under the Indenture. The Trustee, in any capacity, has not participated in the preparation of this Offering Circular and makes no representation or warranty as to the accuracy or validity of the information contained herein.

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. 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 Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in acting under the Indenture or security documents if there are reasonable grounds for believing that the repayment of those funds or indemnity satisfactory to it against that risk or liability is not reasonably assured to it under the Indenture or security documents, as applicable.

The Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign.

The Indenture will provide that the Holders of a majority in principal amount of all then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default shall occur (which shall not be cured), the Trustee (and no other agent) will be required, in the exercise of the rights and powers vested in it by the Indenture, to use the degree of care of a prudent person in the conduct of his own affairs. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to the Trustee against any loss, liability or expense.

Governing Law

The Indenture, the Notes and any Guarantee will be governed by and construed in accordance with the laws of the State of New York, but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. For purposes of the Indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated

with its Restricted Subsidiaries, and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

“Acquired Indebtedness” means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person, and

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

“Advisory Agreement” means the Advisory Services Agreement, dated as of October 1, 2019 between Holdings and Mariposa Capital, LLC.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“Applicable Premium” means, as calculated by the Company with respect to any Note on any Redemption Date, the greater of:

(1) 1.0% of the principal amount of such Note; or

(2) the excess, if any, of (a) the present value at such Redemption Date of (i) the redemption price of such Note at , 2024 (such redemption price being set forth in the table appearing above under the heading “Optional Redemption”), *plus* (ii) all required interest payments due on such Note through , 2024 (excluding accrued but unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate as of such Redemption Date *plus* 50 basis points; over (b) the principal amount of such Note.

“Asset Sale” means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of Holdings or any Restricted Subsidiary (each referred to in this definition as a “disposition”); or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or surplus, obsolete or worn-out property or equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of Holdings in a manner permitted pursuant to, the provisions described above under “Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets” or any disposition that constitutes a Change of Control pursuant to the Indenture;

(c) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under “Certain Covenants—Limitation on Restricted Payments” or under the definition of “Permitted Investment”;

- (d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate fair market value of less than \$50.0 million;
- (e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to Holdings or by Holdings or a Restricted Subsidiary to another Restricted Subsidiary;
- (f) to the extent allowable under Section 1031 of the Internal Revenue Code of 1986, as amended, or comparable law or regulation, any exchange of like property (excluding any boot thereon) for use in a Similar Business;
- (g) the lease, assignment or sub-lease of any real or personal property in the ordinary course of business;
- (h) any issuance or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (i) foreclosures, condemnations or any similar action with respect to assets or the granting of Liens not prohibited by the indenture;
- (j) sales of accounts receivable, or participations therein, in connection with any Receivables Facility and any transactions in connection with the Factoring Program;
- (k) any financing transaction with respect to the acquisition or construction of property by Holdings or any Restricted Subsidiary after the Issue Date, including Sale and Lease-Back Transactions and asset securitizations permitted by the Indenture;
- (l) the licensing and sub-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with past practice;
- (m) the sale, discount or other disposition of inventory, accounts receivable or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable; and
- (n) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business.

“Asset Sale Offer” has the meaning set forth in the fourth paragraph under “Repurchase at the Option of Holders—Asset Sales.”

“board of directors” means with respect to a corporation, the board of directors of the corporation, and with respect to any other Person, the board or committee of such Person, or board of directors of the general partner or general manager of such Person serving a similar function.

“Business Day” means each day which is not a Legal Holiday.

“Calculation Date” means the date on which the event for which the calculation of the Senior Secured Leverage Ratio, Total Net Leverage Ratio or the Fixed Charge Coverage Ratio, as applicable, shall occur.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Capitalized Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP; *provided* that any obligations of Holdings or any Restricted Subsidiary either existing on the Issue Date or created prior to any recharacterization described below (i) that were not included on the consolidated balance sheet of Holdings as capital lease obligations and (ii) that are subsequently recharacterized as capital lease obligations due to a change in accounting treatment or otherwise, shall for all purposes under the Indenture (including, without limitation, the calculation of Consolidated Net Income and EBITDA) not be treated as capital lease obligations, Capitalized Lease Obligations or Indebtedness.

“Captive Insurance Subsidiary” means (i) any Subsidiary established by Holdings for the primary purpose of insuring the business or properties owned or operated by Holdings or any of its Subsidiaries or (ii) any Subsidiary of any such insurance subsidiary established for the same primary purpose described in clause (i) above.

“Cash Equivalents” means:

- (1) United States Dollars;
- (2) (a) Canadian Dollars, pounds sterling, yen and Euros; or
(a) such local currencies held by Holdings or any Restricted Subsidiary from time to time in the ordinary course of business;
- (3) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government (or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of the U.S. government), with maturities of 24 months or *less* from the date of acquisition;
- (4) certificates of deposit, time deposits and Eurodollar time deposits with maturities of 24 months or *less* from the date of acquisition, bankers’ acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than \$500.0 million in the case of U.S. banks and \$100.0 million (or the U.S. Dollar equivalent as of the date of determination) in the case of non-U.S. banks;
- (5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) entered into with any financial institution meeting the qualifications specified in clause (4) above;
- (6) commercial paper rated at least P-1 by Moody’s or at least A-1 by S&P (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;
- (7) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody’s or S&P, respectively (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;
- (8) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (7) above;
- (9) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having an Investment Grade Rating from either Moody’s or S&P with maturities of 24 months or less from the date of acquisition;
- (10) Indebtedness or Preferred Stock issued by Persons with a rating of “A” or higher from S&P or “A2” or higher from Moody’s with maturities of 24 months or less from the date of acquisition; and

(11) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; *provided* that such amounts are converted into any currency listed in clauses (1) and (2) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

"CFC Holdco" means a Domestic Subsidiary that has no material assets other than equity interests or equity interests and indebtedness in one or more CFCs or other CFC Holdcos.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended.

"Change of Control" means the occurrence of any of the following after the Issue Date:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of Holdings and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder; or

(2) Holdings becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50% or more of the total voting power of the Voting Stock of Holdings or any of its direct or indirect parent companies holding directly or indirectly 100% of the total voting power of the Voting Stock of Holdings.

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees related to any Receivables Facility and amortization of intangible assets, debt issuance costs, commissions, fees and expenses, including the amortization of deferred financing fees of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount 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 Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations and (e) net payments, if any, made (less net payments, if any, received) pursuant to interest rate Hedging Obligations with respect to Indebtedness and excluding (t) penalties and interest relating to taxes; (u) accretion or accrual of discounted liabilities not constituting Indebtedness, (v) any expense resulting from the discounting of any outstanding Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (w) any "additional interest" with respect to other securities, (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (y) any expensing of bridge, commitment and other financing fees and (z) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*

- (3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided, however*, that, without duplication,

(1) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period shall be excluded,

(2) any after-tax effect of income (loss) from disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded,

(3) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments or the sale or other disposition of any Capital Stock of any Person other than in the ordinary course of business, as determined in good faith by Holdings, shall be excluded,

(4) the Net Income for such period of any Person that is not a Subsidiary or is an Unrestricted Subsidiary or that is accounted for by the equity method of accounting, shall be excluded; *provided*, however, that such income or loss of such Person shall be included for such period to the extent Consolidated Net Income and Consolidated EBITDA are being calculated on a pro forma basis in accordance with the Indenture; and *provided further* that Consolidated Net Income of Holdings shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period,

(5) solely for the purpose of determining the amount available for Restricted Payments under clause(3)(a) of the first paragraph of “Certain Covenants—Limitation on Restricted Payments,” the Net Income for such period of any Restricted Subsidiary (other than any Subsidiary Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived; *provided* that Consolidated Net Income of Holdings will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to Holdings or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein,

(6) any after-tax effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments shall be excluded,

(7) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets or investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(8) any non-cash compensation or similar charge or expense or reduction of revenue, including any such charge or amount arising from grants of stock appreciation or similar rights, stock options, restricted stock or other rights and any cash charges associated with the rollover, acceleration or payout of Equity Interests by management, other employees or business partners of Holdings or any of its direct or indirect parent companies or subsidiaries shall be excluded,

(9) any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, disposition, recapitalization, Investment, Asset Sale, issuance, repayment or amendment of Indebtedness, issuance of Equity Interests, 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), any non-cash expenses or charges recorded in accordance with GAAP relating to currency valuation of foreign denominated debt and any charges or non-recurring merger costs incurred during such period as a result of any such transaction including, without limitation, any non-cash expenses or charges recorded in accordance with GAAP relating to equity interests issued to non-employees in exchange for services provided in connection with any acquisition or business arrangement (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) shall be excluded,

(10) all extraordinary, unusual or non-recurring charges, gains and losses (including, without limitation, all restructuring costs, facilities relocation costs, acquisition integration costs and fees, including cash severance payments made in connection with acquisitions, and any expense or charge related to the repurchase of Capital Stock or warrants or options to purchase Capital Stock), and the related tax effects according to GAAP shall be excluded,

(11) inventory purchase accounting adjustments and amortization and impairment charges resulting from other purchase accounting adjustments in connection with acquisition transactions shall be excluded,

(12) the income of any Person (other than a Restricted Subsidiary) in which any other Person (other than a wholly-owned Restricted Subsidiary or any director holding qualifying shares in accordance with applicable law) has an interest, except to the extent of the amount of dividends or other distributions actually paid to a wholly-owned Restricted Subsidiary by such Person shall be excluded,

(13) the following items shall be excluded:

(a) any net unrealized gain or loss (after any offset) resulting in such period from Hedging Obligations and the application of ASC 815 Derivatives and Hedging; and

(b) foreign currency and other non-operating gain or loss and foreign currency gain (loss) included in other operating expenses including any net unrealized gain or loss (after any offset) resulting in such period from currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from hedge agreements for currency exchange risk).

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 the amount of proceeds actually received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any Permitted Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture.

Notwithstanding the foregoing, for the purpose of the covenant described under “Certain Covenants—Limitation on Restricted Payments” only (other than clause (3)(d) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by Holdings and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from Holdings and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by Holdings or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (3)(d) of the first paragraph thereof.

For the avoidance of doubt, cash amounts used by Holdings or its Subsidiaries to make purchases of debt (including, without limitation, purchases of Term Loans or Notes) shall not reduce Consolidated Net Income, nor will any non-cash gain associated with the cancellation of such purchased debt increase Consolidated Net Income.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, 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) or the purchase or payment of any such primary obligation, or
 - (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Credit Facilities” means, with respect to Holdings or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Secured Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities or indentures), providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Non-cash Consideration” means the fair market value of non-cash consideration received by Holdings or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, executed by the principal financial officer of Holdings, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

“Designated Preferred Stock” means Preferred Stock of Holdings or any parent corporation thereof (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by Holdings or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer’s Certificate executed by the principal financial officer of Holdings or the applicable parent corporation thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of the first paragraph of the “Certain Covenants—Limitation on Restricted Payments” covenant.

“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 putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control or asset sale or other than redeemable for Capital Stock of such Person that is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control or asset sale or other than redeemable for Capital Stock of such Person that is not itself Disqualified Stock), in whole or in part, in each case prior to the date 91 days after the maturity date of the Notes and if and to the extent that any of the foregoing would appear as a liability upon a balance sheet (excluding footnotes thereto) of such Person prepared in accordance with GAAP; *provided, however*, that if such Capital Stock is issued to any plan for the benefit of employees of Holdings or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Holdings or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Domestic Restricted Subsidiary” means any Restricted Subsidiary that is organized or existing under the laws of the United States, any state thereof, or the District of Columbia other than any such Restricted Subsidiary that is a CFC Holdco or a Subsidiary of a Foreign Subsidiary that is a CFC.

“EBITDA” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period

(1) increased (without duplication) by the following, in each case (other than clause (g)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) provision for taxes based on income or profits or capital gains, including, without limitation, state, franchise and similar taxes (such as the Delaware franchise tax, the Pennsylvania capital tax, Texas margin tax and provincial capital taxes paid in Canada) and foreign withholding taxes and penalties and interest relating to taxes of such Person paid or accrued during such period 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 Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, and unrealized losses in respect of Obligations under swap contracts (y) bank fees and (z) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of “Consolidated Interest Expense” pursuant to clauses (1)(t) through (z) thereof 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) the amount of any restructuring charges, integration, acquisition or disposition (or potential acquisition or disposition) related costs (whether incurred prior to, or after, the consummation of any such acquisition or disposition (or potential acquisition or disposition)), retention or separation charges, stock option and any other equity-based compensation expenses deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions and dispositions (or potential acquisitions or dispositions) before or after the Issue Date and costs related to the closure, transfer, sale and/or consolidation of facilities; *plus*

(e) any other non-cash charges, expenses or losses (including, but not limited to, non-cash rent expense, impairment of goodwill or other intangible assets and exchange rate losses) of Holdings or any Restricted Subsidiary (including any write-offs or write-downs, reducing Consolidated Net Income for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

(f) income attributable to non-controlling interests in Subsidiaries to the extent deducted (and not added back) in such period in calculating Consolidated Net Income; *plus*

(g) (i) the amount of net cost savings, synergies and operating expense reductions, other operating improvements and initiatives projected by Holdings in good faith to be realized as a result of actions initiated or to be initiated or taken on or prior to the date that is 24 months after the Issue Date or 24 months after the consummation or initiation, as the case may be, of any acquisition, amalgamation, merger, disposition, operational change or initiative or other action, plan or transaction and prior to or during such period (calculated on a *pro forma* basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions *plus* (ii) corporate operating costs allocated out of Holdings and its Restricted Subsidiaries to Unrestricted Subsidiaries; *provided* that (x) such cost savings are reasonably identifiable and quantifiable and (y) no cost savings shall be added pursuant to this clause (g) to the extent duplicative of any expenses or charges relating to such cost savings that are either excluded in computing Consolidated Net Income or included (i.e., added back) in computing “EBITDA” for such period; *provided, further*, that the adjustments pursuant to this clause (g) may be incremental to (but not duplicative of) *pro forma* adjustments made pursuant to the definition of “Fixed Charge Coverage Ratio”; *provided, further*, that the aggregate amount of add backs made pursuant to this clause (g) shall not exceed an amount equal to 20% of EBITDA for the

period of four consecutive fiscal quarters most recently ended prior to the determination date (without giving effect to any adjustments pursuant to this clause (g)); *plus*

(h) any costs or expense incurred by Holdings or a Restricted Subsidiary 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, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of Holdings or net cash proceeds of an issuance of Equity Interests of Holdings (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (3) of the first paragraph under “Certain Covenants—Limitation on Restricted Payments”; *plus*

(i) the amount of management, monitoring, consulting, customary transaction and advisory fees (including termination fees) and related indemnities and expenses paid or accrued in such period under the Advisory Agreement or otherwise to Permitted Holders to the extent otherwise permitted under “Certain Covenants—Transactions with Affiliates” and similar fees paid by Holdings, the Company and their Affiliates prior to the Issue Date) and deducted (and not added back) in such period in computing Consolidated Net Income; *plus*

(j) the amount of any earn-out payments, contingent consideration or deferred purchase price of any kind in conjunction with acquisitions; *plus*

(k) losses to the extent reimbursable by third parties in connection with any acquisition permitted hereunder, as determined in good faith by Holdings; *plus*

(l) expenses during such period in connection with the settlement of any litigation or claim involving Holdings or a Restricted Subsidiary; *plus*

(m) expenses and charges related to the incurrence of the Notes and amending or incurring additional financing in connection therewith; *plus*

(n) non-cash charges or amounts recorded in connection with purchase accounting (including any applicable to future acquisitions that are permitted by the Indenture); *plus*

(o) non-cash purchase accounting adjustments during such period relating to the writedown of deferred revenue (whether billed or unbilled) that are the result of accounting for any acquisition; *plus*

(p) the amount of any expense related to the minority interests; *plus*

(q) any non-cash expenses or charges recorded in accordance with GAAP relating to currency valuation of foreign denominated debt, any non-cash expenses or charges recorded in accordance with GAAP relating to equity interests issued to non-employees in exchange for services provided in connection with any acquisition or business arrangement (in each case, including any such transaction undertaken but not completed); *plus*

(r) debt discount and debt issuance costs, fees, charges, commissions or other related or similar costs during such period, in each case incurred in connection with Indebtedness permitted to be incurred hereunder (whether or not such Indebtedness has been incurred); *plus*

(s) fees, costs and expenses incurred under the Senior Secured Credit Facilities for such period; *plus*

(t) transaction fees, costs and expenses during such period in connection with any investment (including any acquisitions permitted by the Indenture), disposition, recapitalization or issuance of Equity Interests and incurrence of Indebtedness or similar transactions, in each case, to the extent permitted under the Indenture and whether or not such investment, disposition, recapitalization, issuance of Equity Interests or Indebtedness or acquisition shall have been consummated.

(2) decreased by (without duplication) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced EBITDA in any prior period.

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

“Equity Offering” means any public or private sale of common stock or Preferred Stock of Holdings (excluding Disqualified Stock) or any of its direct or indirect parent companies to the extent contributed to Holdings as equity (other than Disqualified Stock), other than:

- (1) public offerings with respect to Holdings’ or any direct or indirect parent company’s common stock registered on Form S-8;
- (2) issuances to any Subsidiary of Holdings; and
- (3) any such public or private sale that constitutes an Excluded Contribution.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Excluded Contribution” means net cash proceeds, marketable securities or Qualified Proceeds received by Holdings from

- (1) contributions to its common equity capital, and
- (2) the sale (other than to a Subsidiary of Holdings or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of Holdings) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of Holdings,

in each case after the Issue Date and in each case designated as Excluded Contributions pursuant to an Officer’s Certificate executed by the principal financial officer of Holdings on the date such capital contributions are made or the date such Capital Stock is sold, as the case may be, which are excluded from the calculation set forth in clause (3) of the first paragraph under “Certain Covenants—Limitation on Restricted Payments.”

“Factoring Program” means any agreements or facilities entered into by Holdings or any of its Subsidiaries for the purpose of factoring its receivables or payables for cash distribution.

“fair market value” means, with respect to any asset or liability, the fair market value of such asset or liability as determined by Holdings in good faith.

“Family” means, with respect to any Person, (i) the current and former spouses of such Person and (ii) the ancestors, siblings and descendants, whether by blood or adoption, of such Person.

“Fixed Charge Coverage Ratio” means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that Holdings or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “Fixed Charge Coverage Ratio Calculation Date”), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (as determined in accordance with GAAP) that have been made by Holdings or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a

pro forma basis, assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into Holdings or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed 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, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Investment, acquisition, disposition, merger or consolidation or any other transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of Holdings (and may include, for the avoidance of doubt and without duplication, cost savings, synergies and operating expense resulting from such Investment, acquisition, disposition, merger or consolidation or other transaction, in each case calculated in the manner described in the definition of “EBITDA” herein). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of Holdings to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as Holdings 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 during such period; and
- (3) all cash dividends or other distributions paid or accrued (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

“Foreign Subsidiary” means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof, or the District of Columbia and any Restricted Subsidiary of such Foreign Subsidiary.

“GAAP” means (1) generally accepted accounting principles in the United States of America which are in effect on the Issue Date or (2) if elected by the Company by written notice to the Trustee in connection with the delivery of financial statements and information, the accounting standards and interpretations (“IFRS”) adopted by the International Accounting Standard Board, as in effect during the period for which the Company is making such election; *provided*, that (a) all financial statements and reports required to be provided after such election pursuant to the Indenture shall be prepared on the basis of IFRS, (b) from and after such election, all ratios, computations and other determinations based on GAAP contained in the Indenture shall be computed in conformity with IFRS.

“Government Securities” means securities that are:

- (1) direct obligations of the United States of America, the timely payment of which its full faith and credit is pledged;
- (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, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for

the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt; or

(3) AAA rated money market mutual funds, where 100% of the holdings are in securities described in clauses (1) or (2) of this definition of Government Securities or repurchase agreements that are fully collateralized by securities described in clauses (1) or (2) of this definition of Government Securities.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central bank).

“guarantee” means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

“Guarantee” means the guarantee by any Guarantor of the Company’s Obligations under the Indenture and the Notes.

“Guarantor” means Holdings, each Subsidiary of Holdings (other than the Company) that Guarantees the Notes and any other Person that becomes a Guarantor in accordance with the terms of the Indenture.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, commodity or currency risks either generally or under specific contingencies.

“Holder” means the Person in whose name a Note is registered on the registrar’s books.

“Indebtedness” means, with respect to any Person, without duplication:

- (1) any indebtedness of such Person, whether or not contingent:
 - (a) in respect of borrowed money;
 - (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof);
 - (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earnout obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP; or
 - (d) representing net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise on, the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person, the amount of such obligation being deemed to be the *lesser* of the value of such asset or the amount of the obligation so secured;

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or (b) any obligations under or in respect of Receivables Facilities, Factoring Program, operating leases, or Sale and Lease-back Transactions (except any resulting Capitalized Lease Obligations).

“Independent Financial Advisor” means an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing that is, in the good faith judgment of Holdings, qualified to perform the task for which it has been engaged.

“Initial Purchasers” means Citigroup Global Markets Inc., Barclays Capital Inc., UBS Securities LLC, BofA Securities, Inc. and U.S. Bancorp Investments, Inc.

“Intermediate Parent” means any Subsidiary of Holdings that, directly or indirectly, owns any Equity Interest of the Company.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

“Investment Grade Securities” means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among Holdings and its Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

“Investments” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to directors, officers, employees and consultants in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of Holdings in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of “Unrestricted Subsidiary” and the covenant described under “Certain Covenants—Limitation on Restricted Payments”:

(1) “Investments” shall include the portion (proportionate to Holdings’ equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of Holdings at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Holdings shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) Holdings’ “Investment” in such Subsidiary at the time of such redesignation; *less*

(b) the portion (proportionate to Holdings’ equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in Cash Equivalents by Holdings or a Restricted Subsidiary in respect of such Investment.

“Issue Date” means , 2021.

“Legal Holiday” means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or a place of payment with respect to the Notes.

“Lien” means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“LTM EBITDA” means EBITDA of Holdings and its Restricted Subsidiaries on a consolidated basis for the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such LTM EBITDA is being calculated determined on a *pro forma* basis in a manner consistent with the definition of Fixed Charge Coverage Ratio.

“Market Capitalization” means, with respect to the making of any Restricted Payment, an amount equal to the product of

(a) the total number of issued and outstanding shares of common Equity Interests of Holdings on the date of declaration of such Restricted Payment multiplied by

(b) the arithmetic mean of the closing prices per share of such Equity Interests on the principal securities exchange on which such Equity Interests are listed for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Income” means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

“Net Proceeds” means the aggregate cash proceeds and Cash Equivalents received by Holdings or any of its Restricted Subsidiaries in respect of any Asset Sale, including any cash and Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness secured by a Lien on such assets (other than required by clause (1) of the second paragraph of “Repurchase at the Option of Holders—Asset Sales”) and any deduction of appropriate amounts to be provided by Holdings or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by Holdings or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

“Obligations” means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, expenses, costs, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and guarantees of payment of such

principal, interest, penalties, fees, expenses, costs, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“Officer” means the Executive Chairman of the board of directors, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Company or a Guarantor.

“Officer’s Certificate” means a certificate signed on behalf of a Person by an Officer of such Person (or if such entity is a general partnership, one of the partners of such entity).

“Opinion of Counsel” means a written opinion from legal counsel who is acceptable to the Trustee; *provided, however*, that the counsel may be an employee of or counsel to Holdings, the Company or a Subsidiary of the Company.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between Holdings or any of its Restricted Subsidiaries and another Person; *provided*, that any cash or Cash Equivalents received must be applied in accordance with the “Repurchase at the Option of Holders—Asset Sales” covenant.

“Permitted Holders” means each of (i) Sir Martin E. Franklin or Ian G.H. Ashken; (ii) any member of the Family of Sir Martin E. Franklin or Ian G.H. Ashken; (iii) any conservatorship, custodianship or decedent’s estate of any Person specified in the foregoing clauses (i) or (ii); (iv) any trust established for the benefit of any Person specified in the foregoing clauses (i) or (ii); or (v) any corporation, limited liability company, partnership or other entity, the controlling equity interests in which are held by or for the benefit of any one or more Person specified in the foregoing clauses (i) or (ii).

“Permitted Investment” means:

(1) any Investment in Holdings or any of its Restricted Subsidiaries or any entity that will become a Restricted Subsidiary as a result of such Investment;

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities;

(3) any Investment by Holdings or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent substantially all of its assets or a division, business unit or product line, including research and development and related assets in respect of any product) that is engaged directly or through entities that will be Restricted Subsidiaries if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit or product line) to, or is liquidated into, Holdings or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided*, that such Investment held by such person was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(4) any Investment in securities or other assets, including earn-outs, not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the first paragraph under “Repurchase at the Option of Holders—Asset Sales” or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any such Investment or binding commitment existing on the Issue Date; *provided*, that the amount of any such Investment may be increased in such extension, modification or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual

or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

(6) any Investment acquired by Holdings or any of its Restricted Subsidiaries:

(a) consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;

(b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by Holdings or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade counterparty or customer); or

(c) in satisfaction of judgments against other Persons; or

(d) as a result of a foreclosure by Holdings or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Hedging Obligations permitted under clause (10) of the second paragraph under the covenant described in “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;

(8) Investments the payment for which consists of Equity Interests (exclusive of Disqualified Stock) of Holdings, or any of its direct or indirect parent companies; *provided, however*, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in “Certain Covenants—Limitations on Restricted Payments”;

(9) guarantees of Indebtedness of Holdings and any Restricted Subsidiary permitted under the covenant described in “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;

(10) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “Certain Covenants—Transactions with Affiliates” (except transactions described in clauses (2), (4) and (7) of such paragraph);

(11) Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment;

(12) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (12) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (x) \$160.0 million and (y) 40% 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);

(13) Investments relating to a Receivables Subsidiary or a Factoring Program that, in the good faith determination of Holdings are necessary or advisable to effect any Receivables Facility or a Factoring Program or any transaction in connection therewith;

(14) loans and advances to officers, directors and employees, in each case incurred in the ordinary course of business or consistent with past practices or to fund such Person’s purchase of Equity Interests of Holdings or any direct or indirect parent company thereof;

(15) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

- (16) Investments in joint ventures of Holdings or any of its Restricted Subsidiaries existing on the Issue Date or created after the Issue Date in an aggregate amount not to exceed the greater of (x) \$100.0 million and (y) 25% of LTM EBITDA;
- (17) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (17) that are at that time outstanding, not to exceed the greater of (x) \$100.0 million and (y) 25% 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);
- (18) advances to, or guarantees of Indebtedness of, employees not in excess of \$15.0 million outstanding at any one time, in the aggregate;
- (19) advances, loans or extensions of trade credit in the ordinary course of business by Holdings or any of its Restricted Subsidiaries;
- (20) 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;
- (21) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business;
- (22) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client contacts;
- (23) 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;
- (24) repurchases of Notes;
- (25) 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;
- (26) Investments (i) by a Captive Insurance Subsidiary made in the ordinary course of business or consistent with past practice, and (ii) in a Captive Insurance Subsidiary in the ordinary course of business or required under statutory or regulatory authority applicable to such Captive Insurance Subsidiary;
- (27) Investments in joint ventures in the fire safety industry or a Similar Business, in the ordinary course of business, where applicable law requires equity ownership and supervision of regulated activities by licensed individuals employed by the Restricted Subsidiary and the Restricted Subsidiary maintains either majority or less than majority ownership of Equity Interests of the joint venture and the right to prohibit the joint venture from engaging in material transactions and transactions outside of the ordinary course of business;
- (28) Investments not to exceed \$20.0 million in the aggregate consisting of Guarantees in favor of customers of Holdings, the Restricted Subsidiaries or joint ventures to which Holdings, the Company or a Restricted Subsidiary is a party; and
- (29) If the Total Net Leverage Ratio is less than or equal to 3.25:1.00 on a pro forma basis, additional Investments by the Company and the Guarantors in Restricted Subsidiaries that are not Subsidiary Guarantors (other than (i) (x) investments in Equity Interests and (y) intercompany loans and advances, in each case, from the Company or a Guarantor to a Restricted Subsidiary that is not a Subsidiary Guarantor the proceeds of which are used solely to finance an acquisition that is permitted by the indenture and (ii) intercompany loans and advances from a Company or a Guarantor to Restricted Subsidiaries that are not Subsidiary Guarantors having a term not exceeding 90 days (inclusive of any roll over or extensions of terms) made in the ordinary course of business and consistent with past practice).

“Permitted Liens” means, with respect to any Person:

(1) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers’, warehousemen’s and mechanics’ Liens, in each case for sums not yet overdue for a period of more than 30 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(3) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds, trade contracts and leases (other than capital leases), indemnity agreements in connection therewith or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements 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 or other restrictions as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and 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 such Person;

(6) Liens securing Indebtedness permitted to be incurred pursuant to clauses (4), (10) (12)(b) and (18) of the second paragraph under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;

(7) Liens existing on the date of the indenture (other than Liens securing Indebtedness permitted to be incurred pursuant clauses (1), (2), (4), (10), (12)(b), (18) or (2) of the second paragraph under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”);

(8) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided, however*, such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided further, however*, that such Liens may not extend to any other property owned by Holdings or any of its Restricted Subsidiaries;

(9) Liens on property at the time Holdings or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into Holdings or any of its Restricted Subsidiaries; *provided, however*, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition; *provided further, however*, that the Liens may not extend to any other property owned by Holdings or any of its Restricted Subsidiaries;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to Holdings or another Restricted Subsidiary permitted to be incurred in accordance with the covenant described under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;

(11) Liens securing Hedging Obligations so long as related Indebtedness is, and is permitted to be under the Indenture;

- (12) Liens on 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;
- (13) leases, subleases, licenses or sublicenses granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of Holdings or any of its Restricted Subsidiaries and do not secure any Indebtedness;
- (14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by Holdings and its Restricted Subsidiaries in the ordinary course of business;
- (15) Liens in favor of Holdings or any Subsidiary Guarantor;
- (16) Liens on equipment of Holdings or any of its Restricted Subsidiaries granted in the ordinary course of business to Holdings' clients;
- (17) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;
- (18) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (7), (8) and (9) to the extent that the Indebtedness secured by such new Lien is an amount equal to the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8) and (9) at the time the original Lien became a Permitted Lien under the Indenture, and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; *provided, however*, that in each case such new Lien shall be limited to all or part of the same property that secured the original Lien (*plus* improvements on such property);
- (19) deposits made in the ordinary course of business to secure liability to insurance carriers;
- (20) other Liens securing obligations not to exceed the greater of (x) \$160.0 million and (y) 40% of LTM EBITDA at any one time outstanding;
- (21) Liens securing Indebtedness of any non-Guarantor Restricted Subsidiary permitted to be incurred under the Indenture, to the extent such Liens relate only to the assets and properties of a non-Guarantor Restricted Subsidiary (and for the avoidance of doubt, any Liens permitted by this clause (21) shall continue to be permitted by this clause (21) if such non-Guarantor Restricted Subsidiary later provides a Guarantee of the Notes);
- (22) Liens securing judgments for the payment of money not constituting an Event of Default under clause (5) under the heading "Events of Default and Remedies" so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (23) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (24) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of setoff) and which are within the general parameters customary in the banking industry;
- (25) Liens deemed to exist in connection with Investments in repurchase agreements permitted under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

- (26) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;
- (27) Liens that are contractual rights of setoff (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Holdings or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of Holdings or any of its Restricted Subsidiaries in the ordinary course of business;
- (28) Liens securing Indebtedness and other obligations to the extent permitted to be incurred under Credit Facilities, including any letter of credit facility relating thereto, that was incurred pursuant to clause (1) of the second paragraph under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
- (29) 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;
- (30) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by Holdings or any of its Restricted Subsidiaries in the ordinary course of business;
- (31) Liens solely on any cash earnest money deposits made by Holdings or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;
- (32) Liens securing the Notes;
- (33) ground leases in respect of real property on which facilities owned or leased by Holdings or any of its Subsidiaries are located;
- (34) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;
- (35) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (36) Liens on cash advances in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment;
- (37) any interest or title of a lessor, sub-lessor, licensor or sub-licensor or secured by a lessor’s, sublessor’s, licensor’s or sub-licensor’s interest under leases or licenses entered into by Holdings or any of the Restricted Subsidiaries in the ordinary course of business;
- (38) deposits of cash with the owner or lessor of premises leased and operated by Holdings or any of its Subsidiaries in the ordinary course of business of Holdings and such Subsidiary to secure the performance of Holdings’ or such Subsidiary’s obligations under the terms of the lease for such premises;
- (39) [Reserved];
- (40) prior to the date on which a Permitted Investment is consummated, Liens arising from any escrow arrangement pursuant to which the proceeds of any equity issuance or other funds used to finance all or a portion of such Permitted Investment are required to be held in escrow pending release to consummate such Permitted Investment;
- (41) Liens on cash in an aggregate amount up to \$25.0 million pledged in lieu of issuance of a Letter of Credit in favor of an insurance company; and
- (42) Liens on cash and Cash Equivalents securing letters of credit, bonds, support contracts, guarantees or similar instruments permitted pursuant to clauses (11) and (27) of the second paragraph under

“Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock” means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

“Qualified Proceeds” means assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

“Rating Agencies” means Moody’s and S&P or if Moody’s or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by Holdings which shall be substituted for Moody’s or S&P or both, as the case may be.

“Receivables Facility” means any of one or more customary market receivables financing facilities, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to Holdings or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which Holdings or any of its Restricted Subsidiaries sells its accounts receivable to either (a) a Person that is not an Affiliate of Holdings or (b) a Receivables Subsidiary that in turn sells its accounts receivable to a Person that is not an Affiliate of Holdings.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest therein issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

“Receivables Subsidiary” means any Subsidiary formed for the purpose of, and that solely engages only in one or more Receivables Facilities and other activities reasonably related thereto.

“Redemption Date” has the meaning set forth under “Optional Redemption.”

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business, *provided* that any assets received by Holdings or a Restricted Subsidiary in exchange for assets transferred by Holdings or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Restricted Cash” means cash and Cash Equivalents held by Holdings or any of its Restricted Subsidiaries that would appear as “restricted” on a consolidated balance sheet of Holdings or any of its Restricted Subsidiaries.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” means, at any time, any direct or indirect Subsidiary of Holdings (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided, however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of “Restricted Subsidiary.”

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“Sale and Lease-Back Transaction” means any arrangement providing for the leasing by Holdings or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by Holdings or such Restricted Subsidiary to a third Person in contemplation of such leasing.

“SEC” means the U.S. Securities and Exchange Commission.

“Secured Indebtedness” means any Indebtedness of Holdings or any of its Restricted Subsidiaries secured by a Lien.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Senior Secured Credit Facilities” means the Credit Agreement, dated as of October 1, 2019, among APi Group DE, Inc., Holdings, the several lenders and other parties from time to time parties thereto and Citibank, N.A., as administrative agent and collateral agent, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, as amended, supplemented or otherwise modified by Amendment No. 1 to Credit Agreement, dated as of October 22, 2020, and any other amendments, supplements, modifications, extensions, renewals, restatements, refundings or refinancings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” above).

“Senior Indebtedness” means any Indebtedness of the Company or any Guarantor that ranks *pari passu* in right of payment with the Notes or the Guarantee of such Guarantor, as the case may be. For the avoidance of doubt, any Indebtedness of the Company or any Guarantor that is permitted to be incurred under the terms of the indenture shall constitute Senior Indebtedness for the purposes of the Indenture unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinate in right of payment to the Notes or any related Guarantee.

“Senior Secured Leverage Ratio” means, as of the date of determination, the ratio of (a) the Secured Indebtedness of Holdings and its Restricted Subsidiaries as of such date of determination (determined after giving *pro forma* effect to such incurrence of Indebtedness, and each other incurrence, assumption, guarantee, redemption, retirement and extinguishment of Indebtedness as of such date of determination) to (b) EBITDA of Holdings and its Restricted Subsidiaries for the most recently ended four fiscal quarters ending immediately prior to such date for which internal financial statements are available. For purposes of determining the “Senior Secured Leverage Ratio,” “EBITDA” shall be subject to the adjustments applicable to “EBITDA” as provided for in the definition of “Fixed Charge Coverage Ratio.”

“Significant Subsidiary” means any Restricted Subsidiary 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.

“Similar Business” means any business conducted or proposed to be conducted by Holdings and its Restricted Subsidiaries on the Issue Date or any business that is similar, reasonably related, incidental or ancillary thereto or a reasonable extension, development or expansion of such business.

“Subordinated Indebtedness” means, with respect to the Notes,

(1) any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

“Subsidiary” means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(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 or otherwise, and

(b) such Person or any Restricted Subsidiary of such Person is a general partner or otherwise controls such entity.

“Subsidiary Guarantor” means each Restricted Subsidiary that Guarantees the Notes in accordance with the terms of the Indenture.

“Total Net Leverage Ratio” means, as of the date of determination, the ratio of (a) the Indebtedness of Holdings and its Restricted Subsidiaries as of such date of determination, *less* the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of Holdings and its Restricted Subsidiaries on a consolidated basis as of such date of determination (in each case, determined after giving *pro forma* effect to such incurrence of Indebtedness, and each other incurrence, assumption, guarantee, redemption, retirement and extinguishment of Indebtedness as of such date of determination), to (b) EBITDA of Holdings and its Restricted Subsidiaries for the most recently ended four fiscal quarters ending immediately prior to such date for which internal financial statements are available. For purposes of determining the “Total Net Leverage Ratio,” “EBITDA” shall be subject to the adjustments applicable to “EBITDA” as provided for in the definition of “Fixed Charge Coverage Ratio.”

“Treasury Rate” means, as of any Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption 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 Redemption Date to , 2024; *provided, however*, that if the period from the Redemption Date to , 2024 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.

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of Holdings (other than the Company and any Intermediate Parent) which at the time of determination is an Unrestricted Subsidiary (as designated by Holdings, as provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of Holdings (including any existing Subsidiary and any newly acquired or newly formed Subsidiary, but excluding the Company and any Intermediate Parent) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, Holdings or any Subsidiary of Holdings (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that

- (1) any Unrestricted Subsidiary must be an entity of which the Equity Interests entitled to cast at least a majority of the votes that may be cast by all Equity Interests having ordinary voting power for the election of directors or Persons performing a similar function are owned, directly or indirectly, by Holdings;
- (2) such designation complies with the covenant described under “Certain Covenants—Limitation on Restricted Payments”;
- (3) each of:
 - (a) the Subsidiary to be so designated; and
 - (b) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of Holdings or any Restricted Subsidiary;
- (4) and, *provided* that notwithstanding any provision of the Indenture to the contrary, if there are any transactions or a series of transactions occurring contemporaneously with a designation of a

Subsidiary as an Unrestricted Subsidiary, such designation shall be deemed made simultaneously with the occurrence of such contemporaneous transactions.

The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default shall have occurred and be continuing and either:

(1) Holdings could incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described in the first paragraph under “Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; or

(2) the Fixed Charge Coverage Ratio for Holdings and its Restricted Subsidiaries would be greater than such ratio for Holdings and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation.

Any such designation by the Company shall be notified by the Company to the Trustee by promptly filing with the Trustee a copy of the resolution of the board of directors of the Company or any committee thereof giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

Actions taken by an Unrestricted Subsidiary will not be deemed to have been taken, directly or indirectly, by Holdings or any Restricted Subsidiary.

“Voting Stock” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness or Disqualified 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 multiplied by the amount of such payment; by

(2) the sum of all such payments.

BOOK-ENTRY, DELIVERY AND FORM

The Notes are being offered and sold to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A (“Rule 144A Notes”). The Notes also may be offered and sold in offshore transactions in reliance on Regulation S (“Regulation S Notes”). Except as set forth below, the Notes will initially be issued in registered, global form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Rule 144A Global Notes”). Regulation S Notes initially will be represented by one or more temporary notes in registered, global form without interest coupons (collectively, the “Regulation S Temporary Global Notes”). The Rule 144A Global Notes and the Regulation S Temporary Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company (“DTC”), and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the “Restricted Period”), beneficial interests in the Regulation S Temporary Global Notes may be held only through Euroclear Bank S.A./N.V. as the operator of the Euroclear System (“Euroclear”), and Clearstream Banking, société anonyme (“Clearstream”) (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Within a reasonable time period after the expiration of the Restricted Period, the Regulation S Temporary Global Notes will be exchanged for one or more permanent notes in registered, global form without interest coupons (collectively, the “Regulation S Permanent Global Notes” and, together with the Regulation S Temporary Global Notes, the “Regulation S Global Notes;” the Regulation S Global Notes and the Rule 144A Global Notes collectively being the “Global Notes”) upon delivery to DTC of certification of compliance with the transfer restrictions applicable to the notes and pursuant to Regulation S as provided in the Indenture. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes or vice versa at any time except in the limited circumstances described below. See “—Exchanges Between Regulation S Notes and Rule 144A Notes.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form (“Certificated Notes”) except in the limited circumstances described below. See “—Exchange of Global Notes for Certificated Notes.” Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “Notice to Investors.” Regulation S Notes will also bear the legend as described under “Notice to Investors.” In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

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

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

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

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

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

Investors in the Rule 144A Global Notes that are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes that are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some jurisdictions may require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, beneficial owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of Certificated Notes and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

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

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

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

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, the Company or the Guarantors. None of the Company, the Guarantors nor the trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the notes, and the Company, the Guarantors and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under “Notice to Investors,” transfers between the Participants will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

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

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

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the Guarantors nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

- (1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Company fails to appoint a successor depositary;
- (2) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; *provided* that in no event shall the Regulation S Temporary Global Note be exchanged for Certificated Notes prior to (a) the expiration of the Restricted Period and (b) the receipt of any certificates required under the provisions of Regulation S; or
- (3) there has occurred and is continuing an Event of Default with respect to the Notes and DTC notifies the Trustee of its decision to exchange the Global Notes for Certificated Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Notice to Investors,” unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See “Notice to Investors.”

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- (1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and
- (2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the notes are being transferred to a Person:
 - (a) that the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;
 - (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
 - (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between a Regulation S Global Note and a Rule 144A Global Note will be effected by DTC by means of an instruction through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Notes prior to the expiration of the Restricted Period.

Certifications by Holders of the Regulation S Temporary Global Notes

A holder of a beneficial interest in the Regulation S Temporary Global Notes must provide Euroclear or Clearstream, as the case may be, with a certificate in the form required by the Indenture certifying that the beneficial owner of the interest in the Regulation S Temporary Global Note is either a non-U.S. person or a U.S. person that has purchased such interest in a transaction that is exempt from the registration requirements under the Securities Act, and Euroclear or Clearstream, as the case may be, must provide to the Trustee (or the paying agent if other than the Trustee) a certificate in the form required by the Indenture, prior to any exchange of such beneficial interest for a beneficial interest in the Regulation S Permanent Global Notes.

Same Day Settlement and Payment

The Company will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Company will make all payments of principal, premium, if any, and interest, with respect to Certificated Notes in the manner described above. The Notes represented by the Global Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day

for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain material U.S. federal income tax consequences to U.S. holders and non-U.S. holders (each as defined below) relating to the purchase, ownership, and disposition of the Notes. This discussion is based upon current provisions of Code, Treasury regulations promulgated thereunder, rulings, pronouncements, judicial decisions, and administrative interpretations of the IRS, in each case as in effect and publicly available on the date hereof, all of which are subject to change and differing interpretation, possibly on a retroactive basis, at any time by legislative, judicial, or administrative action. We cannot assure you that the IRS will not challenge the conclusions stated below or that a court will not find in the IRS's favor. No ruling from the IRS has been (or will be) sought on any of the matters discussed herein. The discussion set forth below is limited to holders who are the initial purchasers of the Notes for cash at their "issue price" (i.e., the first price at which a substantial amount of the Notes is sold to the public for cash, other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) and hold the Notes as capital assets within the meaning of Section 1221 of the Code.

The following discussion does not purport to be a complete analysis of all the potential U.S. federal income tax effects relating to the purchase, ownership, and disposition of the Notes. Without limiting the generality of the foregoing, this discussion does not address the effect of any rules applicable to holders that are subject to special treatment under the U.S. federal income tax laws, including, without limitation: traders and dealers in securities or currencies; insurance companies; financial institutions, banks, and thrifts; regulated investment companies, real estate investment trusts, controlled foreign corporations, and passive foreign investment companies; holders of the Existing Notes whose interests in the Existing Notes are redeemed in the Redemption; U.S. persons whose functional currency is not the U.S. Dollar; U.S. expatriates; persons who hold Notes as part of a straddle, hedge, conversion transaction, or other risk reduction or integrated investment transaction; holders of securities that elect to use a mark-to-market method of accounting for their securities holdings; individual retirement accounts, qualified pension plans, other retirement plans, and tax-deferred accounts; and pass-through entities, including partnerships and Subchapter S corporations, and beneficial owners of interests in such pass-through entities. Finally, this discussion does not address the effect of alternative minimum tax or the Medicare tax on net investment income, 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, any U.S. state or local tax laws, tax treaties or U.S. federal tax laws (other than U.S. federal income tax laws), or foreign tax laws.

Certain Contingent Payments

In certain circumstances, we have the option or may be obligated to pay amounts in excess of the stated interest or principal on the Notes. See "Description of Notes—Repurchase at the Option of Holders—Change of Control." The obligation to make such payments may implicate the provisions of Treasury regulations relating to "contingent payment debt instruments." According to applicable Treasury regulations, the possibility of any such payments will not cause the Notes to be treated as contingent payment debt instruments, if, as of the date the Notes are issued, such contingencies are considered "remote" or "incidental" (for instance, where there is a remote likelihood that the payment will be required or the potential amount of the payment is insignificant relative to the remaining payments on the debt instrument). In addition, under the applicable Treasury regulations, it is presumed that an issuer of a debt instrument will not exercise an option to pay amounts in excess of the stated interest or principal on such debt instrument if such payments would increase the yield on the debt instrument. We intend to take the position that the contingencies associated with the Notes should not cause the Notes to be subject to the contingent payment debt instrument rules. Our determination is binding on a holder unless such holder discloses its contrary position in the manner required by applicable Treasury regulations. Our determination is not, however, binding on the IRS, and if the IRS were to successfully challenge this determination, a holder might be required to accrue interest income at a higher rate than the stated interest rate on the Notes, and to treat as ordinary income any gain realized on the taxable disposition of a Note. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

U.S. Holders

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable for U.S. federal income tax purposes as a corporation) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or if a valid election is in effect under applicable Treasury regulations to treat the trust as a United States person.

Taxation of Interest

Stated interest payable on a Note generally will be taxable to a U.S. holder as ordinary interest income at the time it is received or accrued, in accordance with such U.S. holder’s regular method of accounting for U.S. federal income tax purposes.

The Notes may be issued with OID for U.S. federal income tax purposes. In such event, U.S. holders generally will be required to include such OID in gross income (as ordinary interest income) for U.S. federal income tax purposes under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders will generally include any OID in income in advance of the receipt of cash attributable to such income. The Notes will be treated as issued with OID if the stated principal amount of the Notes exceeds their issue price by an amount equal to or more than a statutorily defined de minimis amount (generally, 0.0025 multiplied by the stated principal amount and the number of complete years to maturity from the issue date).

Sale, Exchange, or Retirement of a Note

A U.S. holder generally will recognize capital gain or loss on a sale, exchange, redemption, retirement, or other taxable disposition of a Note, equal to the difference, if any, between (i) the amount of cash and the fair market value of any property received (other than any cash or other property attributable to accrued and unpaid stated interest on the Note, which will be taxable as ordinary income to the extent not previously so taxed), and (ii) the U.S. holder’s adjusted tax basis in the Note. A U.S. holder’s adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder, increased by any OID previously included in income.

Any such capital gain or loss will be treated as a long-term capital gain or loss if, at the time of the sale or other taxable disposition, the Note has been held by the U.S. holder for more than one year; otherwise, the capital gain or loss will be short-term. Non-corporate U.S. holders may be subject to a reduced U.S. federal income tax rate on their net long-term capital gains. All U.S. holders are entitled to certain limitations on the deductibility of capital losses.

Non-U.S. Holders

The following summary is limited to certain material U.S. federal income tax consequences relevant to a beneficial owner of a Note that is for U.S. federal income tax purposes an individual, corporation, trust or estate and is not a U.S. holder (a “non-U.S. holder”).

Taxation of Interest and OID

Subject to the summaries regarding backup withholding and FATCA below, payments of interest (including, for purposes of this section, “—Non-U.S. Holders,” and OID, if any) on a Note to any non-U.S. holder generally will not be subject to U.S. federal income or withholding tax provided the interest is not effectively connected with such non-U.S. holder’s conduct of a U.S. trade or business, the non-U.S. holder provides to us or the person otherwise

responsible for withholding U.S. federal income tax from payments on the Notes an appropriate certification of such non-U.S. holder's foreign status, and such non-U.S. holder is not:

- an actual or constructive owner of 10% or more of the total combined voting power of all of the voting stock of the Company; or
- a controlled foreign corporation related, actually or constructively, to the Company through stock ownership.

In order to satisfy the certification requirement, the non-U.S. holder must generally provide a properly completed IRS Form W-8BEN or Form W-8BEN-E (or appropriate substitute or successor form) to us or the applicable withholding agent. When a security clearing organization, bank, financial institution, or other agent holds the Notes in the ordinary course of its trade or business on behalf of the non-U.S. holder, the non-U.S. holder may be required to provide appropriate documentation to such agent. Special rules apply to foreign partnerships, estates and trusts and, in certain circumstances, certifications as to foreign status of partners, trust owners or beneficiaries may have to be provided to the applicable withholding agent or to us. In addition, special rules apply to payments made through a qualified intermediary.

If a non-U.S. holder does not qualify for an exemption from U.S. taxation in accordance with the rules described above, interest income will be subject to withholding tax at the rate of 30% at the time the interest is paid, unless the non-U.S. holder provides us or the applicable withholding agent, as applicable, with a properly executed IRS Form W-8BEN or Form W-8BEN-E (or successor form) claiming an exemption from or reduction in withholding due to the benefit of an applicable U.S. income tax treaty, or IRS Form W-8ECI (or successor form) stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business. If a non-U.S. holder is engaged in a trade or business in the United States and interest on a Note is effectively connected with the conduct of that trade or business or, if a U.S. income tax treaty applies, the non-U.S. holder maintains a "permanent establishment" in the United States to which the income is attributable, the non-U.S. holder will be subject to U.S. federal income tax on a net income basis at the rates generally applicable to U.S. holders.

If a non-U.S. holder is a corporation for U.S. federal income tax purposes and the Notes are effectively connected with its conduct of a U.S. trade or business, such corporation may be subject to a 30% branch profits tax (or such lower rate specified by an applicable income tax treaty) with respect to profits resulting from such interest.

Sale, Exchange, or Retirement of a Note

Subject to the summaries regarding backup withholding and FATCA below, any gain realized by a non-U.S. holder on the sale, exchange, redemption, retirement, or other taxable disposition of a Note generally will not be subject to U.S. federal income tax, unless:

- such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business within the United States (and, if an applicable income tax treaty so provides, is attributable to a United States "permanent establishment"), in which case such gain will generally be taxable in the same manner as that applicable to a U.S. holder, as described above; or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied, in which case, such gain (net of certain U.S. source capital losses, provided the non-U.S. holder timely files U.S. federal income tax returns with respect to such losses) will be subject to tax at a 30% rate (or lower applicable treaty rate).

Proceeds from the disposition of a Note that are attributable to accrued but unpaid interest generally will be subject to, or exempt from, tax to the same extent as described above with respect to interest paid on a Note.

If a non-U.S. holder is a corporation for U.S. federal income tax purposes and the gain realized from the sale or other taxable disposition of a Note is effectively connected with such non-U.S. holder's conduct of a U.S. trade or business, such corporation may be subject to a 30% branch profits tax (or such lower rate specified by an applicable income tax treaty) with respect to profits resulting from such gain.

FATCA

Section 1471 to 1474 of the Code (such Sections commonly referred to as FATCA) generally imposes a U.S. federal withholding tax of 30% on payments of interest (including any OID) and, subject to the proposed Treasury regulations discussed below, payments of gross proceeds from the disposition of a Note to a “foreign financial institution” (as defined in the Code) (an “FFI”) unless the FFI (1) enters into an agreement with the IRS (or is subject to an applicable intergovernmental agreement) to withhold on certain payments and to collect and provide to the IRS (or local revenue authorities, as required under an applicable intergovernmental agreement) information regarding United States persons who hold accounts with the FFI and its affiliates (including certain foreign entities owned by United States persons), and (2) provides the payor with a properly completed IRS Form W-8BEN-E to document its status or the FFI otherwise qualifies for an exemption. This IRS Form W-8BEN-E must include the FFI’s Global Intermediary Identification Number, which is obtained by registering with the IRS. FATCA may also impose a 30% withholding tax on payments of interest (including any OID) and, subject to the proposed Treasury regulations discussed below, payments of gross proceeds from the disposition of a Note to a “non-financial foreign entity” (as defined in the Code) unless the entity provides the withholding agent with a properly completed IRS Form W-8BEN-E certifying that it does not have any “substantial United States owners” (as defined in the Code) or identifying its direct and indirect substantial United States owners or the entity otherwise qualifies for an exemption.

While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a Note, proposed Treasury regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury regulations are issued.

Holders should consult with their tax advisors regarding the possible implications of FATCA with respect to an investment in the Notes.

Backup Withholding and Information Reporting

U.S. Holders. Payments of interest and OID, if any, on, or the proceeds of the sale or other taxable disposition of, a Note are generally subject to information reporting unless the U.S. holder is an exempt recipient (such as a corporation). Such payments may also be subject to backup withholding at the applicable rate if the U.S. holder fails to supply a correct taxpayer identification number, fails to certify that the IRS has not notified it that it is subject to backup withholding, or otherwise fails to establish an exemption from backup withholding. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against that U.S. holder’s U.S. federal income tax liability, provided the U.S. holder properly and timely provides certain information to the IRS.

Non-U.S. Holders. In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of interest or OID, if any, on, and gross proceeds from the disposition of, the Notes, provided that the applicable withholding agent does not have actual knowledge or reason to know that such a non-U.S. holder is a United States person and such non-U.S. holder has provided the applicable withholding agent appropriate certification of the non-U.S. holder’s non-U.S. status, as discussed above. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such non-U.S. holder’s U.S. federal income tax liability provided the required information is properly and timely furnished to the IRS. The name and address of the non-U.S. holder, the amount of interest paid on a Note, and the amount, if any, of tax withheld generally will be reported to the IRS. Copies of the information returns reporting such payments may also be made available to the tax authorities of the country in which the non-U.S. holder resides under the provisions of an applicable treaty or agreement.

The preceding discussion of certain material U.S. federal income tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its tax advisor regarding the particular U.S. federal, state, local and foreign tax consequences of purchasing, holding, and disposing of the Notes, including the consequences of any proposed change in applicable laws.

CERTAIN ERISA CONSIDERATIONS

This disclosure was written in connection with the promotion and marketing of the Notes and it cannot be used by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Code. Prospective purchasers of the Notes should consult their own tax advisors with respect to the application of the U.S. federal income tax laws to their particular situations.

The following is a summary of certain considerations associated with the purchase and holding of the Notes by employee benefit plans that are subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, and entities whose underlying assets are considered to include “plan assets” of such employee benefit plans, plans, accounts or arrangements (as defined by Section 3(42) of ERISA and 29 C.F.R. Section 2510.3-101) (each, an “**ERISA Plan**”). Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code; however, such plans may be subject to non-U.S., federal, state, or local laws or regulations that are substantially similar to Title I of ERISA or Section 4975 of the Code (“**Similar Laws**”) or which otherwise affect their ability to invest in the Notes. Any fiduciary of such a governmental, church or non-U.S. plan considering an investment in the Notes (together with ERISA Plans, “**Plans**”) should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of an ERISA Plan and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation with respect to the assets of such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a Plan fiduciary should consult with its counsel in order to determine the suitability of the Notes for such Plan, including whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan and the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations. In addition, a fiduciary of a Plan should consult with its counsel in order to determine if the investment satisfies the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each ERISA Plan should consider the fact that we and none of the initial purchasers or their respective affiliates (collectively, the “**Transaction Parties**”) is acting, or will act, as a fiduciary to any ERISA Plan with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the Notes. All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes for any specific purchaser. The decision to purchase and hold the Notes must be made solely by each prospective ERISA Plan purchaser on an arm’s length basis.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest”, within the meaning of ERISA, or “disqualified persons”, within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction. Such “prohibited transactions” include, without limitation, (1) a direct or indirect extension of credit to a party in interest or to a disqualified person, (2) the sale or exchange of any property between an ERISA Plan and a party in interest or a disqualified person, or (3) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any plan assets.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject

to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which any Transaction Party is considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of the Notes by an ERISA Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such Notes and the relationship of the party in interest or disqualified person to the ERISA Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between an ERISA Plan and non-fiduciary service providers to the ERISA Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions (“PTCEs”) that may apply to the acquisition and holding of the Notes. These class exemptions (as may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent “qualified professional asset managers”), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting life insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of an ERISA Plan that is considering acquiring and/or holding the Notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the notes.

Similar Laws governing the investment and management of the assets of governmental plans, certain church plans and non-U.S. plans which are not subject to ERISA and the Code may contain fiduciary responsibility and prohibited transaction requirements similar to those under Title I of ERISA and Section 4975 of the Code. Accordingly, fiduciaries of such Plans, in consultation with their counsel, should consider the impact of Similar Laws on investments in the Notes and the considerations discussed above, to the extent applicable.

Because of the foregoing, the Notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such acquisition, holding and subsequent disposition (i) are entitled to exemption relief from the prohibited transaction provisions of ERISA and the Code and are otherwise permissible under all applicable Similar Laws or (ii) will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

The foregoing discussion is necessarily general in nature, is not intended to be all-inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes (and holding the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable.

Representation

Accordingly, by acceptance of a Note, each purchaser and subsequent transferee will be deemed to have represented and agreed that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes or an interest therein constitutes assets of any Plan or (ii) (a) the acquisition, holding and disposition by such purchaser or transferee of the Notes or an interest therein will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws, and (b) none of the Transaction Parties has acted as the Plan’s fiduciary, or has been relied upon for any advice, with respect to the Plan’s decision to acquire a Note and none of the Transaction Parties will at any time be relied upon as the Plan’s fiduciary with respect to any decision to acquire, continue to hold or transfer a Note.

TRANSFER RESTRICTIONS

The Notes have not been registered under the Securities Act 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 under the Securities Act) except to (a) “qualified institutional buyers” in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) persons in offshore transactions in reliance on Regulation S.

Each purchaser of Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used in this offering circular as defined therein):

(1) The purchaser (A) (i) is a “qualified institutional buyer,” (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Notes for its own account or for the account of a qualified institutional buyer or (B) is not a U.S. Person and is purchasing such Notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been, and except as described in the offering circular, will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, sold, pledged or otherwise transferred only (i) to APi Group DE, Inc. or its subsidiaries, (ii) in the United States to a person whom the seller reasonably believes is a “qualified institutional buyer” in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) or (v) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (v) in accordance with any applicable securities laws of any state of the United States, and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred to in (A) above.

(3) The purchaser understands that the Notes will, until the expiration of the applicable holding period with respect to the Notes set forth in paragraph (d) of Rule 144 promulgated under the Securities Act, unless otherwise agreed by us and the holder thereof, bear a legend substantially to the following effect:

This security (or its predecessor) was originally issued in a transaction exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and this security may not be offered, sold or otherwise transferred in the absence of such registration or an applicable exemption therefrom. Each purchaser of this security is notified that the seller of this security may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder. By its acquisition hereof, the holder of this security (1) represents that it is a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) or it is not a U.S. person and is acquiring this security in an offshore transaction in compliance with Rule 904 under the Securities Act.

The holder of this security agrees for the benefit of APi Group DE, Inc. that (a) this security may be offered, resold, pledged or otherwise transferred, only (i) to APi Group DE, Inc. or its subsidiaries, (ii) inside the United States to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an offshore transaction in accordance with Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (v) in accordance with any applicable securities laws of any state of the United States, and (b) the holder will, and each subsequent holder is required

to, notify any purchaser of this security from it of the resale restrictions referred to in (a) above.

(4) Either (A) the purchaser is not purchasing the Notes (or any interest therein) on behalf of, or with the “plan assets” of, any Plan or (B) (i) the purchaser’s purchase, holding and subsequent disposition of the Notes (or any interest therein) will not constitute or result in a prohibited transaction under Section 406 or of the Code ERISA or Section 4975 of the Code or a violation under any provision of Similar Law and (ii) none of the Transaction Parties has acted as the Plan’s fiduciary, or has been relied upon for any advice, with respect to the Plan’s decision to acquire a Note and none of the Transaction Parties will at any time be relied upon as the Plan’s fiduciary with respect to any decision to acquire, continue to hold or transfer a Note.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in the purchase agreement dated the date of this offering circular, we have agreed to sell to the initial purchasers, and the initial purchasers for whom Citigroup Global Markets Inc. is acting as representative, have agreed, severally and not jointly, to purchase from us, the following principal respective amount of the Notes:

Initial Purchasers	Principal Amount of the Notes
Citigroup Global Markets Inc.....	\$
Barclays Capital Inc.	
UBS Securities LLC	
BofA Securities, Inc.	
U.S. Bancorp Investments, Inc.	
Total	\$

One or more of the initial purchasers may use affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions in which such initial purchasers are not otherwise permitted to do so.

The purchase agreement provides that the initial purchasers are obligated to purchase all of the Notes if any are purchased. The purchase agreement also provides that if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated.

The initial purchasers propose to offer the Notes in the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States to non-U.S. persons in reliance on Regulations S initially at the offering price on the cover page of this offering circular. After the initial offering, the offering price may be changed.

The Issuer and the guarantors have agreed not to, directly or indirectly,

- offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any of our debt securities substantially similar to the Notes or securities convertible into or exchangeable for such debt securities, or sell or grant options, rights or warrants with respect to such debt securities or securities convertible into or exchangeable for such debt securities or
- publicly announce an offering of any of our debt securities substantially similar to the Notes or securities convertible or exchangeable into our debt securities, for a period of 60 days after the date of this offering circular, in each case without the prior written consent of Citigroup Global Markets Inc. on behalf of the initial purchasers.

We have agreed to indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act.

The Notes are a new issue of securities for which there currently is no market. The initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes.

We expect that delivery of the Notes will be made against payment therefor on or about the closing date specified on the cover page of this offering circular, which will be the business day following the date of pricing of such Notes (this settlement cycle being referred to as “T+ ”). Under Rule 15c6-1 of the SEC under the Exchange Act trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes before the Notes are delivered will be required, by virtue of the fact that the Notes initially will settle T+ , to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes before the Notes are delivered should consult their own advisors.

The initial purchasers may engage in over allotment, stabilizing transactions and covering transactions in accordance with Regulation M under the Exchange Act, as follows:

- over allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers;
- stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum; and
- covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and certain of their respective affiliates have, from time to time, provided, and may in the future provide, investment banking, commercial banking and financial advisory services to us and our affiliates, for which they have received customary compensation. The initial purchasers and their respective affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt securities or loans, and may do so in the future. In addition, certain initial purchasers and/or their affiliates are agents and/or lenders under the 2020 Term Loan and the 2019 Term Loan and therefore will receive a portion of the net proceeds from this offering. See “Use of Proceeds.”

If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

Rule 144A and Regulation S

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which it sells Notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the Notes are restricted as described under “Transfer Restrictions.”

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by a broker/dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Selling Restrictions

This offering circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorized, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the Notes or possession or distribution of this offering circular or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each initial purchaser has undertaken

that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

European Economic Area

The securities 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 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

In connection with the offering, the underwriters are not acting for anyone other than the issuer and will not be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

The above selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of securities in the UK will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of securities.

In connection with the offering, the underwriters are not acting for anyone other than the issuer and will not be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of 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) to (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 (“FSMA”)) in connection with the issue or sale of any securities 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.

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 circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

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

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the "Financial Instruments and Exchange Law") and each initial purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and (ii) any other applicable laws, regulations, and ministerial guidelines of Japan.

Singapore

This offering circular has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

(1) to an institutional investor (as defined in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, referred to as the "SFA") pursuant to Section 274 of the SFA;

(2) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 257(1A) and in accordance with the conditions specified in Section 275 of the SFA; or

(3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Whether the Notes are subscribed or purchased under Section 275 by a relevant person that is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor pursuant to Section 274 of the SFA or to a relevant person pursuant to Section 275(1) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where to transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Section 309B(1)(c) of the SFA—In connection with Section 309B of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Notes shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this offering circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

LEGAL MATTERS

Certain legal matters in connection with the validity of the Notes offered hereby will be passed upon for us by Kane Kessler, P.C., New York, NY. Certain legal matters in connection with this offering circular will be passed upon for the initial purchasers by Latham & Watkins LLP, New York, NY.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements incorporated in this offering circular by reference to the Annual Report on Form 10-K for the year ended December 31, 2020, and the effectiveness of internal control over financial reporting as of December 31, 2020 have been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report incorporated herein.



\$300,000,000
% Senior Notes due 2029

OFFERING CIRCULAR

Citigroup
Barclays
UBS Investment Bank
BofA Securities
US Bancorp

, 2021
