Subject to completion, dated September 27, 2021

PRELIMINARY OFFERING MEMORANDUM **CONFIDENTIAL**

$7,770,000,000

Mozart Debt Merger Sub Inc.

(to be merged with and into Medline Borrower, LP, following which Medline Co-Issuer, Inc. will become the co-issuer)

$3,770,000,000 % Senior Secured Notes due 2029
$4,000,000,000 % Senior Notes due 2029

Mozart Debt Merger Sub Inc., a Delaware corporation ("Merger Sub"), is offering $3,770,000,000 aggregate principal amount of its % senior secured notes due 2029 (the "secured notes") and $4,000,000,000 aggregate principal amount of its % senior notes due 2029 (the "unsecured notes" and, together with the secured notes, the "notes," and each a separate "series" of notes). The secured notes will bear interest at a rate of % per annum, and the unsecured notes will bear interest at a rate of % per annum. The Issuer (as defined herein) will pay interest on the notes semi-annually in cash in arrears on and of each year, beginning on , 2022. The secured notes will mature on , 2029, and the unsecured notes will mature on , 2029.

This offering is part of the financing for the proposed acquisition of a majority of Mozart Holdings, LP, a Delaware limited partnership ("Mozart Parent"), which is the indirect parent of Medline Industries, LP, an Illinois limited partnership ("Medline Parent"), and its consolidated subsidiaries (collectively, "Medline"), by certain investment funds affiliated with Blackstone Inc. ("Blackstone"), The Carlyle Group, Inc. ("Carlyle") and Hellman & Friedman LLC ("H&F" and, together with Blackstone and Carlyle, the "Sponsors"), pursuant to a purchase and sale agreement, dated as of June 5, 2021 (the "Purchase and Sale Agreement"), by and among Medline Parent, Mozart HoldCo, Inc., Mozart Buyer LP, Merger Sub and Mozart RE Debt Merger Sub Inc. Pursuant to the Purchase and Sale Agreement, the Sponsor Purchasers (as defined herein) will acquire equity interests of Mozart Parent, and certain other transactions will take place, the result of which is the Sponsor Purchasers and the Existing Investors (as defined herein) will directly or indirectly beneficially own approximately 79% and 21%, respectively, of the issued and outstanding equity interests of Mozart Parent and its consolidated subsidiaries (we refer to the transactions described in this sentence collectively as the "Acquisition"). As part of the Acquisition, Merger Sub will be merged with and into Medline Borrower, LP ("Medline Borrower"), with Medline Borrower continuing as the surviving entity and as an indirect wholly-owned subsidiary of Mozart Parent (the "Merger"). Concurrently with the consummation of the Merger, Medline Borrower and Medline Co-Issuer, Inc., a Delaware corporation to be formed prior to the closing of the Acquisition ("Medline Co-Issuer"), will jointly assume all of the obligations of Merger Sub under the notes and the related indentures. Upon the closing of this offering, or upon release of the funds from the segregated escrow accounts if this offering is not consummated simultaneously with the closing of the Acquisition, we intend to use the net proceeds from this offering or the funds from such segregated escrow accounts, together with borrowings under our New Senior Secured Credit Facilities (as defined herein), the proceeds of the CMBS Financing (as defined herein) and cash and equity contributions by the Sponsor Purchasers to (i) finance the consummation of the Acquisition and other transactions contemplated by the Purchase and Sale Agreement, including amounts payable thereunder, (ii) provide cash on hand to Medline and (iii) pay related fees, costs, premiums and expenses in connection with these transactions (we refer to this offering, the entry into and borrowings under our New Senior Secured Credit Facilities and the CMBS Financing, the Acquisition and the other transactions described in this sentence collectively as the "Transactions"). See "Summary—The Transactions" and "Use of Proceeds."

Unless the Acquisition is consummated simultaneously with this offering, the Issuer will deposit (or cause to be deposited) the gross proceeds from this offering of each series of notes into segregated escrow accounts for such series of notes for the benefit of the holders of such series of notes, as applicable. The release of the escrowed funds will be subject to the Escrow Release Conditions (as defined herein) set forth in the Escrow Agreement (as defined herein). If the consummation of the Acquisition does not occur on or prior to the Outside Date (as defined herein) or if the Issuer notifies the Escrow Agent (as defined herein) and the trustees that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or that the Purchase and Sale Agreement has been terminated, the Issuer must redeem the notes on the Special Mandatory Redemption Date (as defined herein) at the applicable Special Mandatory Redemption Price (as defined herein), in each case, pursuant to the terms of the indentures that will govern the notes. See "Description of Secured Notes—Escrow of Proceeds; Special Mandatory Redemption" and "Description of Unsecured Notes—Escrow of Proceeds; Special Mandatory Redemption."

(continued on next page)

Joint Book-Running Managers

J.P. Morgan (Lead for Senior Secured Notes)

Goldman Sachs & Co. LLC (Lead for Senior Notes)

BofA Securities **Barclays** **Morgan Stanley** **MUFG**

BMO Capital Markets **Citigroup** **Deutsche Bank Securities** **HSBC** **Jefferies** **Macquarie Capital** **UBS Investment Bank** **Wells Fargo Securities**

BNP Paribas **Credit Suisse** **Mizuho Securities** **Nomura** **RBC Capital Markets** **Santander** **Truist Securities**

ING **Scotiabank** **SOCIETE GENERALE** **SMBC Nikko** **TD Securities**

Co-Managers

Blackstone **TCG Capital Markets L.L.C.**

Offering Memorandum dated , 2021.

At any time prior to , 2024, the Issuer may redeem some or all of the secured notes at a redemption price equal to 100% of the principal amount of the secured notes to be redeemed, plus a make-whole premium, together with accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after, 2024, the Issuer may redeem some or all of the secured notes at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to , 2024, the Issuer may redeem up to 40% of the aggregate principal amount of the secured notes with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption price set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to , 2024, the Issuer may redeem up to 10% of the aggregate principal amount of the secured notes during each calendar year following the issuance of the secured notes at a redemption price of 103% of the principal amount of the secured notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See "Description of Secured Notes—Optional Redemption."

At any time prior to , 2024, the Issuer may redeem some or all of the unsecured notes at a redemption price equal to 100% of the principal amount of the unsecured notes to be redeemed, plus a make-whole premium, together with accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after , 2024, the Issuer may redeem some or all of the unsecured notes at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to , 2024, the Issuer may redeem up to 40% of the aggregate principal amount of the unsecured notes with an amount not to exceed the net cash proceeds from certain equity offerings at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time on or after , 2022 and prior to , 2024, the Issuer may redeem all, but not less than all, of the unsecured notes with an amount not to exceed the net cash proceeds from any Qualified IPO (as defined herein) at the applicable redemption price set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See "Description of Unsecured Notes—Optional Redemption." If we sell certain of our assets or experience specific kinds of changes of control, subject to certain exceptions, the Issuer must offer to purchase all of the notes at the applicable repurchase prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase.

Prior to the consummation of the Acquisition and pending satisfaction of the Escrow Release Conditions, if applicable, the notes will not be guaranteed by any of the guarantors (as defined below) and will be secured only by an exclusive first-priority lien on the applicable escrow account and the funds held in the applicable escrow account relating to such series of notes. Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the notes will be guaranteed, jointly and severally, by Medline Intermediate, LP, a Delaware limited partnership ("Holdings") that will be the direct parent of the Issuer, and each of the Issuer's wholly-owned domestic restricted subsidiaries (the "guarantors") that guarantee our New Senior Secured Credit Facilities (the "guarantees") and the notes will be co-issued by Medline Co-Issuer. Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the secured notes and related guarantees will be secured by substantially all assets of the Issuer and the guarantors which assets will also secure the Issuer's and the guarantors' obligations under our New Senior Secured Credit Facilities on a pari passu basis, subject to permitted liens, and rank equally in priority as to the collateral securing the secured notes with respect to borrowings and guarantees under our New Senior Secured Credit Facilities and any other pari passu indebtedness. See "Description of Secured Notes—Security for the Secured Notes." The secured notes and the related guarantees will be senior secured obligations and will rank equally in right of payment with all of the Issuer's and guarantors' existing and future senior indebtedness. The secured notes and the related guarantees will be effectively senior to any of the Issuer's and guarantors' existing and future unsecured indebtedness, to the extent of the value of the assets securing the secured notes. Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the unsecured notes and the related guarantees will not be secured by any collateral. The unsecured notes and the related guarantees will be senior unsecured obligations and will rank equally in right of payment with all of the Issuer's and the guarantors' existing and future senior indebtedness. The unsecured notes and the related guarantees will be effectively subordinated to any of the Issuer's and guarantors' existing and future secured indebtedness, including the New Senior Secured Credit Facilities and the secured notes, to the extent of the value of the collateral securing such indebtedness. In addition, the notes and the guarantees will rank senior in right of payment to all of the Issuer's and guarantors' future subordinated indebtedness and will be structurally subordinated to the existing and future indebtedness, claims of holders of preferred stock and other liabilities of any subsidiary of the Issuer that is not a guarantor of the notes, including the CMBS Financing.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page 34.

Offering price of the secured notes:	**%, plus accrued interest, if any from , 2021.**
Offering price of the unsecured notes:	**%, plus accrued interest, if any from , 2021.**

The notes and the 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 only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act ("Rule 144A") and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the notes may be relying on the exemption from Section 5 of the Securities Act pursuant to Rule 144A. For a description of certain information about eligible offerees and restrictions on transfers of the notes, see "Transfer Restrictions" and "Plan of Distribution."

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

There is currently no public market for the notes. The notes will not be listed on any securities exchange or automated quotation system.

The initial purchasers of the notes expect to deliver to investors the notes only in book-entry form through the facilities of The Depository Trust Company ("DTC") for the benefit of its participants, including Euroclear Bank, S.A./N.V. and Clearstream Banking, *société anonyme*, on or about , 2021.

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Notice to Investors

The Issuer and the guarantors have not, and the initial purchasers and their affiliates and agents have not, authorized any person to provide any information or represent anything about us other than what is contained in this offering memorandum. The Issuer and the guarantors do not, and the initial purchasers and their affiliates and agents do not, take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. None of the Issuer, the guarantors or the initial purchasers is making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. The information contained in this offering memorandum speaks only as of the date of the document containing such information. Our business, financial condition, liquidity, results of operations and prospects may have changed subsequent to any such date.

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

This offering memorandum is highly confidential and has been prepared by us solely for use in connection with the proposed offering of the notes described herein, and solely for use in connection with the offer of the notes to persons reasonably believed to be qualified institutional buyers under Rule 144A and to certain non-U.S.

persons outside the United States under Regulation S. This offering memorandum is confidential and personal to each offeree and does not constitute an offer or solicitation of an offer from any other person or the public generally to subscribe for or otherwise acquire the notes. Distribution of this offering memorandum to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. You may not reproduce or distribute this offering memorandum, in whole or in part. Each offeree, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum.

We have provided the information contained in this offering memorandum. The initial purchasers make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers.

The initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the notes that, if commenced, may be discontinued. Specifically, the initial purchasers may over-allot in connection with this offering and may bid for and purchase the notes in the open market. For a description of these activities, see "Plan of Distribution."

The notes are subject to restrictions on resale and transfer as described under the heading "Transfer Restrictions" in this offering memorandum. By purchasing the notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements as set forth under the heading "Transfer Restrictions" in this offering memorandum. You should understand that you may be required to bear the financial risks of investing in the notes for an indefinite period of time. For a further description of certain restrictions on the offering and sale of the notes and the distribution of this offering memorandum, see "Plan of Distribution."

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

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

Each prospective purchaser of the notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the initial purchasers shall have any responsibility therefor. We and the initial purchasers are not responsible for your compliance with these legal requirements. We are not making any representation to you regarding the legality of your investment in the notes under any legal investment or similar law or regulation. We make no representation

to you that the notes are a legal investment for you. You should not consider any information in this offering memorandum to be legal, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, business, tax or other advice regarding an investment in the notes. Neither the delivery of this offering memorandum nor any sale made pursuant to this offering memorandum implies that any information set forth in this offering memorandum is correct as of any date after the date of this offering memorandum.

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 be available in book-entry form only. We expect that the notes sold pursuant to this offering memorandum will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates relating to the notes will be shown on, and transfers of such global certificates will be effected only through, records maintained by DTC and its direct and indirect participants. 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 indentures that will govern the secured notes and the unsecured notes. See "Book Entry, Delivery and Form."

You should contact the initial purchasers with any questions about this offering or if you require additional information regarding the information contained in this offering memorandum.

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

Certain monetary amounts, percentages and other figures included in this offering memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THERE ARE NO REGISTRATION RIGHTS ASSOCIATED WITH THE NOTES OR THE GUARANTEES.

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

No Review by the SEC; No Registration Rights

This offering memorandum, as well as any other documents in connection with this offering, will not be reviewed by the United States Securities and Exchange Commission (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 indentures that will govern the notes will not be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

Non-GAAP Financial Measures

Management uses Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow to evaluate and manage the performance of our business, make resource allocation decisions and compensate key personnel as these metrics provide greater understanding with respect to the results of our operations. Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow are supplemental measures that are not required by or presented in accordance with GAAP.

We evaluate our operating performance using a metric we refer to as Adjusted EBITDA. We define Adjusted EBITDA as net income (loss) adjusted for interest, tax, depreciation and amortization as further adjusted to exclude certain items that we do not consider indicative of our core operating performance or that impact comparison of the performance of our businesses either period-over-period or with other businesses as more fully described below. We define Further Adjusted EBITDA as Adjusted EBITDA on a pro forma basis for the twelve months ended June 26, 2021, adjusted for the historical Adjusted EBITDA of acquisitions, assuming such acquisitions were made at the beginning of the earliest period presented, the estimated net favorable impact to our business from elevated demand for certain of our products due to the COVID-19 pandemic, as well as the estimated run rate impact of signed contracts and net rent payments under the Master Lease (as defined herein) (assuming the completion of the CMBS Loan (as defined below)). We use Adjusted EBITDA and Further Adjusted EBITDA to compare our operating results on a consistent basis. We present Adjusted EBITDA and Further Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance, and we believe that Adjusted EBITDA and Further Adjusted EBITDA provide useful information to investors in understanding and evaluating our operating results. Adjusted EBITDA and Further Adjusted EBITDA do not reflect certain cash expenses that we are obligated to make, and although depreciation and amortization are non-cash charges, assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Further Adjusted EBITDA do not reflect any cash requirements for such replacements.

We define Free Cash Flow as Adjusted EBITDA less total net capital expenditures for the applicable period (capital expenditures less proceeds received on sale of fixed assets). We use Free Cash Flow to evaluate our ability to generate cash that can be used for working capital requirements, interest expense, repayment of indebtedness, member distributions, acquisitions and for continued re-investment into our business.

Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow are not measurements of financial performance or liquidity under GAAP. In evaluating our performance as measured by Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow, management recognizes and considers the limitations of these measures. Other companies in our industry may calculate Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow differently than we do or may not calculate them at all, limiting their usefulness as comparative measures. Because of these limitations, Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow should not be considered in isolation or as substitutes for net income (loss), cash flow from operations or any other measure calculated in accordance with GAAP, as applicable, and should be considered together with our GAAP financial measures and the reconciliations to the corresponding GAAP financial measures set forth in this offering memorandum.

Basis of Presentation and Other Information

The following terms are used in this offering memorandum unless otherwise noted or indicated by the context.

- "Alternative RE Borrower" means (i) prior to the consummation of the Transactions, Mozart RE Debt Merger Sub Inc., and (ii) upon the consummation of the Transactions, Mozart Real Estate Holdings, LP, and in each case not including any of their respective subsidiaries;
- "CMBS Borrower" refers to the subsidiaries of Mozart Real Estate Holdings, LP that will be borrowers under the CMBS Loan (as defined herein);
- "Existing Investors" means the direct and indirect holders of Mozart Parent's equity interests as of immediately prior to the completion of the Acquisition, which consists of the Mills Family Investors, and certain members of the management of Medline (which includes the Management Investors);
- "GAAP" means accounting principles generally accepted in the United States;
- "Holdings" means Medline Intermediate, LP, a Delaware limited partnership, which in connection with the Transactions will become the direct parent of the Issuer;
- "Investors" means, collectively, the Sponsor Purchasers, the Mills Family Investors and the Management Investors;
- "Issuer" refers to the issuer of the notes offered hereby, which, prior to the consummation of the Merger and the joint assumption by Medline Borrower and Medline Co-Issuer of the obligations under the notes and the related indentures, is Merger Sub, and, after the consummation of the Merger and the joint assumption by Medline Borrower and Medline Co-Issuer of the obligations under the notes and the related indentures, is Medline Borrower and Medline Co-Issuer, jointly, and in each case not including any of their respective subsidiaries.
- "Management Investors" means certain members of management of Medline, other than the Mills Family, that will indirectly own equity interests in Mozart Parent after giving effect to the Transactions;
- "Medline," the "Company," "we," "us" and "our" means, (i) when referring to the time period prior to the Transactions, Medline Parent and its consolidated subsidiaries and (ii) when referring to the time period after the Transactions, the Issuer and its consolidated subsidiaries;
- "Medline Parent" means Medline Industries, LP, an Illinois limited partnership (formerly Medline Industries, Inc., an Illinois corporation), not including any of its subsidiaries;
- "Mills Family Investors" means the current holders of equity interests of Medline Parent that are members of the Mills family;
- "Mozart Parent" means Mozart Holdings, LP, a Delaware limited partnership, which in connection with the Transactions will become the indirect parent of Medline Parent and its subsidiaries, including, upon consummation of the Transactions, the Issuer and Medline Co-Issuer; and
- "Sponsor Purchasers" means, collectively, the investment funds affiliated with the Sponsors and certain co-investors that will be the direct owners of economic interests in Mozart Parent following the consummation of the Transactions.

All references to years in this offering memorandum, unless otherwise noted, refer to our fiscal years, which end on December 31. Our fiscal quarters are based on a four-four-five-week calendar with periods ending on the Saturday of the last week in the quarter, with the exception of December 31st, which will always be the fiscal year-end date. This offering memorandum contains unaudited consolidated financial statements that present our results for the six months ended June 26, 2021 and June 27, 2020.

This offering memorandum presents the historical consolidated financial and other data of Medline Industries, Inc. (which converted to Medline Industries, LP, a limited partnership in connection with the Acquisition), which is a subsidiary of Mozart Parent. Each of Mozart Debt Merger Sub Inc. and Medline Borrower, LP are newly formed entities, and have had no business transactions or activities to date and had no material assets or liabilities during the periods presented in this offering memorandum. Medline Co-Issuer, Inc. will be incorporated under the laws of Delaware prior to the closing of the Acquisition.

Industry and Market Data

Unless otherwise indicated, information contained in this offering memorandum concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market size, is based on information from management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions, which we believe to be reasonable, made by us based on such data, as well as our knowledge of our industry, users, customers, services and products. You are cautioned not to give undue weight to such estimates. While we believe the estimated market position, market opportunity and market size information included in this offering memorandum are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. In addition, certain of these publications or estimates were published before the global COVID-19 pandemic and therefore do not reflect any impact of the COVID-19 pandemic on any specific market or globally.

Projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Trademarks and Copyrights

We own or have rights to trademarks, trade names and service marks that appear in this offering memorandum, including, but not limited to, Medline, Curad and Proxima, which are protected under applicable intellectual property laws. This offering memorandum also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this offering memorandum may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Special Note Regarding Forward-Looking Statements

This offering memorandum includes forward-looking statements that reflect our current views with respect to, among other things, our operations and financial performance. These forward-looking statements are included throughout this offering memorandum, including in the sections entitled "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. All statements other than those that are purely historical may be forward-looking statements. We may, in some cases, use words such as "project," "believe," "anticipate," "assume," "continue," "plan," "expect," "estimate," "intend," "contemplate," "should," "would," "could," "potentially," "predict,"

"project," "seek," "foreseeable," "will" or "may," or similar words or phrases that convey uncertainty of future events or outcomes, to identify forward-looking statements in this offering memorandum. Factors that may cause actual results to differ from expected results include:

- our reliance on third-party manufacturers, certain significant suppliers and third-party shippers;
- the impact of price fluctuations of key commodities on our manufacturing business;
- competition and accelerating price pressure in our markets;
- our ability to reduce expenses if we experience decreasing prices for our goods and services;
- our concentration in and dependence on certain healthcare provider customers and GPOs;
- consolidation in the healthcare industry;
- our ability to attract and retain key employees;
- changes to the global healthcare environment;
- uncertain global macro-economic and political conditions;
- inherent risks in our global operations;
- foreign currency exchange rate fluctuations;
- our dependence on positive perceptions of our reputation;
- climate change and legal, regulatory and market measures to address climate change;
- the cost of compliance with environmental, health and safety requirements;
- the impact of the COVID-19 pandemic;
- quality problems and product liability claims;
- the unfavorable outcome of legal proceedings we are involved in;
- the adequacy of our insurance program to cover future losses;
- our ability to comply with extensive and complex laws and governmental regulations and the cost of adverse regulatory actions;
- our ability to comply with anti-bribery laws, anti-corruption laws and those laws and regulations pertaining to economic sanctions;
- our ability to comply with laws and regulations relating to reimbursement of healthcare goods and services;
- our ability to obtain, maintain, protect and enforce our intellectual property rights;
- the cost of litigation brought by third parties claiming infringement, misappropriation or other violation by us of their intellectual property rights;
- our ability to comply with complex and rapidly evolving data privacy and security laws and regulations;
- our reliance on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain, and the impact of a breach, cyber-attack or other disruption to these systems or data;
- our reliance on the proper functioning of critical facilities and distribution networks;
- the impact of tax legislation and audits by tax authorities;

- potential requirements to recognize impairment charges related to goodwill, identified intangible assets and fixed assets;
- our ability to derive fully the anticipated benefits from our existing or future acquisitions, joint ventures, investments, dispositions or other strategic transactions;
- our ability to realize the expected benefits from the entry into new or amended contracts, planned cost-savings and business improvement initiatives;
- the impact of significant challenges or delays in the Company's sourcing of new products, technologies and indications;
- changes to the estimates and assumptions we make in connection with the preparation of the pro forma financial statements included herein;
- our substantial indebtedness and ability to incur substantially more debt;
- our exposure to the financial risks associated with interest rate fluctuations on our variable rate debt;
- our ability to generate sufficient cash to service our debt, including the notes offered hereby;
- our substantial obligations under long-term leases;
- restrictive covenants in our debt agreements, which may restrict our ability to pursue our business strategies and our ability to comply with them;
- our ability to comply with the agreements relating to our outstanding indebtedness;
- the value of the Collateral, which may not be sufficient to satisfy our obligations under the secured notes;
- the failure to create or perfect security interests in the Collateral;
- the effects of bankruptcy proceedings on the rights of holders of the secured notes;
- the automatic release of the guarantees of the notes under certain circumstances; and
- other factors discussed under "Risk Factors" and elsewhere in this offering memorandum.

The forward-looking statements contained in this offering memorandum are based on management's current expectations and are subject to uncertainty and changes in circumstances. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. There are a number of factors, many of which are beyond our control, that could cause actual results to differ materially from the results anticipated by these forward-looking statements. For a more detailed discussion of these and other factors, see the information under the section "Risk Factors" herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations." These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this offering memorandum. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those expressed or implied in these forward-looking statements.

The forward-looking statements included in this offering memorandum speak only as of the date of this offering memorandum or as of the date they are made, as applicable. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. Except as otherwise required by law, we disclaim any intent or obligation to update any "forward-looking statement" made in this offering memorandum to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

SUMMARY

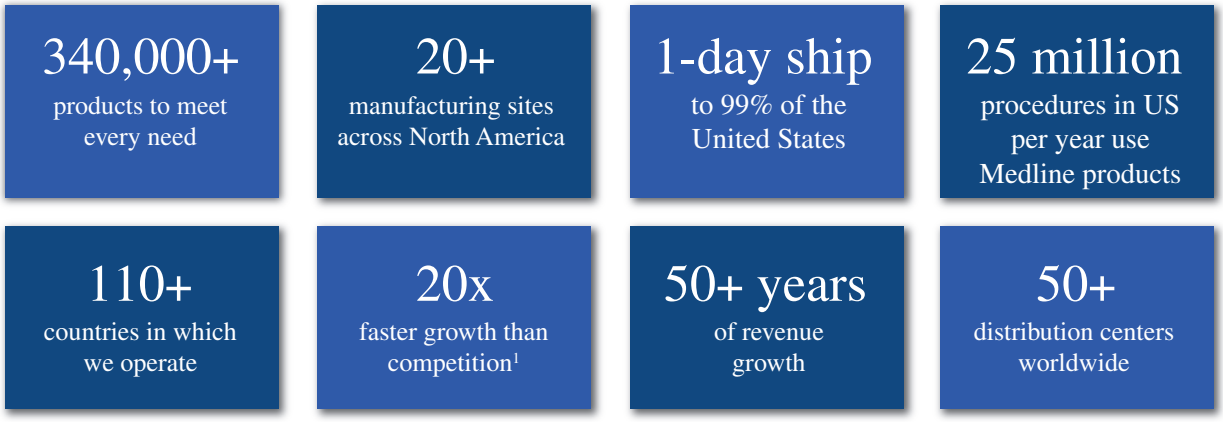
This summary highlights information appearing elsewhere in this offering memorandum. This summary is not complete and does not contain all of the information that you should consider before investing in the notes. You should carefully read this entire offering memorandum, including our financial statements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

Mission Statement

Our mission is to make healthcare run better by providing superior medical supplies to healthcare providers and end users, improving patient care, lowering costs and enhancing the quality of peoples' lives. We do this through our three core operating principles of increasing operational efficiency, reducing supply spending and improving quality of care.

Business Overview

Medline, headquartered in Northfield, Illinois, is the nation's largest supplier of medical-surgical ("med-surg") products to healthcare providers across the continuum of care. We are vertically integrated, combining manufacturing, sales and distribution capabilities at scale to provide med-surg products consumed by the healthcare industry every day. This allows us to deliver a complete solution to our customers, supporting them in improving the overall operating performance of the healthcare delivery system. Our global manufacturing, sourcing and distribution network enables us to partner with healthcare providers around the world, delivering products and solutions that reduce costs, increase supply chain efficiency and improve overall quality of care.



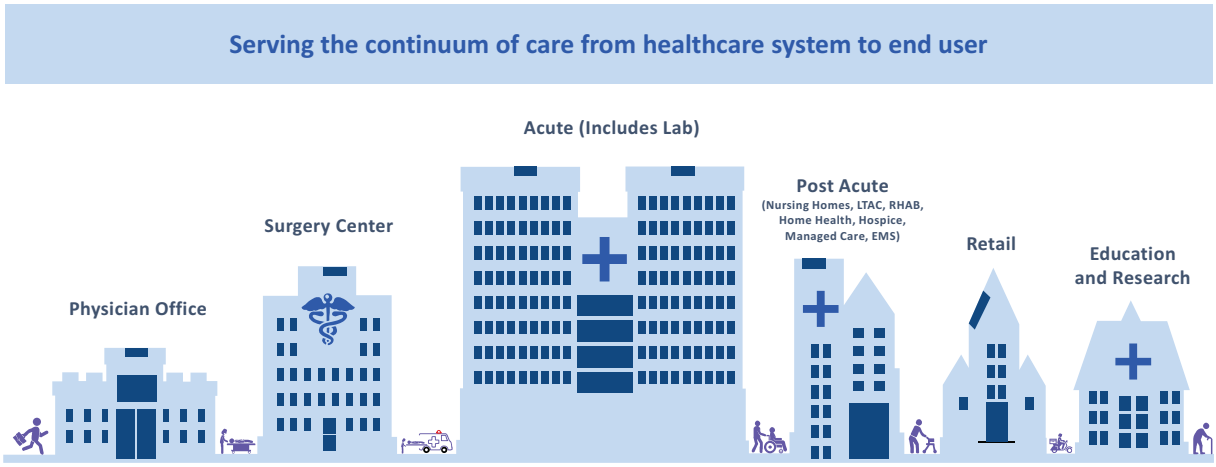
[1] Refers to 2019 and 2020 year-over-year revenue growth as compared to a select group of competitors.

History

Medline has an over 50-year legacy of serving customers in the healthcare industry. Originally named Medco, Medline was founded in 1966 by Jim and Jon Mills with approximately 2,000 feet of warehouse space and one loading dock in Evanston, Illinois. In 1968, we opened our first manufacturing facility. In 1997, Charles N. Mills, Andrew J. Mills and James D. Abrams, our current Chief Executive Officer, President and Chief Operating Officer, respectively, took over to lead the Company and continue its legacy of family management.

Since inception, we have experienced over 50 consecutive years of revenue growth, with a 20% compounded annual growth rate ("CAGR") since inception and continuous double digit growth for all but three years. Our growth has been primarily driven by market share gains across the continuum of care and within product categories. In 2020, we generated over $17.5 billion of revenue as the nation's largest manufacturer and distributor of med-surg products. On June 5, 2021, Medline entered into a new chapter of our Company's history and announced that we will receive a majority investment from a partnership comprised of funds managed by Blackstone, Carlyle and Hellman & Friedman. Following the close of the transaction, Medline will remain a privately-held, family-led company, and the Mills family will remain the largest single shareholder.

The Markets We Serve

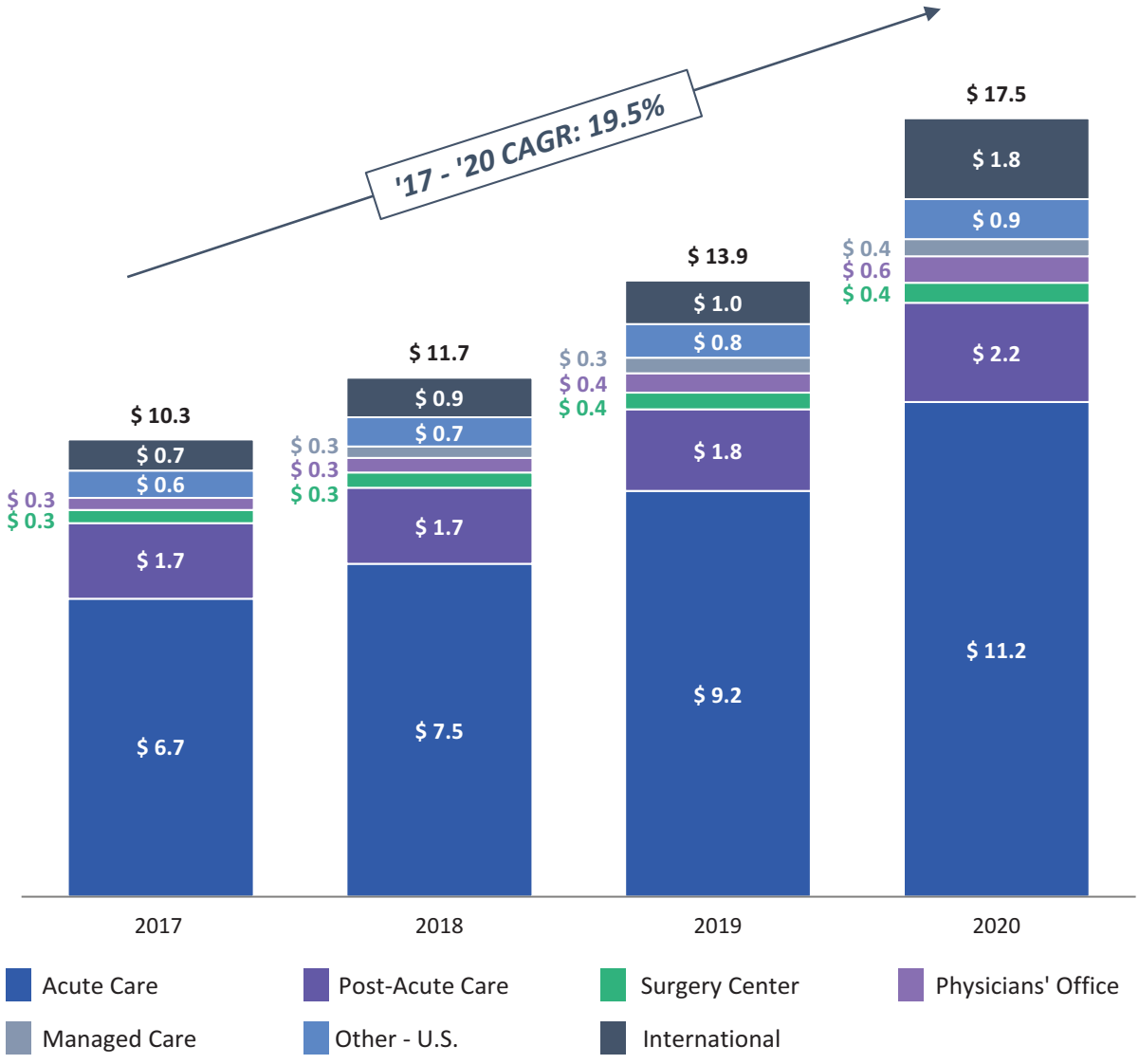


Medline manufactures, sells and distributes med-surg products across the entire continuum of care, representing an attractive and growing addressable market of approximately $142 billion globally, including approximately $67 billion in the United States. Our key end-markets include Acute Care, Post-Acute Care (including Managed Care), Retail & Other, Physicians' Offices and Surgery Centers, among others. We have historically and continue to experience significant growth across each of the end-markets in which we operate. The majority of our revenue is derived from the Acute Care end-market, which includes hospitals and integrated delivery networks ("IDNs"), and accounted for approximately 64% of total 2020 revenues, followed by approximately 12% in Post-Acute Care, which includes skilled nursing facilities, home health and hospice.

The breadth, quality and value of our product portfolio, combined with our dedication to customer service, reliability of our 99% fill rates, responsiveness, partnership focus and operational excellence provide significant value for our customers. As evidence of our high customer satisfaction, we have achieved an average net prime vendor customer retention of over 94% for the past five years. We are able to service these customers with our over 2,500 employees dedicated to customer engagement, including a sales force devoted to each end-market in the United States and each region or country internationally.

Medline has broad and deep relationships with a diverse set of blue chip customers. In the United States, we serve over 50,000 customers that range across the entire continuum of care and maintain deep-rooted relationships with our clients, some of which date back over 20 years. We have minimal customer concentration, with no single customer accounting for greater than approximately 3% of 2020 revenue. Further, we currently sell Medline Brand products to 100% of the top 150 health systems in the United States, and over 45% of those have chosen Medline as their prime vendor.

Revenue Over Time by End-Market (2017 – 2020) ($ in billions)



Products

Since our founding as a med-surg product manufacturer, Medline has focused intently on offering an expanding set of high quality, value priced products to support the critical needs of our customers. Over time, we have recognized the fragmented supply chain in the healthcare industry, and our customers have valued the proposition of a fully integrated distribution model. Our customers look to us as a partner who can provide value through our self-manufactured product portfolio combined with a best-in-class supply chain. Today, 55% of our revenues are from our own Medline Brand products, and 45% are from Distributed Products or third-party products sold through our own distribution network.

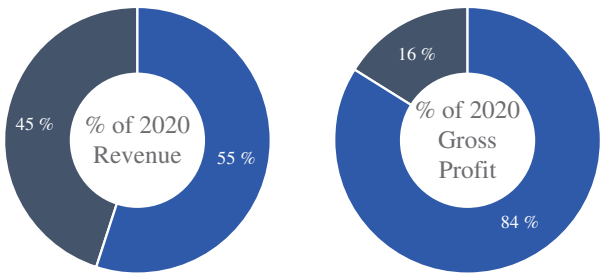
Our combination of products and services makes us uniquely able to address our customers' evolving needs. We operate 27 Medline Brand product divisions that manufacture over 180,000 Medline Brand products. We self-manufacture over 77,000 Medline Brand products, which are produced across over 20 owned and operated

manufacturing sites throughout North America. We rely upon our deep-rooted global sourcing relationships to manufacture the remaining portion of Medline Brand products. With more than 160 exclusivity agreements, our relationships with these global contract manufacturers are long-dated, some of which have existed for over 30 years. Our robust Medline Brand product portfolio drives significant value to our customers by offering 5% to 8% cost savings relative to competitors. Medline Brand products hold market-leading positions across many key categories in the healthcare market, enabling consistent conversion rates due to high quality, product performance and customer confidence.

The following chart shows our leadership positions in these key product categories, based on sales volume in 2020:

In addition to our Medline Brand products, we sell and distribute over 150,000 third-party products from key manufacturing brands such as Becton Dickinson / Bard, 3M, Stryker, Baxter, Medtronic and Johnson & Johnson. In total, across our Medline Brand products and our Distributed Products, we offer customers over 340,000 total products across over 300 product categories.

We are highly diversified across all product divisions and categories, with little concentration. The largest Medline Brand product categories include Sterile Procedure Trays, Exam Gloves and Personal Care, which accounted for $1.3 billion, $1.1 billion and $0.7 billion of revenue in 2020, respectively. Medline Brand products yield significantly higher profitability and can generate over 4x higher margins than Distributed Products. In total, Medline Brand products represented 84% of our total gross profit in 2020 versus Distributed Products representing 16%. While Distributed Products are less profitable for us, by offering our customers a complete assortment of med-surg products, we are able to solidify our customer relationships which increases satisfaction and stickiness, and creates the foundation for additional Medline Brand product sales over time.

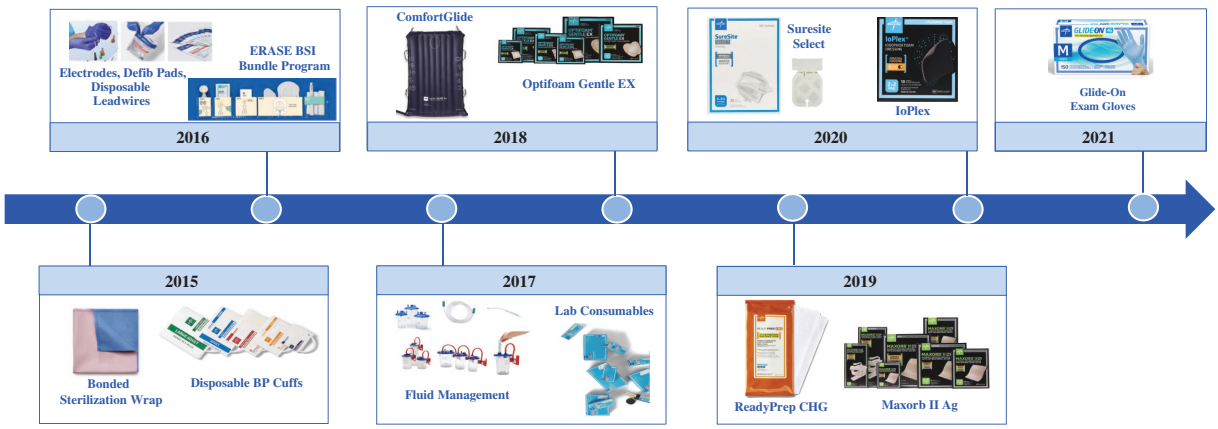


We have a rich culture of entrepreneurship and innovation that drives continued new product development. We ingrain ourselves with our customers and are uniquely positioned in the market as both a manufacturer and distributor, allowing us to identify customer needs and develop products and solutions to address those needs. This position in the market enables us to identify opportunities to provide our clients with value-added product innovations and lower cost solutions through our Medline Brand products.

We benefit from a highly synergistic relationship between our sales force and product divisions. With a high number of touch points and frequent dialogue with customers, our sales force is able to identify customer needs and collaborates with our product divisions to develop solutions to address those needs. In turn, our product divisions rely upon our sales force's access to every corner of healthcare, enabling broad applicability for their products. Coupled together, we have a differentiated ability to bring new products to market to continue to drive business opportunities, as evidenced by over 200 Food and Drug Administration ("FDA") 510K clearances, 20 of which were granted in 2020. We have also received over 1,200 granted patents with over 600 pending applications.

Further, we are able to utilize our highly attractive platform capable of realizing significant synergies to acquire complementary assets that may be less efficient to develop in-house. Evidence of this is our recent acquisition of a significant portion of the Hudson RCI brand of respiratory products from Teleflex, which added the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement our existing respiratory portfolio in order to meet the market needs by bolstering our respiratory product portfolio and increasing domestic and international channel access. We believe this acquisition is exemplary of our ability to recognize opportunities and our culture of quickly adapting to ultimately better serve our customers and the healthcare system.

Select Product Innovations

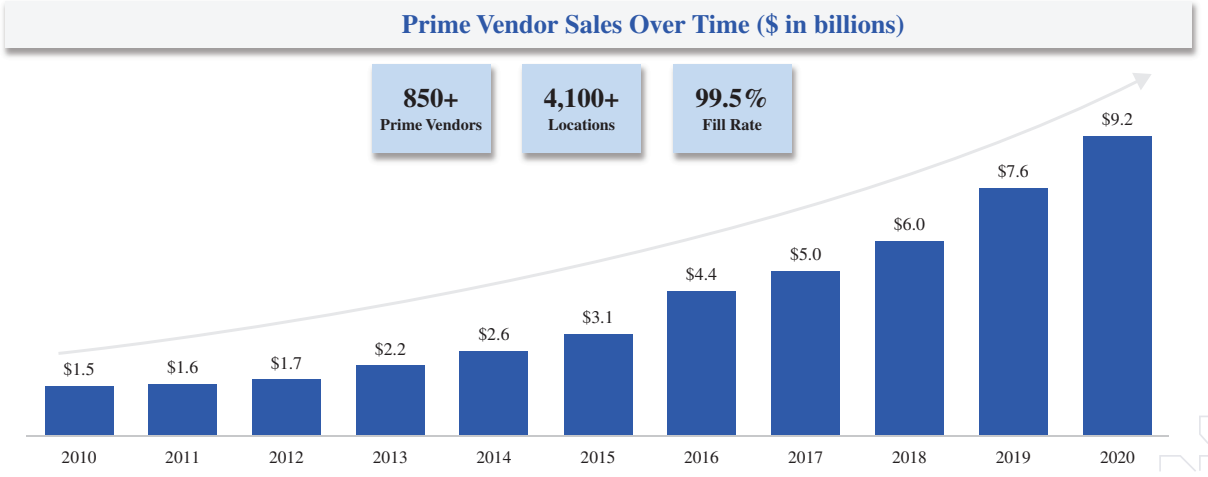


Prime Vendor Contracts

Our most important growth driver has been our ability to win prime vendor contracts with the Acute Care end-market, including hospitals and IDNs. A hospital typically awards a single prime vendor contract to one distributor. The contract is a long-term agreement between the customer and distributor for the distributor to provide the vast majority—often 100%—of the customer's med-surg product needs. This provides essential simplicity and greater cost savings to the Acute Care hospital by centralizing all purchases with a single partner, and provides us with better customer coordination and increased visibility into customer purchasing behavior across our own and third-party brands that we sell, creating opportunities for partnership and growth.

As healthcare systems continue to consolidate, IDNs now own and control many sites of care beyond the acute care setting. These IDNs are increasingly seeking a supply chain partner with reliable manufacturing and distribution capabilities who can serve the entire continuum of care. We have a differentiated ability to contract with customers for their needs across the entire continuum, including the acute care setting along with the alternate sites of care such as physician offices, ambulatory surgery centers, home health, hospice and others. Evidence of our differentiated value is our average of over 60% win rate on requests for proposal since 2018. As the only prime vendor partner with the full capability to serve the entire continuum of care, we are highly differentiated and well positioned to continue to win new business. Importantly, we expect this trend of IDN consolidation to continue, providing a growth opportunity moving forward.

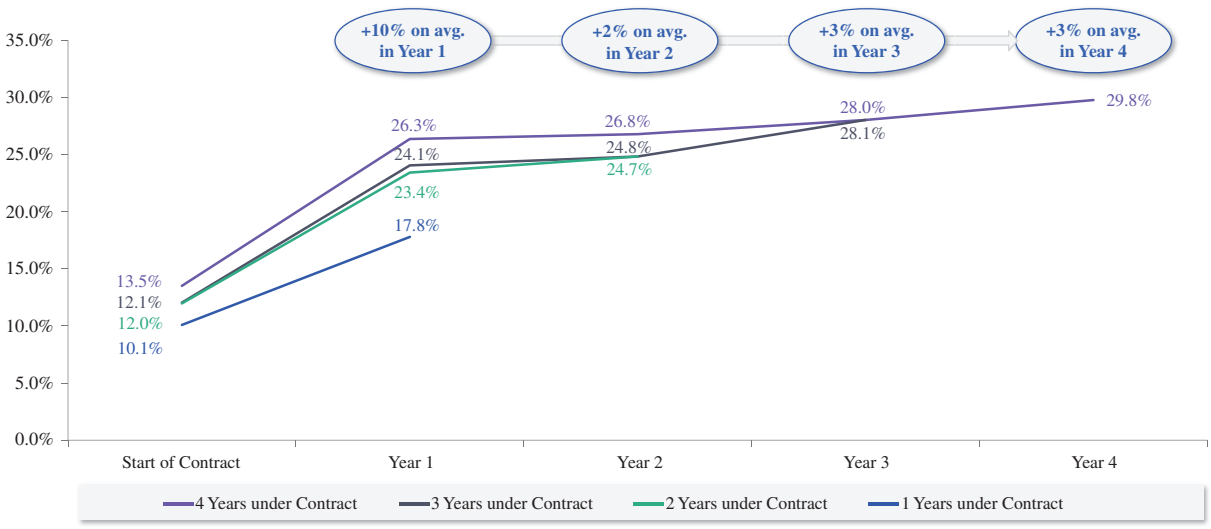
As of December 31, 2020, we had over 850 active prime vendor relationships, generating approximately 52% ($9.2 billion) of our 2020 revenue. Additionally, expansion of new prime vendor deals and growth in existing prime vendor contracts has been a key driver of our continued revenue growth through the third quarter of 2021. With these prime vendor contracts, we distribute both products from other product manufacturers / original equipment managers ("OEMs") and our own Medline Brand products. At the beginning of a new prime vendor relationship, Distributed Products typically represent approximately 90% of sales. Once these contracts are signed, the strength of our vertically integrated model and the quality and pricing of our Medline Brand products encourages customers to increasingly convert from Distributed Products to Medline Brand products. Our compelling value proposition offers customers 5% to 8% of cost savings when they convert to Medline Brand Products, while also providing us with better economics and profitability on our revenue.



Over time, our contracts become more profitable as customers continue to convert from Distributed Products to Medline Brand. In the first year of a prime vendor contract, we have historically been able to shift product mix to Medline Brand by approximately an incremental 10% to achieve approximately 20% Medline

Brand mix. In the years thereafter, customers have historically continued to convert to Medline Brand products and increase product mix on average 2% to 3% each year through additional customer service and product innovation efforts. Our customers are also incentivized to increase their Medline Brand portfolio penetration, which, in turn, allows them to decrease their cost of distribution on Distributed Products manufactured by other suppliers. After five years, our typical experience is that Medline Brand represents approximately over 35% of a contract, and a mature run-rate contract can be 45% to over 50% Medline Brand. As customers become more price sensitive and they are increasingly able to realize the value and quality delivered by Medline Brand products, we expect this Medline Brand product mix will accelerate and increase above 35% in less than five years.

Cohort Analysis: Medline Brand concentration over time



Dedicated Salesforce

Sales has been ingrained in our culture since inception. The connectivity to our customers hinges on our best-in-class salesforce. We offer our clients a suite of support with over 2,500 employees dedicated to customer engagement, including customer representatives, specialized clinical resources, supply chain specialists and product specialists. Our salesforce prides themselves on their deep-rooted customer relationships and the value of their longstanding partnerships. We have created an entrepreneurial environment across our salesforce providing them with autonomy to sell products they see best fit for their customers and to work with our product organization to develop new product innovations. Moreover, our unique incentive program for our salesforce is structured to bring the highest quality products to customers while driving higher overall economics for Medline. In the United States, our salesforce specializes by end-market, whereas our international salesforce specializes by region or country. This highly differentiated culture ingrained in our salesforce has led to a strong salesforce retention rate of approximately 90%.

Manufacturing and Sourcing

Our best-in-class manufacturing and global sourcing capabilities allow us to consistently deliver high quality products and continuously bring new products to market. We own and operate over 20 state-of-the-art manufacturing plants in North America, which produce over 77,000 Medline manufactured products addressing a vast majority of our customers' med-surg needs, including surgical dressings, incontinence briefs, face masks,

anesthesia and respiratory products. We focus our internal manufacturing capabilities on those products where we can leverage technology and automation to drive high quality and low cost. We are also the world's largest manufacturing operations for surgical and minor procedure trays, with over 500,000 kits made every day, where we leverage high velocity processes at two large facilities in Mexico.

For the products that we do not manufacture ourselves, we rely upon key contract manufacturers across the globe. Our relationships with our sourcing partners are very strong, with some relationships dating over 30 years. With the repeat nature of purchases in our business, we have been able to secure over 160 exclusivity agreements with contract manufacturers worldwide. Coupled together, our best-in-class self-manufacturing capabilities and differentiated sourcing relationships ensure the industry-leading quality of our products while enabling us to seek and achieve the most attractive unit economics.

Distribution and Logistics

Our vertically integrated platform uniquely positions us to provide the greatest value to our customers. We have a differentiated distribution network including over 50 distribution centers worldwide (over 45 in the United States alone). Our expanding network of distribution centers are strategically located to ensure one-day delivery to 99% of the United States, which is a key customer purchasing criteria and supports our high customer satisfaction levels. Our over 23 million square feet of medical grade distribution centers are expertly designed to optimize logistics and maximize utilization. We rely upon and continually upgrade the technology in our distribution centers to maximize efficiency. An example of this is the AutoStore system integrated into our distribution centers, which is a space saving, automated storage and goods-to-person picking system. Our technologically advanced distribution centers allow us to continue to increase our cutoff times, expand our product offering and better service our expanding customer base. Additionally, we offer supply chain and inventory management services out of our distribution centers to further enhance customer value. Our high inventory levels and market-leading supply chain capabilities drive best-in-class fill rates of over 99%.

In addition, in the United States, we own and operate a fleet of over 1,250 MedTrans parcel and semi-trailer trucks, further setting us apart from competition and allowing us to control the "last mile" delivery experience required by our customers. Our owned trucking fleet offers superior customer service by allowing continuity with customers until the last minute: customers are able to track shipments and ensure reliability with delivery teams that are highly ingrained with our customers, while allowing us to address specific "ship to" requirements that are outside the capabilities of common carriers, often including multiple sites within the same hospital or IDN system. Our differentiated logistics provide customers with lower cost solutions and are highly valued by our customers as they ensure consolidated, coordinated and streamlined logistics across our customers' systems. The ability to provide differentiated logistics is becoming increasingly imperative as health systems continue to consolidate across end-markets.

Competition

We are first and foremost a medical products manufacturer. Our value proposition is predicated on the value delivered to customers through the strength of our vertically integrated model, the breadth of our Medline Brand product portfolio, and the high quality and value delivered by our products. Furthermore, the majority of our profit is derived from Medline Brand products. Our key competitors are other leading medical product manufacturers and OEMs including Becton Dickinson / Bard, 3M, Stryker, Baxter and Medtronic. Similar to us, these competitors manufacture a wide range of med-surg supplies. However, unlike us, many of these competitors are reliant upon third-party distributors—oftentimes Medline's Distributed Products division—to deliver their products to customers. By nature of being a distributor, Medline has direct access to and is the owner of the end customer relationships. We have a differentiated ability to offer a complete solution as a manufacturer and a distributor, offering our customers best-in-class supply chain logistics and driving value through our brand.

Our second group of competitors are distributors of med-surg products including Owens & Minor, Cardinal, McKesson and Henry Schein. Similar to us, these distributors connect the fragmented supplier and provider bases and aggregate inventory from suppliers to deliver products to customers. These distribution competitors are our main source of competition for prime vendor contracts. However, many of these competitors do not benefit from our vertical integration or commercial excellence, and thus are not able to provide the same magnitude of cost savings, high value and holistic solutions that we deliver for our customers. Over the last few years, we have successfully won business from these key competitors while maintaining our industry-leading net prime vendor customer retention rates averaging over 94% for the last five years.

Our Industry

U.S. healthcare expenditures

According to the Centers for Medicare & Medicaid Services, U.S. healthcare expenditures were $3.8 trillion in 2019 and are expected to grow 5.4% annually to $6.2 trillion by 2028, representing 19.7% of GDP. Demographic trends continue to drive this growth, including an aging population and the high prevalence of chronic diseases and co-morbidities. Notably, adults aged 65 and older, whose population is expected to grow the fastest and represent 21% of the population by 2030 compared to 15% in 2016 according to the U.S. Census Bureau, have the highest prevalence of chronic conditions and spend approximately three times more than working adults in annual healthcare spend.

Of total U.S. healthcare spend in 2019, hospital expenditures amounted to $1.2 trillion and physician and clinical services expenditures amounted to $772 billion. Spending in non-acute settings such as physician offices, surgery centers and post-acute centers has continued to increase as volumes continue to shift away from hospitals toward alternate site settings.

Medical-surgical market

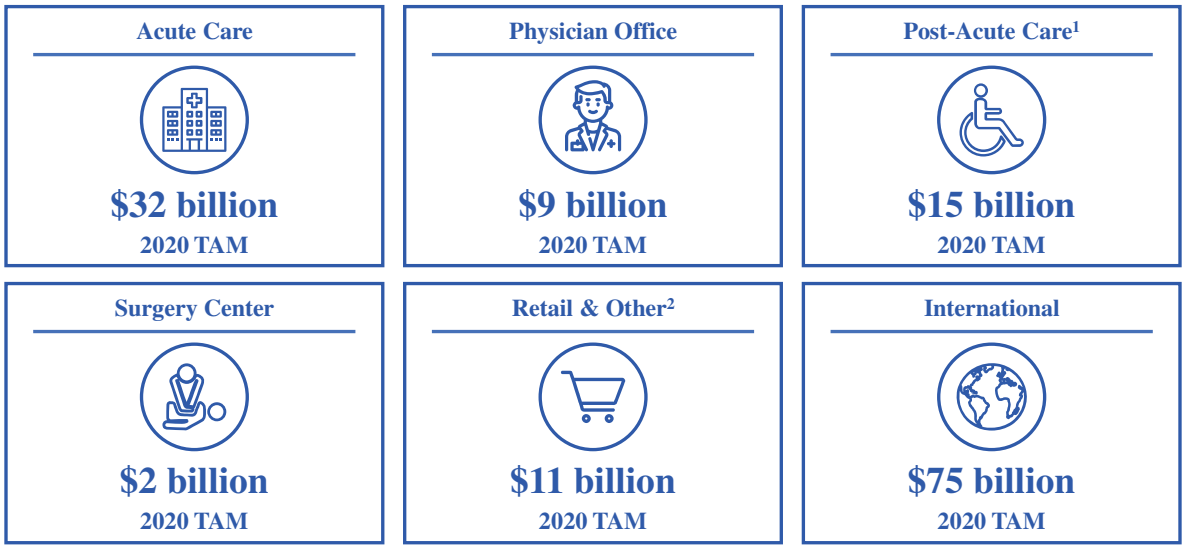
Med-surg products include a variety of essential supplies and equipment used by healthcare providers. In the United States, over 2,000 acute providers, 3,300 post-acute care providers, 195,000 physician groups and 5,700 ambulatory surgery centers utilize med-surg products to provide safe and effective care to patients across the continuum. These products are critical in nature, range in offering and complexity, and are largely single-use, disposable items which must be replenished and replaced regularly. Examples include incontinence briefs and wipes, personal protective equipment (“PPE”), including gowns, masks, headwear and footwear, IV start and dressing change kits, textiles, advanced and traditional wound care, durable medical equipment, surgical drapes and gowns, bathing systems, skin care, sterilization wraps, fluid management kits, urology trays, bladder scanners and general diagnostics.

Med-surg products are primarily manufactured by a fragmented base of over 4,000 OEMs who typically sell a majority of products through distributors. In addition to aggregating inventory from fragmented suppliers and delivering products to end customer providers, select distributors, including Medline, also self-manufacture products and sell directly to healthcare providers.

The vast majority of healthcare providers do not keep substantial inventory on hand, which has created an industry expectation for products to be in stock and delivered in short timeframes, such as the next day. Therefore, having scale and a robust geographic footprint with strategically located warehousing and distribution facilities is essential to effectively and efficiently serve customers. The widened global need for PPE and other medical supplies during the height of the COVID-19 pandemic in 2020 further highlighted this, and Medline responded to the crisis by delivering 80% more PPE than any other single U.S. provider, solidifying our status as a critical partner to our customers and opening new customer opportunities across the continuum of care. Furthermore, the ongoing consolidation amongst healthcare providers continues to drive vendor consolidation and a bias toward larger, scaled vendors, in order to more efficiently manage procurement.

Market opportunity

The global med-surg distribution market represented approximately $142 billion of annual spending in 2020 and is expected to produce long-term low single digit growth. The U.S. market represented approximately $67 billion in spending, growing 3% year-on-year between 2017 and 2019, and consists of the Acute Care, Post-Acute Care, Retail & Other, Physician Office and Surgery Center end-markets.



[1] Post-Acute Care includes Managed Care, home health, hospice, skilled nursing facilities, home medical equipment dealers and long-term acute-care

[2] Retail & Other includes retail, education, research, standalone laboratory providers and OEMs.

- *Acute Care* – Includes hospitals and health systems and accounted for 46% of the U.S. med-surg market at $32 billion of spending in 2020. The acute care market grew 1% annually from 2017 to 2019. Acute care providers purchase med-surg products directly from distributors.
- *Physician Office* – Approximately 50% are owned by IDNs that increasingly prioritize the ability to service providers throughout the continuum of care. Physician offices represented a $9 billion end-market that grew at a 5% CAGR from 2017 to 2019.
- *Post-Acute Care* – Includes Managed Care, home health, hospice and skilled nursing facilities, and represented $15 billion of spending in 2020. Home-based care and long-term care grew at CAGR of 8% and 3%, respectively, from between 2017 and 2019.
- *Surgery Center* – Approximately 33% are owned by IDNs, and represented a $2 billion end-market in 2020 that grew at a 5% CAGR from 2017 to 2019.
- *Retail and Other* – Includes education, research, standalone laboratory providers and OEMs, and represented an $11 billion end-market in 2020 that grew at a 7% CAGR from 2017 to 2019.

Overall, stable underlying market growth in the United States is supported by favorable demographic trends, increased patient acuity and overall growth in healthcare expenditures. The Post-Acute Care, Physician Office and Surgery Center end-markets benefit from higher market growth as patient volumes and healthcare expenditures increasingly shift to alternative sites of care. Furthermore, the U.S. is seeing market consolidation among providers, with IDNs increasingly acquisitive in the Post-Acute Care, Physician Office and Surgery Center end-markets.

Outside of the United States, the international med-surg distribution market was approximately $75 billion in 2020.

Our Strategy and Competitive Strengths

In order to realize our mission, we have developed a comprehensive strategic roadmap for our company. Key elements of our strategy and strengths include:

Long track record of growing our high quality, low cost product portfolio to drive value to customers: We have a proven track record of successfully bringing new products to market to provide increased customer value, thereby driving additional growth opportunities. Our unique market position provides us with unparalleled insights into our customers' needs: purchasing trends, pricing dynamics and potential areas of new product innovation based on customer needs. With autonomy over customer relationships, our salesforce is focused on bringing the highest quality products to market and delivering the best customer service experience. Furthermore, our product divisions benefit from our sales teams' direct access to our customers and are encouraged to innovate to meet customers' needs. Together, our culture of innovation and entrepreneurship and our highly-scalable go-to-market strategy provides us with the capabilities to bring products to market within 12 to 18 months from concept to commercial availability. We are continually adding to our product development pipeline to meet our customers' needs.

Leading distribution capabilities to directly serve end-markets across the continuum of care: We currently operate across over 10 different end-markets representing an over $142 billion total addressable market. Our scale has been a major contributor to our success historically, and our ability to enter into new end-markets and expand within existing end-markets will be imperative to our future growth. We currently offer differentiated services across the continuum of care, which is becoming increasingly important as health systems continue to consolidate across different sites of care, including Acute Care, Post-Acute Care, Physician Offices and Surgery Centers. We believe that our differentiated platform across the continuum of care further establishes our competitive advantage to win business, particularly as market consolidation continues and "requests for proposals" prime vendor contracts are increasingly including multiple points of care and end-markets. In turn, our access to every end-market in healthcare broadens the applicability and addressable market of our products.

Build deep partnerships with our customers as their prime vendor: We have a proven track record of growing our business organically by winning new prime vendor contracts and by growing within existing customers. We believe we will continue to win business and expand our existing customer base through the following winning strategies:

- *Cultivate the Relationship Early:* We are deeply focused on cultivating relationships early, well before a prime vendor contract is signed.
- *Evaluate Customers' Needs:* We pride ourselves on our agility and speed, which enables us to quickly evaluate and respond to customers' needs.
- *Develop Framework of Solutions:* We are more than just a product manufacturer; we are the whole solution. From distribution centers all the way to stocking shelves, we want to be alongside our customers every step of the way. Beyond our extensive list of products, we offer inventory and supply chain management services.
- *Long-Term Commitment:* We strive to be a trusted partner delivering long-term value to customers; our products and solutions lower costs while allowing customers to focus more on what matters: delivering the highest quality of healthcare.

Our customers recognize the quality of our products and value of our platform, enabling us to increase Medline Brand conversion and unlock embedded margin opportunity: Our proven ability to

increase mix of our Medline Brand products in our prime vendor relationships results in substantial embedded margin. The quality of our products is our calling card, and it provides a point of entry with non-prime vendor customers. We leverage that initial relationship to win prime vendor business. While product mix in those new prime vendor relationships is typically skewed towards Distributed Products, over time, many customers recognize the value of our brand and quality of our products and increasingly choose to convert to Medline Brand products. The trusted relationship that we build with our distribution offering allows us to introduce more Medline Brand products, increasing our customers' realized cost savings while also increasing our profitability with that customer. With our unique position in the market as both the distributor and manufacturer, we recognize customers' needs and pricing pressures and are able to utilize those insights to encourage customer conversion to Medline Brand products, thereby unlocking significant embedded margin opportunity.

Rely upon and continue to strengthen our vertically integrated platform to offer customers with the most value: We are not just a provider of products; we are a solutions provider. Our unique vertically integrated platform is a byproduct of over 50 years of investment in our business and experience in the healthcare industry. We have built a network that is highly differentiated and uniquely positions us to provide the greatest value to our customers. The breadth of our footprint enables us to best serve our clients with one-day shipping to 99% of the United States with 99% fill rates, ensuring our customers get the support and service they need. Our value proposition is expansive: we are delivering products and solutions that reduce costs, increase supply chain efficiency and improve the overall quality of care. Our global manufacturing, sourcing and distribution networks enable us to partner with the world's largest and most influential healthcare providers.

Key Credit Strengths

Large, Predictable and Growing Market for Medical-Surgical Products

We operate in the large and growing global med-surg market that is expected to see an increased need for products as a result of higher medical utilization which stems from demographic trends, including an aging population and the increased prevalence of co-morbidities. Med-surg products are mission-critical supplies required for the provision of healthcare in all clinical settings, and demand for them are largely resistant to negative economic impacts and general market cycles. For example, during the Global Financial Crisis, our net sales growth was 13.3% from 2007 to 2008 and 16.6% from 2008 to 2009. The majority of products are single-use and constantly need to be replenished. Annual expenditure on these products was estimated to be $142 billion in 2020, with approximately $67 billion of expenditure from the United States and approximately $75 billion from international markets. The U.S. market is diversified across Acute Care, which accounts for 46% of the market, as well as Physician Offices, Post-Acute Care, Surgery Centers and Retail & Other accounting for the remainder. Market growth ranges from low single digits for the Acute Care end-market to high single digits for Post-Acute Care end-markets such as home-based care.

Market Leader across Multiple Attractive End-Markets and Products, Creating a Uniquely Diversified Solution of Scale

We are the nation's largest med-surg manufacturer and distributor and are a leader in Acute Care and Post-Acute Care with approximately one-third market share in each channel in the United States. We sell our Medline Brand Products to approximately 41% and 80% of our mature customers in the Acute and Post-Acute end-markets, respectively, which is higher than that of our closest competitors. We believe our leadership is directly attributable to our scale and presence across the continuum of care, comprehensive product offering and a focus on customer service. Moreover, we are the number one manufacturer across a variety of products, including sterile procedure trays, exam gloves, traditional wound care, surgical drapes & gowns and more. Through our Medline Brand we provide customers high quality products at lower prices than third parties, creating a mutually beneficial dynamic. These traits enable us to develop deeper and broader relationships than our competitors, many of whom are concentrated in narrow and specific end-markets.

High Level of Visibility from Stable and Diverse Blue Chip Customer Base with High Annual At-Renewal Retention Rates

Our scale and market leadership have enabled us to build longstanding relationships with some of the largest and most sophisticated healthcare systems in the United States. For example, we are currently the prime vendor for 45% of the top 20 U.S. News and World Reports Honor Roll Hospitals, and are the provider for custom procedure trays for 70% of those hospitals. As a prime vendor, we closely partner with our customers to contractually supply the majority of products they need, increasing visibility for us and giving us significant opportunity to expand our relationships with them. Today, we are the prime vendor to over 850 customers across over 5,400 locations. To best serve our customers, we maintain a strong focus on operational performance, with high inventory levels, market-leading supply chain capabilities and best-in-class fill rates. This, coupled with our robust customer support, including over 2,500 employees dedicated to client engagement, have helped us achieve an average net customer retention rate of over 94% with prime vendor customers over the last five years.

Scaled and Vertically Integrated Platform with Best-in-Class Manufacturing Capabilities and Supply Chain Franchise

We have over 20 state-of-the-art manufacturing centers, over 50 distribution facilities worldwide and are a top 20 overall volume importer into the United States. More than half of our revenue is derived from our Medline Brand products, which represent 84% of our gross profit. The scale of our manufacturing and distribution capabilities have secured our leading cost position and contributed to our long-term margin stability, allowing us to achieve an average Adjusted EBITDA Margin of 12.4% from 2018 to 2020. We have a leading position in the market and are the number one manufacturer of products in 13 product areas ranging in complexity from exam gloves to sterile procedure trays, as well as the number two manufacturer in five additional categories. The high quality technology and manufacturing in our facilities drive efficiencies and flexibilities to produce products specialized to customer specifications. Our deeply rooted global sourcing partners, including the over 160 who exclusively manufacture for us, help eliminate competing priorities and potential disruptions. Beyond manufacturing, our expansive distribution network globally allows for large coordinated shipments, which better streamlines reception logistics for our customers. Our fleet of over 1,250 MedTrans trucks in the United States enable specialized delivery tracking and lower delivery costs. Our strategically located distribution and transportation facilities allow us to deliver products the next day to 99% of the United States, ensuring we meet our customers' most critical needs at scale.

Track Record of Successfully Bringing Products to Market with Robust Development Pipeline

Our unique partnership approach provides us with valuable insights into our customers' real-time needs. With this insight, we are able to tactically innovate and deliver high quality, self-manufactured products at competitive prices, which is a key differentiator driving our market leadership. This distinct strength is evidenced by our history of successfully launching a large number of products through our 27 Medline Brand product divisions. We also have extensive experience in navigating the regulatory environment, as demonstrated by our success obtaining numerous FDA 510K clearances and granted patents. We intend to continue our track record of bringing high quality products to market through our robust and growing product development pipeline with a focus on numerous product categories.

Demonstrated Long-Term Ability to Generate Cash Flow with Significant Visibility

We have generated a cumulative $5.2 billion of Free Cash Flow since the beginning of 2018 through the second quarter of 2021. We believe our ability to generate cash flow is supported by our increased market share and penetration across all end-markets we operate in, increasing Medline Brand penetration and strategic one-time investments in distribution and manufacturing to support our long-term growth. We believe this long runway of opportunity to convert customers from third-party brands to Medline Brand products could unlock

approximately $2.7 billion of identified additional revenue. Furthermore, we have significant revenue capacity in our existing asset base with an average facility utilization of 68%, giving us ample capacity for growth, and have already made or expect to make by mid-2022 investments in additional distribution capacity, which together we estimate could allow for approximately $8.9 billion of incremental distribution revenue capacity without significant incremental capital expenditures.

Long-Tenured Management Team with a Track Record of High Quality and Consistent Execution

Family owned and run since our inception in 1966, we continue to be led by the Mills family. Our CEO, Charles N. Mills, President, Andrew J. Mills, and COO, James D. Abrams, who have an average tenure of 33 years at Medline, took the helm in 1997 and have grown the business from less than $1 billion of revenue to over $17.5 billion of revenue in 2020. They, in partnership with our broader management team, have been able to achieve this by maintaining a highly entrepreneurial and flat organization that is culturally focused on high performance with laser attention on customer service. The vast majority of our senior management began their careers with us as sales representatives and have built a customer-centric and sales-focused culture that permeates throughout our organization. Moreover, many of our employees have been with us for over 25 years and are integral to our consistent execution. Our combination of cultural continuity, long-term vision and strong leadership has been the cornerstone of our success.

The Transactions

Purchase and Sale Agreement

On June 5, 2021, the Issuer entered into the Purchase and Sale Agreement with Mozart Buyer LP, Mozart RE Debt Merger Sub Inc., Mozart Holdco, Inc. and Medline Parent. Upon the terms and subject to the conditions set forth in the Purchase and Sale Agreement, certain transactions will take place that will result in the Sponsor Purchasers acquiring approximately 79% of the equity interests of Mozart Parent and the Existing Investors owning approximately 21% of the equity interests of Mozart Parent, which will become the parent entity of the Medline business.

The aggregate acquisition consideration (including the repayment of existing indebtedness, if any) to be paid in connection with the Acquisition will be approximately $33,692 million, subject to customary debt, working capital and other purchase price adjustments as provided in the Purchase and Sale Agreement.

The Investors will invest an aggregate of approximately $16,692 million in equity in connection with the closing of the Acquisition, which includes approximately $3,500 million of equity investments by the Existing Investors that will be made through rollover contributions of equity securities.

Each party's obligation to consummate the Acquisition is subject to various customary closing conditions set forth in the Purchase and Sale Agreement, including (i) the absence of any law or order that makes illegal or prohibits the consummation of the Acquisition, (ii) obtaining certain regulatory approvals, and (iii) other customary closing conditions and the accuracy of each party's representations and warranties and each party's compliance with its covenants and agreements contained in the Purchase and Sale Agreement (subject in the case of this clause (iii) to certain materiality qualifiers).

The parties to the Purchase and Sale Agreement have each made customary representations, warranties and covenants in the Purchase and Sale Agreement.

The Purchase and Sale Agreement contains certain other termination rights for the parties thereto, including the right of each party to terminate the agreement if the Acquisition has not been consummated by December 31,

2021 (such date, as it may be extended at the option of Mozart Holdco, Inc. or Mozart Buyer, LP to March 5, 2022 pursuant to the Purchase and Sale Agreement if certain regulatory approvals are not received by such date, the "Outside Date").

On September 7, 2021, in connection with the transaction, Medline Parent converted from an Illinois corporation to an Illinois limited partnership. On September 9, 2021, in connection with the transaction, Medline Parent became an indirect subsidiary of Mozart Parent.

This offering is not conditioned upon the closing of the Acquisition. If the Acquisition is not consummated simultaneously with this offering, the gross proceeds of this offering will be funded into escrow and, upon release of the funds from escrow, the proceeds from this offering will be used to fund a portion of the Transactions as set forth below or, if applicable, will be used to fund the Special Mandatory Redemption as described herein. See "—Escrow."

Financing Transactions

In connection with the consummation of the Acquisition, we intend to enter into the following financing transactions:

- the borrowing of $6,000 million under a new senior secured term loan facility (the "New Dollar Term Loan Facility"), the borrowing of the euro-equivalent of $1,000 million under a new euro-denominated senior secured term loan facility (the "New Euro Term Loan Facility" and, together with the New Dollar Term Loan Facility, the "New Term Loan Facilities"), and the entry into a new $1,000 million senior secured revolving credit facility (the "New Revolving Credit Facility" and, together with the New Term Loan Facilities, the "New Senior Secured Credit Facilities");
- the borrowing of approximately $2,230 million by the CMBS Borrower in one or more mortgage and mezzanine loans (collectively, the "CMBS Loan"), and/or the borrowing of amounts of up to $2,200 million in lieu thereof by the Alternative RE Borrower pursuant to the Alternative RE Term Loan Facility (as defined below);
- the issuance of $3,770 million aggregate principal amount of secured notes and $4,000 million aggregate principal amount of unsecured notes, each offered hereby; and
- the contribution of approximately $16,692 million of common equity by the Investors (including approximately $3,500 million of equity investments by the Existing Investors that will be made through rollover contributions of equity securities).

We currently expect that the CMBS Borrower will consummate the borrowings under the CMBS Loan concurrently with the consummation of the Acquisition. Upon consummation of the CMBS Loan, each of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) will be unrestricted subsidiaries under the indentures that will govern the notes and under the New Senior Secured Credit Facilities. In connection with the CMBS Loan, the CMBS Borrower will enter into one or more master lease agreements with the Master Tenant (as defined herein). See "Certain Relationships and Related Party Transactions—Master Lease." If we do not consummate the CMBS Loan or receive at least $2,230 million of gross proceeds from such CMBS Loan by the time of the consummation of the Acquisition, the Alternative RE Borrower may instead elect to borrow up to $2,200 million (less the proceeds from the CMBS Loan) in lieu thereof under a senior secured U.S. dollar denominated term loan facility (the "Alternative RE Term Loan Facility"). If we enter into the Alternative RE Term Loan Facility, amounts borrowed thereunder will be secured by the same assets of the Issuer and the guarantors that secure the Issuer's and the guarantors' obligations under the secured notes and under the New Senior Secured Credit Facilities on a pari passu basis and the Alternative RE Term Loan Facility will be guaranteed by the Issuer and the guarantors. We refer to the CMBS Loan and the Alternative RE Term Loan Facility, collectively, as the "CMBS Financing."

The proceeds from these financing transactions will be used to (i) finance the consummation of the Acquisition and other transactions contemplated by the Purchase and Sale Agreement, including amounts payable thereunder, (ii) provide cash on hand to Medline and (iii) pay related fees, costs, premiums and expenses in connection with these transactions.

See "Use of Proceeds," "Certain Relationships and Related Party Transactions" and "Description of Certain Other Indebtedness" for more information.

Escrow

If the Acquisition is not consummated simultaneously with this offering, concurrently with the closing of this offering, the Issuer will enter into an escrow agreement relating to the notes (the "Escrow Agreement") with Wilmington Trust, National Association, as trustee for each series of notes and as escrow agent (in its capacity as escrow agent, the "Escrow Agent"), pursuant to which the Issuer will deposit (or cause to be deposited) an amount equal to the gross proceeds of each series of notes offered hereby into a segregated escrow account for the applicable series of notes until the conditions to release of the property in the escrow accounts (the "Escrow Release Conditions") are satisfied. The property in each escrow account will be pledged as security for the benefit of the holders of the applicable series of notes. If, among other things, the Acquisition is not consummated on or prior to the Outside Date, the Issuer will redeem, on the Special Mandatory Redemption Date (as defined below) in accordance with the terms of the indentures that will govern the notes, all of the notes at the applicable Special Mandatory Redemption Price (the "Special Mandatory Redemption").

Sources and Uses of Funds

The table below sets forth the estimated sources and uses of funds in connection with the Transactions (and after the gross proceeds from this offering are released from escrow, if applicable), assuming they occurred on June 26, 2021 and based on estimated amounts outstanding on that date. Actual amounts will vary from the estimated amounts shown below depending on several factors, including, among others, the amount of cash and cash equivalents balances, net working capital and other purchase price adjustments, indebtedness (including accrued interest on such indebtedness), changes made to the sources of the contemplated financings, the number of shares of capital stock and equity awards outstanding on the closing date of the Acquisition and differences from our estimated fees and expenses.

If the Acquisition is not consummated simultaneously with this offering, the gross proceeds of this offering will be funded into escrow and, upon release of the funds from escrow, the proceeds from this offering will be used to fund a portion of the Transactions as set forth below or, if applicable, will be used to fund the Special Mandatory Redemption as described herein. See "—Escrow."

You should read the following together with the information included under the headings "—The Transactions," "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this offering memorandum.

Sources	Amount	Uses	Amount
($ in millions)			
New Senior Secured Credit Facilities:		Purchase price of equity[8]	$32,228
New Revolving Credit Facility[1]	$ —	Managing partner units[9]	606
New Dollar Term Loan Facility[2]	6,000	Cash to balance sheet	300
New Euro Term Loan Facility[3]	1,000	Estimated fees and expenses[10]	558
CMBS Financing[4]	2,230		
Notes offered hereby[5]	7,770		
Sponsor equity[6]	13,192		
Existing Investors equity[7]	3,500		
Total sources	$33,692	**Total uses**	$33,692

(1) Our New Revolving Credit Facility will provide for $1,000.0 million of borrowings, subject to customary borrowing conditions. We do not currently expect to draw any amounts under the New Revolving Credit Facility to finance the Transactions or on the closing date of the Acquisition.

(2) Represents the aggregate principal amount of the New Dollar Term Loan Facility, without giving effect to discounts or fees to be paid to the lenders.

(3) Represents the U.S. dollar equivalent of the aggregate principal amount of the New Euro Term Loan Facility, without giving effect to discounts or fees to be paid to the lenders.

(4) Represents the aggregate principal amount of the CMBS Financing, without giving effect to discounts or fees to be paid to the lenders or investors.

(5) Represents the aggregate principal amount of the notes offered hereby and does not reflect the initial purchasers' discount or any issue discount.

(6) Represents an investment to be made by the Sponsors, together with certain co-investors, with respect to the Acquisition.

(7) Represents equity investments by the Existing Investors that will be made through rollover contributions of equity securities.

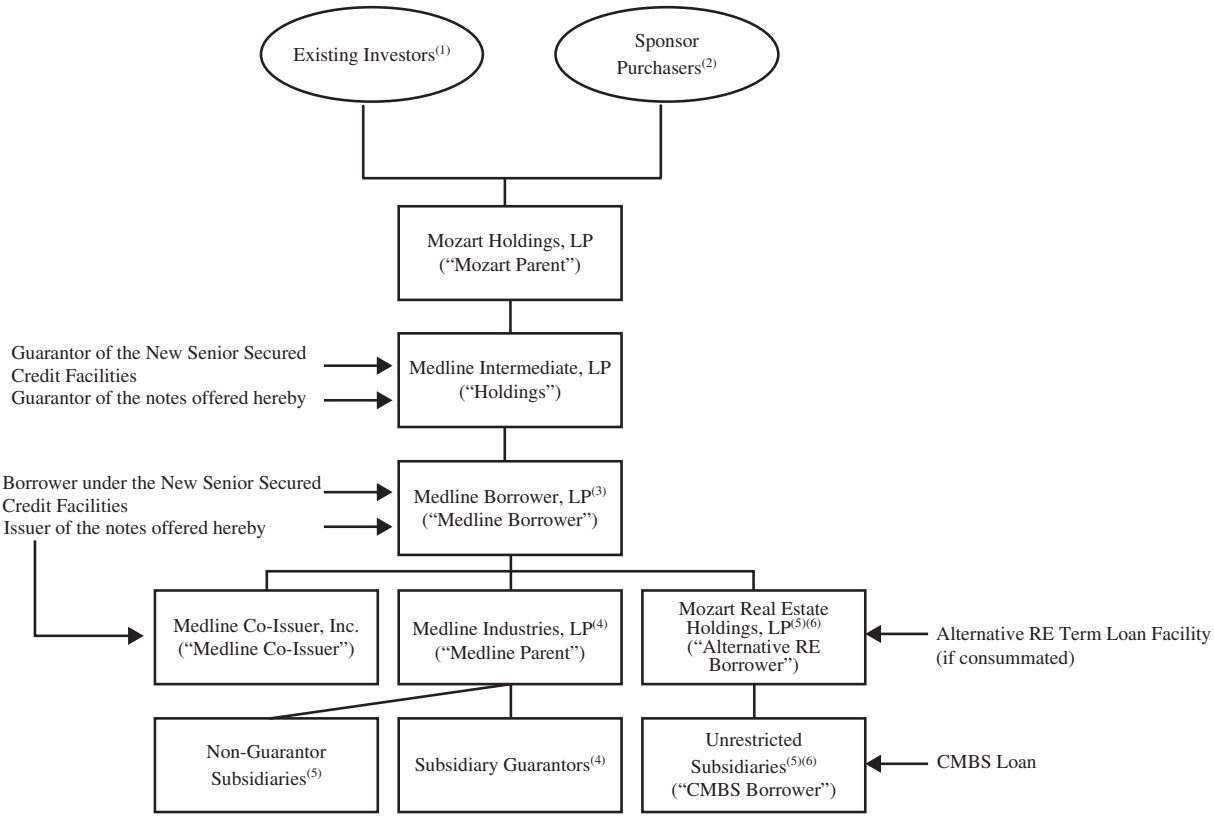
(8) Represents the aggregate acquisition consideration (including the repayment of existing indebtedness, if any) to be paid in connection with the Acquisition. subject to customary debt, working capital and other purchase price adjustments as provided in the Purchase and Sale Agreement, including approximately $3,500 million of equity investments by the Existing Investors that will be made through rollover contributions of equity securities.

(9) Participants in the Medline Industries, Inc. Managing Partner Program will receive cash payments under the program in respect of their outstanding managing partner units in connection with and following the closing of the Acquisition. Amount shown herein represents the estimated portion of such cash payments that is payable upon the closing of the Acquisition.

(10) Represents estimated fees, costs and expenses of the Sponsors and the Company (following the Acquisition) associated with the Transactions, including, without limitation, certain amounts payable under the Purchase and Sale Agreement and any fees and expenses incurred in connection therewith, original issue discount on the New Term Loan Facilities, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, sponsor fees, compensation arrangements with certain key executives and other transactional costs and legal, accounting and other professional fees and expenses.

Our Structure

The following chart summarizes our organizational structure, equity ownership and principal indebtedness expected to be in place after giving effect to the satisfaction of the Escrow Release Conditions and the consummation of the Transactions. This chart is for illustrative purposes only and does not represent all legal entities of the Issuer, its parent entities and its subsidiaries or all obligations of such entities. See "—The Transactions," "—The Offering," "Description of Secured Notes," "Description of Unsecured Notes," "Certain Relationships and Related Party Transactions" and "Description of Certain Other Indebtedness" for more information regarding the terms of the notes offered hereby and our other principal indebtedness following the Transactions and certain other agreements to be entered into in connection with the Transactions.



(1) Represents the Mills Family Investors, certain members of the management of Medline Parent who currently hold interests indirectly in Medline Parent and the Management Investors.

(2) Represents certain investment funds affiliated with Blackstone, Carlyle and H&F, together with certain co-investors.

(3) As part of the Acquisition, Merger Sub will be merged with and into Medline Borrower, with Medline Borrower continuing as the surviving entity and as an indirect wholly-owned subsidiary of Mozart Parent. Concurrently with the consummation of the Merger, Medline Borrower will assume all of the obligations of Merger Sub under the notes and the related indentures by operation of law and Medline Co-Issuer will become the co-issuer of the notes.

(4) Prior to the satisfaction of the Escrow Release Conditions, the notes will not be guaranteed by any of the guarantors. Upon the satisfaction of the Escrow Release Conditions, the notes of each series will be fully and unconditionally guaranteed, jointly and severally, by Holdings and each of the Issuer's wholly-owned domestic restricted subsidiaries that guarantee our New Senior Secured Credit Facilities. In the future, each wholly-owned domestic restricted subsidiary of the Issuer that guarantees indebtedness of the Issuer or any guarantor will guarantee the notes, subject to certain exceptions. As of the issue date of the notes, none of our foreign subsidiaries and none of the Alternative RE Borrower or any of its subsidiaries (including the CMBS Borrower) will guarantee the notes, and no such subsidiaries (existing or formed in the future) are expected to guarantee the notes in the future. The guarantees are subject to release under specified circumstances. See "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

(5) As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the CMBS Loan in full), after intercompany eliminations, our non-guarantor subsidiaries represented approximately 11.3% of our revenues, 14.3% of our Adjusted EBITDA, 14.2% of our total assets and 13.4% of our total liabilities.

(6) Each of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) will be designated as "Unrestricted Subsidiaries" under the Senior Secured Credit Facilities and the indentures that will govern the notes offered hereby. As a result, none of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) will guarantee the Senior Secured Credit Facilities or the notes offered hereby and the U.S. real properties of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) that will be collateral for the CMBS Loan will not be included in the assets that secure the secured notes. As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions, the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) represented approximately 8.0% of our total assets and 11.7% of our total liabilities and had no revenue other than the payments under the Master Lease. See "Certain Relationships and Related Party Transactions—Master Lease."

The Sponsors

Blackstone (NYSE: BX) is a leading global alternative asset manager. Blackstone has substantial experience in effecting private equity transactions, having invested or committed over $100 billion of equity in approximately 275 separate transactions, with an aggregate transaction value of over $550 billion. Companies in Blackstone's current private equity portfolio generate aggregate revenues of over $90 billion, with over 330,000 employees. Blackstone has a global footprint with over 155 private equity investment professionals around the world, including offices in New York, London, Mumbai, Hong Kong, Beijing, Tokyo and Sydney.

Carlyle (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Investment Solutions. With $276 billion of assets under management as of June 30, 2021, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. Carlyle has expertise in various industries, including technology, media and telecommunications, aerospace, defense and government services, consumer and retail, energy, financial services, healthcare, industrial, real estate and transportation. Carlyle employs nearly 1,800 people in 27 offices across five continents.

Hellman & Friedman is a preeminent global private equity firm with a distinctive investment approach focused on large-scale equity investments in high quality growth businesses. H&F seeks to partner with world-class management teams where its deep sector expertise, long-term orientation and collaborative partnership approach enable companies to flourish. H&F targets outstanding businesses in select sectors including software & technology, financial services, healthcare, consumer & retail and other business services. Since its founding in 1984, H&F has invested in over 100 companies. The firm is currently investing its tenth fund, with $24.4 billion of committed capital, and has over $90 billion in assets under management as of July 1, 2021.

Company Information

Merger Sub is a corporation incorporated under the laws of Delaware on June 3, 2021, Medline Borrower is a limited partnership formed under the laws of Delaware on September 3, 2021 and Medline Co-Issuer will be incorporated under the laws of Delaware prior to the closing of the Acquisition. On September 7, 2021, in connection with the Transactions, Medline Parent converted from an Illinois corporation to an Illinois limited partnership. On September 9, 2021, in connection with the Transactions, Medline Parent became an indirect subsidiary of Mozart Parent.

Our principal executive office is located at 3 Lakes Drive, Northfield Illinois 60093, and our telephone number is 847-949-3000. The Company's website is www.medline.com. Information on, or accessible through, this website is not part of this offering memorandum, nor is such content incorporated by reference herein. You should rely only on the information contained in this offering memorandum when making a decision as to whether to invest in the notes offered hereby.

THE OFFERING

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

Issuer	Mozart Debt Merger Sub Inc., a Delaware corporation, to be merged with and into Medline Borrower, LP, which will be the surviving entity and, together with Medline Co-Issuer, will jointly assume all of the obligations under the notes and the related indentures.
Securities Offered	
Secured Notes	$3,770,000,000 of % Senior Secured Notes due 2029.
Unsecured Notes	$4,000,000,000 of % Senior Notes due 2029.
Maturity Date	
Secured Notes	The secured notes will mature on , 2029.
Unsecured Notes	The unsecured notes will mature on , 2029.
Interest	
Secured Notes	Interest on the secured notes will accrue at a rate of % per annum. Interest on the secured notes will be payable semi-annually in cash in arrears on and of each year, beginning , 2022. Interest on the secured notes will accrue from and including , 2021.
Unsecured Notes	Interest on the unsecured notes will accrue at a rate of % per annum. Interest on the unsecured notes will be payable semi-annually in cash in arrears on and of each year, beginning , 2022. Interest on the unsecured notes will accrue from and including , 2021.
Escrow of Proceeds; Special Mandatory Redemption	If the Acquisition is not consummated simultaneously with this offering, concurrently with the closing of the offering of the notes, the Issuer will enter into the Escrow Agreement with the applicable trustee and the Escrow Agent pursuant to which the Issuer will deposit (or cause to be deposited) the gross proceeds of each series of notes offered hereby into a segregated escrow account for the applicable series of notes. The Issuer will grant to the applicable trustee, for its benefit and the benefit of the holders of the applicable series of notes, an exclusive first-priority security interest in the applicable escrow account and all amounts on deposit therein to secure the obligations under the applicable series of notes pending

	disbursement as further described in "Description of Secured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption" and "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption." In the event that the Acquisition is not consummated on or prior to the Outside Date or if the Issuer notifies the Escrow Agent and the trustees that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or that the Purchase and Sale Agreement has been terminated, the Issuer will be required to redeem all of the notes of each series in accordance with the terms of the indentures that will govern the notes at a redemption price (the "Special Mandatory Redemption Price") equal to 100% of the initial issue price of the applicable series of notes, plus accrued and unpaid interest to, but excluding, the date of such redemption (the "Special Mandatory Redemption Date"). See "Description of Secured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption" and "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption." If the Acquisition is not consummated simultaneously with this offering and the gross proceeds of this offering of the notes are deposited into segregated escrow accounts for each series of notes, one or more funds or limited partnerships managed or advised by affiliates of the Sponsors will either (i) deposit (or cause the Issuer to deposit) funds into the applicable escrow account in an amount sufficient to pay accrued interest on the notes each month in advance or (ii) commit to pay or guarantee the payment of the accrued and unpaid interest owing to the holders of each series of notes plus other amounts needed to discharge each indenture in the event of a Special Mandatory Redemption.
Guarantees	Prior to the satisfaction of the Escrow Release Conditions, the notes will not be guaranteed by any of the guarantors. Upon the satisfaction of the Escrow Release Conditions, the notes of each series will be fully and unconditionally guaranteed, jointly and severally, by Holdings and each of the Issuer's wholly-owned domestic restricted subsidiaries that guarantee our New Senior Secured Credit Facilities. In the future, each wholly-owned domestic restricted subsidiary of the Issuer that guarantees indebtedness of the Issuer or any guarantor will guarantee the notes, subject to certain exceptions. As of the issue date of the notes, none of our foreign subsidiaries will guarantee the notes, and no such subsidiaries (existing or formed in the future) are expected to guarantee the notes in the future. The guarantees are subject to release under specified circumstances. None of the Alternative RE Borrower or any of its subsidiaries (including the CMBS Borrower) will guarantee the notes. See "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

Security

Secured Notes	In the event this offering of notes is consummated prior to the completion of the Acquisition then, pending the consummation of the Acquisition, the secured notes will be secured only by a first-priority security interest on the applicable escrow account and the funds held in the applicable escrow account. Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the secured notes will be secured by substantially all assets of the Issuer and the guarantors which assets will also secure the Issuer's and each guarantor's obligations under the New Senior Secured Credit Facilities on a pari passu basis, subject to permitted liens, and rank equally in priority as to the collateral securing the secured notes with respect to borrowings and guarantees under the New Senior Secured Credit Facilities and any other pari passu indebtedness, including the Alternative RE Term Loan Facility, if consummated. See "Description of Secured Notes—Security for the Secured Notes."
Unsecured Notes	In the event this offering of notes is consummated prior to the completion of the Acquisition then, pending the consummation of the Acquisition, the unsecured notes will be secured by a first-priority security interest on the funds held in the applicable escrow account. Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the unsecured notes and the related guarantees will not be secured by any collateral.
Pari Passu Intercreditor Agreement	In connection with the issuance of the secured notes and upon consummation of the Acquisition, we will enter into an intercreditor agreement (the "Pari Passu Intercreditor Agreement") with the Notes Collateral Agent (as defined herein) and the collateral agent under our New Senior Secured Credit Facilities (the "Bank Collateral Agent"), and if the Alternative RE Term Loan Facility is consummated, the collateral agent under the Alternative RE Term Loan Facility. The Pari Passu Intercreditor Agreement will set forth the rights of, and relationship among, the Notes Collateral Agent, the holders of the secured notes, the Bank Collateral Agent and the lenders under the New Senior Secured Credit Facilities and the applicable representative of the holders under any other parity lien debt (including, if consummated, the Alternative RE Term Loan Facility) in respect of the exercise of rights and remedies against the Issuer and the guarantors. See "Description of Secured Notes—Security for the Secured Notes—Pari Passu Intercreditor Agreement."

Ranking

Secured Notes . . . . . Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the secured notes will be the Issuer's and the related guarantees will be the guarantors' senior secured obligations and will:

- rank equally in right of payment with all of the Issuer's and each guarantor's existing and future senior indebtedness;
- rank senior in right of payment to all of the Issuer's and each guarantor's future subordinated indebtedness and other obligations that expressly provide for their subordination to the secured notes and the related guarantees;
- be effectively senior to all of the Issuer's and each guarantor's existing and future unsecured indebtedness to the extent of the value of the collateral securing the secured notes, including the unsecured notes;
- rank equally in priority as to the collateral securing the secured notes with respect to borrowings and guarantees under our New Senior Secured Credit Facilities and any other pari passu indebtedness (including, if consummated, the Alternative RE Term Loan Facility); and
- be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of any subsidiary of the Issuer or a guarantor that is not a guarantor of the secured notes, including indebtedness under the CMBS Financing.

The Issuer or one or more of its subsidiaries may enter into a Senior ABL Credit Agreement (as defined under "Description of Secured Notes") following the closing of the Transactions. If entered into, we expect any Senior ABL Revolving Credit Obligations (as defined under the heading "Description of Secured Notes—Certain Definitions") incurred pursuant to such Senior ABL Credit Agreement will have a priority security interest in the ABL Priority Collateral (as defined under the heading "Description of Secured Notes—Certain Definitions") securing such Senior ABL Revolving Credit Obligations and the secured notes and related guarantees and our New Senior Secured Credit Facilities will have a junior priority security interest in such ABL Priority Collateral, while the holders of indebtedness under such Senior ABL Revolving Credit Obligations will have a junior priority security interest in all Collateral other than ABL Priority Collateral that secures the Secured Notes and the New Senior Secured Credit Facilities. If we incur Senior ABL Revolving Credit Obligations, we would expect to enter into an intercreditor agreement with the Notes Collateral Agent, the Bank Collateral Agent and the Senior ABL Credit Agreement Collateral Agent (as defined under the heading "Description of Secured Notes—Certain Definitions") to set forth the rights of, and relationship among, the

Notes Collateral Agent, the holders of the secured notes, the Bank Collateral Agent, the lenders under the New Senior Secured Credit Facilities, the Senior ABL Credit Agreement Collateral Agent and the lenders under the Senior ABL Credit Agreement in respect of the exercise of rights and remedies against the Issuer and the guarantors. See "Description of Secured Notes—Security for the Secured Notes—ABL/Fixed Asset Intercreditor Agreement."

Unsecured Notes . . . . . Upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, the unsecured notes will be the Issuer's and the related guarantees will be the guarantors' senior unsecured obligations and will:

- rank equally in right of payment with all of the Issuer's and each guarantor's existing and future senior indebtedness;
- rank senior in right of payment to all of the Issuer's and each guarantor's future subordinated indebtedness and other obligations that expressly provide for their subordination to the unsecured notes and the related guarantees;
- be effectively subordinated to all of the Issuer's and each guarantor's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, including the secured notes, the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility; and
- be structurally subordinated to all existing and future indebtedness claims of holders of preferred stock and other liabilities of any subsidiary of the Issuer or a guarantor that is not a guarantor of the unsecured notes, including indebtedness under the CMBS Financing.

As of June 26, 2021, on a pro forma basis after giving effect to the Transactions, the Issuer and the guarantors would have had approximately $14,772 million in total indebtedness outstanding (excluding approximately $18 million of issued and undrawn letters of credit), none of which would have been subordinated and of which $10,770 million would have been senior secured indebtedness, consisting of $7,000 million of borrowings under the New Term Loan Facilities and $3,770 million of the secured notes. In addition, as of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had approximately $982 million of availability to incur additional secured indebtedness under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder). In addition, after giving effect to the Transactions, the CMBS Borrower would have had approximately $2,230 million of secured indebtedness outstanding under the CMBS Loan (and/or the Alternative RE Borrower would have had up to $2,200 million of secured indebtedness outstanding under the Alternative RE Term Loan Facility borrowed in lieu thereof).

	As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the CMBS Loan in full), after intercompany eliminations, our non-guarantor subsidiaries represented approximately 11.3% of our revenues, 14.3% of our Adjusted EBITDA, 14.2% of our total assets and 13.4% of our total liabilities.
Optional Redemption	
Secured Notes	Prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem the secured notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the secured notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus the applicable "make-whole premium" described under "Description of Secured Notes—Optional Redemption." From and after , 2024, the Issuer may, at its option, at any time and from time to time, redeem the secured notes, in whole or in part, at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem up to 40% of the aggregate principal amount of the secured notes with an amount not to exceed the net cash proceeds from certain equity offerings at a redemption price of % of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem up to 10% of the aggregate principal amount of the secured notes during each calendar year following the issuance of the notes at a redemption price of 103% of the principal amount of the secured notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See "Description of Secured Notes—Optional Redemption."
Unsecured Notes	Prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem the unsecured notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the unsecured notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus the applicable "make-whole premium" described under "Description of Unsecured Notes—Optional Redemption." From and after , 2024, the Issuer may, at its option, at any time and from time to time, redeem the unsecured notes, in whole

	or in part, at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem up to 40% of the aggregate principal amount of the unsecured notes with an amount not to exceed the net cash proceeds from certain equity offerings at a redemption price of % of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time on or after , 2022 and prior to , 2024, the Issuer may redeem all, but not less than all, of the unsecured notes with an amount not to exceed the net cash proceeds from any Qualified IPO (as defined herein) at the applicable redemption price set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See "Description of Unsecured Notes—Optional Redemption."
Change of Control Offer	Upon the occurrence of specific kinds of changes of control, if we do not redeem the notes, you will have the right, as holders of the notes, to require the Issuer to purchase some or all of your notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the purchase date. See "Description of Secured Notes—Repurchase at the Option of Holders—Change of Control" and "Description of Unsecured Notes—Repurchase at the Option of Holders—Change of Control."
Certain Covenants	The notes will be issued under indentures that will contain covenants that will, upon the consummation of the Acquisition, from and after the satisfaction of the Escrow Release Conditions, if applicable, among other things, limit the ability of the Issuer and the ability of its restricted subsidiaries to: • incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; • pay dividends and make other distributions or repurchase stock; • make certain investments; • create or incur certain liens; • transfer or sell certain assets; • enter into restrictions affecting the ability of certain restricted subsidiaries to make distributions, loans or advances or transfer assets to the Issuer or the guarantors; • enter into certain transactions with affiliates; • designate restricted subsidiaries as unrestricted subsidiaries; and • merge, consolidate or transfer or sell all or substantially all of the Issuer's or the guarantors' assets.

	These covenants are subject to a number of important limitations and exceptions. Most of these covenants will not apply to the Issuer and its restricted subsidiaries during any period in which the notes are rated investment grade by either Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings ("S&P"). See "Description of Secured Notes—Certain Covenants" and "Description of Unsecured Notes—Certain Covenants."
Transfer Restrictions; No Registration Rights	The notes and the guarantees have not been and will not be registered under the Securities Act or any state securities laws. The notes are subject to restrictions on transfer and resale and may not be offered or sold except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We will not be required to complete a registered exchange offer or file a shelf registration statement for resale of the notes. For more details, see "Transfer Restrictions."
No Public Market or Listing	Each series of notes will constitute a new class of securities with no established trading market. We cannot assure you that an active trading market for the notes will develop and continue after this offering. Certain of the initial purchasers have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. We do not intend to apply for listing of the notes on any securities exchange or on any automated dealer quotation system. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes.
Trustees and Notes Collateral Agent	Wilmington Trust, National Association
Use of Proceeds	If the Acquisition is consummated simultaneously with the consummation of this offering, we intend to use the proceeds from this offering to fund a portion of the Transactions as set forth herein. If the Acquisition is not consummated simultaneously with the consummation of this offering, the proceeds of this offering will be funded into escrow and, upon satisfaction of the Escrow Release Conditions, the proceeds from this offering will be used to fund a portion of the Transactions as set forth herein or, if applicable, will be used to fund the Special Mandatory Redemption as described herein. See "—The Transactions" and "Use of Proceeds."
Tax Consequences	For a discussion of certain United States federal income tax consequences of the notes, see "Certain United States Federal Income Tax Considerations."
Denominations	The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Governing Law	The notes and the indentures under which they will be issued will be governed by the laws of the State of New York.
Risk Factors	An investment in the notes involves a high degree of risk. You should carefully consider all of the information included in this offering memorandum before investing in the notes. In particular, you should evaluate the specific risks described in the section entitled "Risk Factors" in this offering memorandum for a discussion of certain risks relating to an investment in the notes.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth summary historical and unaudited pro forma consolidated financial information of the Company for the periods and dates indicated.

The summary historical consolidated balance sheet data as of December 31, 2019 and 2020 and the consolidated statements of comprehensive income and consolidated statements of cash flows data for the years ended December 31, 2018, 2019 and 2020 have been derived from the Company's audited consolidated financial statements included elsewhere in this offering memorandum. The summary historical consolidated balance sheet data as of June 26, 2021 and the consolidated statements of comprehensive income and consolidated statements of cash flows data for the six months ended June 27, 2020 and June 26, 2021 have been derived from the Company's unaudited consolidated financial statements included elsewhere in this offering memorandum. The summary unaudited consolidated statement of comprehensive income data for the twelve months ended June 26, 2021 have been derived by taking the audited consolidated statement of comprehensive income data for the year ended December 31, 2020, adding the unaudited consolidated statement of comprehensive income data for the six months ended June 26, 2021, and subtracting the unaudited consolidated statement of comprehensive income data for the six months ended June 27, 2020.

The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for those periods. Results for the six months ended June 26, 2021 are not necessarily indicative of the results that may be expected for the full year or any future reporting period. Our audited consolidated financial statements and unaudited historical consolidated financial statements included elsewhere in this offering memorandum do not reflect the impact of the Transactions.

The historical consolidated financial statements of the Company were prepared in conformity with GAAP.

The summary unaudited pro forma consolidated balance sheet data as of June 26, 2021 give effect to the Transactions as if they had occurred on June 26, 2021. The summary unaudited pro forma consolidated statements of comprehensive income data give effect to the Transactions as if they occurred on January 1, 2020. The summary unaudited pro forma consolidated statement of comprehensive income data for the twelve months ended June 26, 2021 have been derived by taking the unaudited pro forma consolidated statement of comprehensive income data for the year ended December 31, 2020, adding the unaudited pro forma consolidated statement of comprehensive income data for the six months ended June 26, 2021, and subtracting the unaudited pro forma consolidated statements of comprehensive income data for the six months ended June 27, 2020. See "Unaudited Pro Forma Consolidated Financial Information." The summary unaudited pro forma consolidated financial information for the twelve months ended June 26, 2021 have been included in this offering memorandum in order to provide investors with pro forma information for the latest practicable 12-month period.

The Transactions will be accounted for using the acquisition method of accounting. The pro forma adjustments reflect adjustments required under GAAP for business combinations and other adjustments, which are based upon, among other things, preliminary estimates of fair market values of assets acquired and liabilities assumed and certain assumptions that we believe are reasonable. Revisions to the preliminary estimates of fair market value may have a significant impact on the pro forma amounts of total assets, total liabilities and equity, revenues, depreciation and amortization expense, interest expense and income tax expense. The actual adjustments related to the Transactions will be made as of the closing date of the Transactions and may differ from those reflected in the summary unaudited pro forma consolidated financial information presented below. Such differences may be material. The summary unaudited pro forma consolidated financial information are for informational purposes only and do not purport to represent what our results of operations or financial position actually would be if the Transactions had occurred at any date, nor do such data purport to project the results of operations for any future period or as of any future date.

The following historical and unaudited pro forma consolidated financial information is only a summary and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the notes thereto included elsewhere in this offering memorandum, as well as the information included under the headings "Special Note Regarding Forward-Looking Statements," "—The Transactions," "Risk Factors," "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information."

	Year Ended December 31,			Six Months Ended		Twelve Months Ended June 26, 2021	Pro Forma Twelve Months Ended June 26, 2021
	2018	2019	2020	June 27, 2020	June 26, 2021		
				(in thousands)			
Consolidated Statements of Comprehensive Income Data:							
Net sales	$11,718,867	$13,940,377	$17,539,817	$7,703,842	$ 9,458,637	$19,294,612	$19,294,612
Cost of goods sold	8,598,729	10,417,522	12,912,783	5,712,096	7,076,082	14,276,769	14,292,787
Gross profit	3,120,138	3,522,855	4,627,034	1,991,746	2,382,555	5,017,843	5,001,825
Selling, general and administrative expenses	1,866,210	2,230,771	2,526,810	1,200,307	1,261,268	2,587,771	3,361,103
Operating income	1,253,928	1,292,084	2,100,224	791,439	1,121,287	2,430,072	1,640,722
Other income							
Interest and investment income (expense), net	9,477	11,384	35,453	13,005	(10,257)	12,191	(807,516)
Foreign exchange gain (loss)	17,039	(7,758)	10,088	(5,346)	(4,287)	11,147	11,147
Total other income (expense)	26,516	3,626	45,541	7,659	(14,544)	23,338	(796,369)
Income before income taxes	1,280,444	1,295,710	2,145,765	799,098	1,106,743	2,453,410	844,353
Income taxes	30,382	29,089	48,844	16,913	102,161	134,092	134,092
Net income	$ 1,250,062	$ 1,266,621	$ 2,096,921	$ 782,185	$ 1,004,582	$ 2,319,318	$ 710,261

	As of December 31,		As of June 26, 2021	Pro forma as of June 26, 2021
	2019	2020		
		(in thousands)		
Consolidated Balance Sheet Data:				
Cash and cash equivalents	$ 156,944	$ 383,520	$ 432,494	$ 299,788
Total assets	7,728,699	9,490,646	9,660,427	35,446,139
Total liabilities	1,555,134	1,627,828	1,403,919	18,844,439
Total stockholders' equity/partners' capital	6,173,565	7,862,818	8,256,508	16,601,700

	Year Ended December 31,			Six Months Ended	
	2018	2019	2020	June 27, 2020	June 26, 2021
			(in thousands)		
Consolidated Statements of Cash Flows Data:					
Net cash provided by operating activities	$1,266,322	$ 604,632	$1,486,556	$ 669,991	$ 883,981
Net cash used in investing activities	(316,847)	(680,804)	(561,077)	(219,181)	(115,645)
Net cash used in financing activities	(727,157)	(188,626)	(721,135)	(339,153)	(708,345)

	Year Ended December 31,			Six Months Ended		Twelve Months Ended June 26, 2021	Pro Forma Twelve Months Ended June 26, 2021
	2018	2019	2020	June 27, 2020	June 26, 2021		
	(unaudited; dollars in thousands)						
Other Financial Data and Key Credit Metrics:							
Adjusted EBITDA[1]	$1,473,821	$1,578,633	$2,385,847	$913,811	$1,291,550	$2,763,586	$ 2,763,586
Further Adjusted EBITDA[1]							$ 2,367,363
Free Cash Flow[1]	$1,137,613	$1,112,136	$1,870,338	$694,395	$1,093,567	$2,269,510	$ 2,269,510
Pro forma net secured debt[2][3]							$10,470,000
Pro forma net debt[2][4]							$14,472,261
Pro forma cash interest expense[2][5]							$ 684,265
Ratio of pro forma net secured debt to Further Adjusted EBITDA[1][2][3]							4.4x
Ratio of pro forma net debt to Further Adjusted EBITDA[1][2][4]							6.1x
Ratio of Further Adjusted EBITDA to pro forma cash interest expense[1][2][5]							3.5x

(1) See "—Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow."

(2) As the CMBS Loan will be incurred by "Unrestricted Subsidiaries," any indebtedness and interest payable thereunder will not be included for purposes of covenant calculations under the indentures that will govern the notes or the credit agreement that will govern our New Senior Secured Credit Facilities.

(3) Pro forma net secured debt reflects the principal amount of all debt of the Issuer and its Restricted Subsidiaries that will be secured by a lien net of cash and cash equivalents after giving effect to the Transactions (assuming we consummate the CMBS Loan in full) and without adjustment for any original issue discount or deferred financing costs.

(4) Pro forma net debt reflects the principal amount of all debt of the Issuer and its Restricted Subsidiaries net of cash and cash equivalents after giving effect to the Transactions (assuming we consummate the CMBS Loan in full) and without adjustment for any original issue discount or deferred financing costs.

(5) Pro forma cash interest expense reflects estimated interest expense under all debt of the Issuer and its Restricted Subsidiaries after giving effect to the Transactions (assuming we consummate the CMBS Loan in full). A hypothetical 100 basis point increase in interest rates of all debt of the Issuer and its Restricted Subsidiaries after giving effect to the Transactions (assuming we consummate the CMBS Loan in full) would increase our pro forma cash interest expense for the twelve months ended June 26, 2021 by approximately $149.2 million.

Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow

The following table sets forth a reconciliation of Adjusted EBITDA and Further Adjusted EBITDA to net income, the most comparable GAAP measure:

	Year Ended December 31,			Six Months Ended		Twelve Months Ended	Pro Forma Twelve Months Ended
	2018	2019	2020	June 27, 2020	June 26, 2021	June 26, 2021	June 26, 2021
	(in thousands)						
Net income	$1,250,062	$1,266,621	$2,096,921	$782,185	$1,004,582	$2,319,318	$ 710,261
Interest expense, net	(11,206)	(3,131)	(3,455)	2,220	(5,883)	(11,558)	808,149
Provision for (benefit from) tax	30,382	29,089	48,844	16,913	102,161	134,092	134,092
Depreciation and amortization	178,120	179,729	202,625	97,560	102,773	207,838	997,188
Inventory normalization adjustments[1]	19,420	44,237	30,241	26,968	33,760	37,033	37,033
Non-recurring personnel costs[2]	36,858	62,125	99,994	26,772	53,811	127,033	127,033
Non-recurring costs[3]	—	3,464	23,215	5,686	6,192	23,721	23,721
Out-of-period normalization[4]	3,926	33,506	(36,029)	(11,409)	(14,077)	(38,697)	(38,697)
Non-operating (income) / expense[5]	(33,741)	(37,007)	(76,509)	(33,084)	8,231	(35,194)	(35,194)
Adjusted EBITDA	$1,473,821	$1,578,633	$2,385,847	$913,811	$1,291,550	$2,763,586	$2,763,586
Contribution from acquisitions[6]							33,582
Estimated COVID-19 impact[7][8]							(495,805)
Run-rate impact of signed contracts, cost savings and customer losses[9]							113,000
Net rent payment under Master Lease[8][10]							(47,000)
Further Adjusted EBITDA							$2,367,363

(1) Represents inventory adjustments associated primarily with non-cash last-in, first-out reserves.

(2) Represents one-time restructuring costs and phantom stock cash bonus payments that will be discontinued post-Transactions.

(3) Represents third-party Systems Applications and Products in Data implementation costs related to manufacturing units in the United States and Mexico as well as distribution consolidation costs in Canada that occurred in the year ended December 31, 2020.

(4) Represents out-of-period expenses associated with vendor rebates and tariff refunds.

(5) Represents gains on sales of fixed and other assets, foreign exchange gains/losses and certain non-operating expenses.

(6) Represents the estimated impact of pre-acquisition results for Sensi-Care and Aloe Vesta skin care product lines acquired by Medline in September 2020 and the pre-acquisition results for the Hudson RCI Respiratory business purchased from Teleflex by Medline in June 2021, assuming such acquisitions were made at the beginning of the earliest period presented. The information with respect to pre-acquisition results of acquired companies is based on the best information available to us. For certain acquired companies, this information is based on historical financial statements, while in other cases, the information is based on management schedules and subject to certain estimates and judgements. See "Risk Factors—Risks Related to Our Business—We present information relating to pre-acquisition results of acquisitions and certain of the data used in calculating this information was unaudited or involved certain estimates and judgments, and accordingly you should not unduly rely on them."

(7) Represents estimated favorable impacts to certain Medline divisions due to elevated demand for PPE and test kits offset by unfavorable impacts from lower elective surgery volume during the COVID-19 pandemic. See "Risk Factors—Risks Related to Our Business—The COVID-19 pandemic has adversely impacted certain aspects of the Company's business and could cause disruptions or future impact to the Company's business, results of operations and financial condition."

(8) These deductions will not be reflected in the calculation of EBITDA and related ratios under the indentures that will govern the notes offered hereby or the credit agreement that will govern our New Senior Secured Credit Facilities.

(9) Represents the estimated run-rate impact of certain new and expanded signed contracts entered into through July 1, 2021, assuming such contracts were entered into at the beginning of the relevant period. Also represents the run-rate impact of certain cost and manufacturing savings, partially offset by certain customer losses. See "Risk Factors—Risks Related to Our Business—We may not realize the expected benefits from the entry into new or amended contracts, planned cost-savings and business improvement initiatives."

(10) Represents the net impact of the rental stream to be paid by the Master Tenant to the CMBS Borrower under the Master Lease to be entered into in connection with the CMBS Loan and which rent payments will be used by the CMBS Borrower for servicing obligations under the CMBS Loan, offset by the estimated distributions by the CMBS Borrower to the Issuer after such rental payments are made, which net payments are modeled at an illustrative cost of 2.15%.

The following table sets forth a reconciliation of Free Cash Flow to Adjusted EBITDA for the periods indicated.

	Year Ended December 31,			Six Months Ended		Twelve Months Ended
	2018	2019	2020	June 27, 2020	June 26, 2021	June 26, 2021
	(in thousands)					
Adjusted EBITDA	$1,473,821	$1,578,633	$2,385,847	$ 913,811	$1,291,550	$2,763,586
Net Capital Expenditures	(336,208)	(466,497)	(515,509)	(219,416)	(197,983)	(494,076)
Free Cash Flow	$1,137,613	$1,112,136	$1,870,338	$ 694,395	$1,093,567	$2,269,510

RISK FACTORS

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

Risks Related to our Business

Any failure by or loss of a third-party manufacturer or other manufacturing difficulties could result in delays and increased costs, which may adversely affect our business.

We rely on third parties to manufacture certain of our products. We depend on these third-party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, we cannot guarantee that these third-party manufacturers will be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and have a material adverse effect on our business, results of operations and financial condition.

Other risks associated with our reliance on third parties to manufacture products include reliance on the third-party for regulatory compliance and quality assurance, misappropriation of the Company's intellectual property, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third-party and the possible termination or nonrenewal of the manufacturing agreement by the third-party at a time that is costly or inconvenient for us. Moreover, if any of our third-party manufacturers suffer any damage to facilities, lose benefits under material agreements, experience power outages, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, or fail to comply with regulatory requirements, we may experience significant business disruption. In the event of any such disruption, the Company would need to seek and source other qualified third-party manufacturers, likely resulting in further delays and increased costs which could have a material adverse effect on our business, results of operations and financial condition. In certain cases we may not be able to establish additional or replacement suppliers for such materials or third-party manufacturers for such services in a timely or cost effective manner, largely as a result of FDA and other regulations that require, among other things, qualification and FDA approval of replacement suppliers and third-party manufacturers, and validation of materials, components and services prior to their use in or with our products.

We also manufacture certain of our own products, which requires the timely delivery of a sufficient amount of quality components and materials and is highly exacting and complex, due in part to strict regulatory requirements. In addition, many of our products require sterilization before sale and several of our key products are manufactured or sterilized at a particular facility, with limited alternate facilities. If an event occurs that results in damage to or closure of or a reduction in production or sterilization at one or more of such facilities, we may be unable to manufacture or sterilize the relevant products to the required quality specifications or at all. Because of the time required to approve and license a manufacturing or sterilization facility, a third-party may not be available on a timely basis to replace production capacity in the event manufacturing or sterilization capacity is lost. We seek to maintain continuity of supply by use of multiple options for sourcing where possible. However, for reasons including quality assurance, cost effectiveness, or availability, certain components, raw materials and services needed to manufacture our products are obtained from a limited number of suppliers. Although we work closely with our suppliers to try to ensure continuity of supply while maintaining high quality and reliability, the supply of these components, raw materials and services may be interrupted or insufficient.

Other disruptions in the manufacturing process or product sales and fulfillment systems for any reason, including equipment malfunction, failure to follow specific protocols and procedures, supplier facility shut-downs, regulatory enforcement actions, increased shipping times, defective raw materials, natural disasters such as hurricanes, tornadoes or wildfires, property damage from riots and other environmental factors and the impact of epidemics or pandemics, such as COVID-19, and actions by businesses, communities and governments in response, could lead to launch delays, increased fulfillment times, product shortages, unanticipated costs, lost revenues and damage to our reputation.

Our business is dependent on certain significant suppliers.

We distribute products from many different suppliers and are dependent on these suppliers for the continuing supply of these products for our distribution channel. Although no sales of products of any individual supplier exceeded 6.5% of our 2020 net sales, sales of products of our ten largest suppliers accounted for approximately 24.8% of 2020 net sales. A key supplier's failure to sell and deliver us products necessary to meet our customers' demands, including as a result of disruptions in, or an increase in the costs associated with sourcing, manufacturing and distribution of such supplier's products, a change in purchasing and delivery terms by such supplier, import or export restrictions, obligations under the Defense Production Act or similar laws or governmental directives or the decision by such supplier to distribute its products directly to healthcare providers rather than through third-party distributors or through other distributors rather than us could have a material adverse effect on our business, results of operations and financial condition. Certain of our suppliers are also our competitors and disruptions in our relationships with such suppliers, whether due to competitive reasons or otherwise, may have an impact on our ability to supply products to our customers in our distribution channel.

Increases in shipping costs or service issues with our third-party shippers could harm our business.

Shipping is a significant expense in the operation of our business. We contract with premier domestic and international carriers to help manage this risk, and we bear the cost of the majority of our freight expense. Global capacity challenges, port congestion and equipment displacement continue to create upward pressure on import costs. Accordingly, any significant increase in shipping rates and times could have a material adverse effect on our business, results of operations and financial condition. Recently, we have experienced significant increases in freight expenses, which we expect, together with increased labor costs, will negatively impact our net income and Adjusted EBITDA in the third quarter of 2021 and may continue to negatively affect our results of operations in the future. Similarly, strikes or other service interruptions by those shippers could cause our operating expenses to rise and materially adversely affect our ability to deliver products on a timely basis.

Our manufacturing business is exposed to price fluctuations of key commodities, which may negatively impact our results of operations.

Our manufacturing business relies on product inputs, such as oil-based resins, pulp, cotton, nitrile and vinyl, as well as other commodities, in the manufacture of its products. Prices of these commodities are volatile and have fluctuated in recent years, which may contribute to fluctuations in our results of operations. Additionally, we purchase certain of these commodities in currencies other than U.S. dollars and fluctuations in the exchange rate between those currencies and the U.S. dollar may increase our costs. We do not currently engage in any hedging activities. Prices of oil and gas also affect our distribution and transportation costs. Furthermore, due to competitive dynamics and contractual limitations, we may be unable to pass along commodity-driven cost increases through higher prices. If we cannot fully offset cost increases through other cost reductions, or recover these costs through price increases or surcharges, we could experience lower margins and profitability which could have a material adverse effect on our business, results of operations and financial condition.

We face competition and accelerating pricing pressure.

The med-surg industry is highly competitive and characterized by pricing and margin pressure for our business. We compete with other medical product manufacturers and distributors, as well as customer self-

distribution models and, to a lesser extent, certain outsourced logistics companies. Competitive factors within the med-surg industry include market pricing, total delivered product cost, product availability, the ability to fill and invoice orders accurately, delivery time, range of services provided, efficient product sourcing, inventory management, information technology, electronic commerce capabilities and the ability to meet customer-specific requirements. Our success is dependent on the ability to compete on the above factors, while managing internal costs and expenses.

These competitive pressures could have a material adverse effect on our business, results of operations and financial condition. In addition, in recent years, the healthcare industry in the United States has experienced and continues to experience significant consolidation in response to cost containment legislation and general market pressures to reduce costs. This consolidation of our customers and suppliers generally gives them greater bargaining power to reduce the pricing available to them, which may adversely impact our results of operations and financial condition.

If we experience decreasing prices for our goods and services and we are unable to reduce our expenses, there may be a material adverse effect on our business, results of operations and financial condition.

We have experienced, and may continue to experience, decreasing prices for certain of our goods and services due to pricing pressure from managed care organizations and other third-party payers on our customers, increased market power of Group Purchasing Organizations ("GPOs"), IDNs, and other customers as the med-surg industry consolidates and increased competition among med-surg products and services providers. GPOs and IDNs negotiate pricing arrangements with medical product companies and distributors and then offer these negotiated prices to affiliated hospitals and other members. GPOs and IDNs typically award contracts on a category-by-category basis through a competitive bidding process. Bids are generally solicited from multiple providers with the intention of driving down pricing or reducing the number of vendors. Due to the highly competitive nature of the GPO and IDN contracting processes, we may not be able to obtain new, or maintain existing, contract positions with major GPOs and IDNs. Additionally, while having a contract with a GPO for a given product category can facilitate sales to members of that GPO, such contract positions can offer no assurance that any level of sales will be achieved, as sales are typically made pursuant to individual purchase orders. Members of the GPO are generally free to purchase from other suppliers, and any such purchases could result in a decline in our sales volumes and revenue. Furthermore, the increasing leverage of organized buying groups may reduce market prices for our products, thereby reducing our revenue and margins.

Cost reform has triggered a consolidation trend in the healthcare industry to aggregate purchasing power, which may create more requests for pricing concessions in the future. We expect that market demand, government regulation, third-party coverage and reimbursement policies and societal pressures will continue to change the healthcare industry worldwide, resulting in further business consolidations and alliances among our customers, which may exert further downward pressure on the prices of our products. If the prices for our goods and services decrease and we are unable to reduce our expenses, our business, results of operations, financial condition and cash flows will be adversely affected.

We have concentration in and dependence on certain healthcare provider customers and GPOs.

In 2020, our top five customers, each of which is an IDN, represented approximately 10.5% of our net sales. In addition, in 2020, approximately 61% of our net sales was from sales to member hospitals under contract with our largest GPOs: Vizient, Premier and HealthTrust Purchasing Group. We could lose a significant healthcare provider customer if an existing contract expires without being replaced or is terminated by the customer prior to its expiration. Although the termination of our relationship with a given GPO would not necessarily result in the loss of the member hospitals as customers, any such termination of a GPO relationship, or a significant individual healthcare provider customer relationship, could have a material adverse effect on our business, results of operations and financial condition.

We also have contracts with government entities, which are subject to risks such as lack of funding and legal compliance. For example, government contract purchase obligations are typically subject to the availability of funding, which may be eliminated. Our government contracts might not be renewed or might be terminated for convenience with little or no prior notice, which could have a material adverse effect on our business, results of operations and financial condition.

Consolidation in the healthcare industry could have an adverse effect on our business, results of operations and financial condition.

Many healthcare industry companies, including healthcare systems, distributors, manufacturers, suppliers, providers and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates, competition to provide goods and services to industry participants will become more intense. Additionally, our existing customers may consolidate with industry participants that do not use our services or purchase our products, resulting in the loss of customer relationships. Further, this consolidation creates larger enterprises with greater negotiating power, which they can use to negotiate price concessions. If we must reduce our prices because of industry consolidation, or if we lose customers as a result of their consolidation with other industry participants, our business, results of operations and financial condition could be materially adversely affected.

We may be unable to attract and retain key employees.

Our sales, technical and other key personnel play an integral role in the development, marketing and selling of new and existing products. If we are unable to recruit, hire, develop and retain a talented, competitive work force in our highly competitive industry, we may not be able to meet our strategic business objectives.

Our ability to attract, engage, develop and retain qualified and experienced employees, including key executives and other talent, is essential for us to meet our objectives. We compete with many other businesses to attract and retain employees. Competition among potential employers might result in increased salaries, benefits or other employee-related costs, or in our failure to recruit and retain employees. We may experience sudden loss of key personnel due to a variety of causes, such as illness, and must adequately plan for succession of key management roles. Employees might not successfully transition into new roles. In addition, if we are unable to maintain an inclusive culture that aligns our diverse work force with our mission and values, this could adversely impact our ability to recruit, hire, develop and retain key talent. Further, our relationships with our employees could be impacted by attempts to unionize portions of our workforce. Any of these risks might have a material adverse effect on our business, results of operations and financial condition.

Changes to the global healthcare environment may not be favorable to us.

Over a number of years, the U.S. healthcare industry has undergone significant changes designed to increase access to medical care, improve safety and patient outcomes, contain costs and increase efficiencies. These changes include a general decline in Medicare and Medicaid reimbursement levels, efforts by healthcare insurance companies to limit or reduce payments to pharmacies and providers, the basis for payments beginning to transition from a fee-for-service model to value-based payments and risk-sharing models, and the industry shifting away from traditional healthcare venues like hospitals and into clinics, physician offices and patients' homes.

We expect the U.S. healthcare industry to continue to change significantly in the future. Possible changes include further reduction or limitations on governmental funding at the state or federal level, efforts by healthcare insurance companies to further limit payments for products and services or changes in legislation or regulations governing healthcare services or mandated benefits. These possible changes, and the uncertainty surrounding these possible changes, may adversely affect us.

There have also been and continue to be proposals by several international governments, regulators and third-party payers to control healthcare costs and, more generally, to reform healthcare systems. Certain of these proposals could, among other things, limit the prices we are able to charge for our products or the amounts of reimbursement available for our products and could limit the acceptance and availability of our products. The adoption of some or all of these proposals could have a material adverse effect on our business, results of operations and financial condition.

Uncertain global macro-economic and political conditions could materially adversely affect our business, results of operations and financial condition.

Uncertain global macro-economic and political conditions that affect the economy and the economic outlook of the United States, Europe, Asia and other parts of the world could materially adversely affect our business, results of operations and financial condition. These uncertainties, include, among other things:

- changes to laws and policies governing foreign trade (including, without limitation, the United States-Mexico-Canada Agreement, the EU-UK Trade and Cooperation Agreement of December 2020 and other international trade agreements);
- greater restrictions on imports and exports;
- supply chain disruptions due to social issues, including forced labor;
- changes in laws and policies governing healthcare or data privacy;
- tariffs and sanctions (including, without limitation, the uncertain duration of temporary tariff suspensions imposed by the Biden Administration on medical goods from China, and the potential institution of previous or new tariffs; see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors and Trends Affecting Our Results of Operations—U.S. and China trade relations");
- changes to, including further deterioration of, the relationship between the United States and China;
- sovereign debt levels;
- the inability of political institutions to effectively resolve actual or perceived economic, currency or budgetary crises or issues;
- consumer confidence;
- unemployment levels (and a corresponding increase in the uninsured and underinsured population);
- changes in employment laws and regulations;
- changes in regulatory and tax regulations;
- increases in interest rates;
- availability of capital;
- increases in fuel and energy costs;
- the effect of inflation on our ability to procure products and our ability to increase prices over time;
- changes in tax rates and the availability of certain tax deductions;
- increases in healthcare costs;
- the threat or outbreak of war, terrorism or public unrest; and
- changes in laws and policies governing manufacturing, development and investment in territories and countries where we do business.

Additionally, changes in government, government debt and/or budget crises may lead to reductions in government spending in certain countries, which could reduce overall healthcare spending, and/or higher income or corporate taxes, which could depress spending overall. Recessionary conditions and depressed levels of consumer and commercial spending may also cause customers to reduce, modify, delay or cancel plans to purchase our products and may cause suppliers to reduce their output or change their terms of sale. Additionally, if customers' cash flow or operating and financial performance deteriorate, or if they are unable to make scheduled payments or obtain credit, they may not be able to, or may delay, payment to us. Likewise, for similar reasons suppliers may restrict credit or impose different payment terms.

Our global operations are subject to inherent risks that could materially adversely affect our business, results of operations and financial condition.

Our global operations are subject to risks that may materially adversely affect our business, results of operations and financial condition. We import a significant percentage of our products from outside of the United States, including 38% of our products from China and Hong Kong. The risks that our global operations are subject to include, among other things:

- difficulties and costs relating to staffing and managing foreign operations;
- difficulties and delays inherent in sourcing products, establishing channels of distribution and contract manufacturing in foreign markets;
- fluctuations in the value of foreign currencies (including, without limitation, in connection with Brexit);
- uncertainties relating to the EU-UK Trade and Cooperation Agreement of December 2020, including, for example, potential implementation problems such as border delays, as well as potential changes to the U.K. regulatory scheme to replace EU requirements;
- longer payment cycles of foreign customers and difficulty of collecting receivables in foreign jurisdictions;
- repatriation of cash from our foreign operations to the United States;
- regulatory requirements, including without limitation, compliance with anti-bribery, anti-corruption and economic sanctions laws and regulations and laws pertaining to the accuracy of our internal books and records;
- unexpected difficulties in importing or exporting our products and import/export tariffs, quotas, sanctions or penalties;
- limitations on our ability under local laws to protect our intellectual property;
- unexpected regulatory, legal, economic and political changes in foreign markets;
- changes in tax regulations that influence purchases of capital equipment;
- civil disturbances, geopolitical turmoil, including terrorism, war or political or military coups; and
- public health emergencies, including COVID-19.

Foreign currency exchange rate fluctuations could have a significant impact on our results of operations.

We operate in various international markets, including Canada, Europe and Asia Pacific. For the years ended December 31, 2018, 2019 and 2020, approximately 8%, 7% and 11% of our total revenues, respectively, and approximately 11%, 10% and 10% of our total operating expenses incurred, respectively, were in currencies other than U.S. dollar. The results of operations of, and certain of our intercompany balances associated with, our international service offerings are exposed to foreign currency exchange rate fluctuations. Upon translation into

U.S. dollar, our results of operations may differ materially from expectations, and we may record significant gains or losses on the remeasurement of intercompany balances. As we have expanded our international operations, our exposure to foreign currency exchange rate fluctuations has increased. We also hold cash equivalents and marketable securities in foreign currencies including the Pound Sterling and Euros. If the U.S. dollar strengthens compared to these currencies, our cash equivalents and marketable securities balances, when translated, may be materially less than expected and vice versa. We do not currently have in place any foreign currency exchange rate hedges and fluctuations in foreign currency exchange rates could have a significant impact on our results of operations.

Our continued success is substantially dependent on positive perceptions of our reputation.

One of the reasons why customers choose to do business with us and why employees choose us as a place of employment is the reputation that we have built over many years. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Reputational value is based in large part on perceptions of subjective qualities. Even an isolated incident, or the aggregate effect of individually insignificant incidents, can erode trust and confidence, particularly if they result in adverse publicity, governmental investigations or litigation, and as a result, could tarnish our brand and lead to adverse effects on our business, financial condition and results of operations.

Climate change or legal, regulatory or market measures to address climate change may negatively affect our business, results of operations and financial condition.

Our business could be affected by current and future laws, regulations, treaties or international agreements related to greenhouse gases and climate change. Some existing laws and regulations to reduce greenhouse gas emissions include controls, carbon levies, cap and trade programs and/or other measures, and additional regulation of such emissions is likely. More stringent interpretation of existing laws or regulations, as well as future laws or regulations in response to concerns over climate change, could require us and/or our suppliers to take action to reduce emissions of greenhouse gases. As a result, the costs and restrictions associated with sourcing, manufacturing and distributing our products could significantly increase, which may adversely affect our business, results of operations and financial condition.

In addition, the physical impacts of climate change, such as increases in the frequency and severity of drought, wildfire, hurricanes, tornadoes, storms or flooding, may pose physical risks to our facilities and/or operations, and/or disrupt our supply chain.

We must comply with extensive environmental, health and safety requirements and our operations involve hazardous and other environmentally sensitive substances, which subject us to related risks that may have a material adverse effect on our business, financial condition, and results of operations.

We are subject to extensive federal, state, provincial, local and international environmental, health and safety requirements concerning, among other things, the health and safety of our employees, the generation, disposal, storage, use and transportation of hazardous and other environmentally sensitive substances, emissions or discharges of substances into the environment, investigation and remediation of contamination at various sites, and chemical constituents in products. Our operations and those of some of our suppliers involve the use of substances subject to these requirements, including those used in manufacturing and sterilization processes. If we or our suppliers violate these requirements, facilities could be shut down and violators could be fined, criminally charged or otherwise sanctioned.

Furthermore, environmental, health and safety requirements, and their enforcement, have and are likely to continue to become more stringent, resulting in increased costs and other burdens. For example, we and other medical product manufacturers use ethylene oxide (“EtO”) to sterilize certain medical products. EtO has been the subject of increasing public and regulatory scrutiny because of changes in the assessment of health risks related

to EtO emissions. We have made substantial capital expenditures to upgrade emissions controls at certain of our facilities where we expect to continue using EtO. We are also subject to a number of pending claims alleging personal injuries and/or other potential impacts from, and seeking relief with respect to, EtO emissions and releases. See "—Legal proceedings could adversely impact our business, results of operations and financial condition" for further information.

In addition, certain environmental laws assess liability on current or previous owners or operators of real property or those who have arranged for the disposal or treatment of hazardous and other environmentally sensitive substances for the costs of investigation, removal or remediation of those substances at their properties or at other locations where those substances have been sent for treatment or disposal. This liability may be imposed regardless of fault, and in many situations may be joint and several, meaning that a liable entity may be held responsible for more than its share of the liability, potentially up to the entire liability if other responsible entities cannot be found or are unable to respond. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances and other environmentally sensitive materials. The ultimate cost of site cleanup and timing of future cash outflows is difficult to predict, given the uncertainties regarding the extent of the required cleanup and the interpretation of applicable requirements.

Our cost of complying with current or future environmental, health and safety requirements, and obligations to investigate and/or remediate environmental conditions currently known or as may be identified or arise in the future and/or to address claims resulting from such conditions, may require material expenditures by us, exceed our estimates, or have a material adverse effect on our business, results of operations and financial condition.

The COVID-19 pandemic has adversely impacted certain aspects of the Company's business and could cause disruptions or future impact to the Company's business, results of operations and financial condition.

We are subject to risks associated with global health crises and pandemics, including the global outbreak of SARS-CoV-2, the virus that causes the novel coronavirus disease, and any variants or mutations ("COVID-19"). The continued global spread of COVID-19 could adversely impact the Company's operations, including, among other things, our manufacturing operations, supply chain, including third-party suppliers, shipping and labor costs, sales and marketing, and customer demand, including as a result of a potential downturn in the nursing home industry. The COVID-19 pandemic has had a negative impact on sales of certain of our products, especially those used in elective surgeries, which have declined as a result of the pandemic. The COVID-19 pandemic has also had an impact on shipping, supply and labor costs, especially in recent months. Any of these factors could adversely affect the Company's business, results of operations and financial condition. The Company continues to monitor the situation and while we have robust business continuity plans in place across our global supply chain network to help mitigate the impact of COVID-19, these efforts may not completely prevent our business from being adversely affected and future impacts remain uncertain. The extent to which COVID-19 will impact the Company's future operations will depend on many factors which cannot be predicted with confidence, including the duration of the outbreak. Any resurgence in COVID-19 infections could result in the imposition of new mandates and prolonged restrictive measures implemented in order to control the spread of the disease.

While it is premature to accurately predict the ultimate impact of the COVID-19 outbreak and although we have not experienced a negative impact on our overall business and results of operations from the COVID-19 pandemic to date, our results for the quarter ending September 25, 2021, the year ending December 31, 2021 and future periods could ultimately be adversely impacted with potential continuing, adverse impacts thereafter. Conversely, despite the fact that our results have remained strong during the COVID-19 pandemic and that we have seen an increase in sales of certain of our products, there is no assurance that such strong results will continue as lock-down and other restrictions are lifted and customer purchasing and consumer and healthcare provider behavior modifies following the end of the pandemic.

Quality problems and product liability claims could lead to recalls or safety alerts, reputational harm, adverse verdicts or costly settlements, and could have a material adverse effect on our business, results of operations and financial condition.

Quality is extremely important to us and our customers due to the impact on patients and healthcare providers, and the serious and potentially costly consequences of product failure. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of med-surg products. Component failures, manufacturing nonconformances, design defects, off-label use, or inadequate disclosure of product-related risks or product-related information with respect to our products, if they were to occur, could result in an unsafe condition or injury to, or death of, a patient. These problems could lead to recall of, or issuance of a safety alert relating to, our products, and could result in product liability claims and lawsuits, including class actions.

Strong product quality is critical to the success of our goods and services. If we fall short of these standards and our products are the subject of recalls or safety alerts, our reputation could be damaged, we could lose customers and our revenue and results of operations could decline. In certain situations, we may undertake a voluntary recall of products or temporarily shut down production lines based on performance relative to our own internal safety and quality monitoring and testing data.

Any of the foregoing problems, including future product liability claims or recalls, regardless of their ultimate outcome, could harm our reputation and have a material adverse effect on our business, results of operations and financial condition.

Legal proceedings could adversely impact our business, results of operations and financial condition.

Due to the nature of our business, we regularly become involved in disputes, litigation and regulatory matters. Litigation is inherently unpredictable and the unfavorable outcome of one or more of these legal proceedings could adversely affect our business, results of operations and financial condition.

For example, we are currently the subject of tort lawsuits alleging current or future personal injury by purported exposure to emissions and releases of EtO from our facility in Waukegan, Illinois. See "—We must comply with extensive environmental, health and safety requirements and our operations involve hazardous and other environmentally sensitive substances, which subject us to related risks that may have a material adverse effect on our business, financial condition, and results of operations ." This litigation includes a putative medical monitoring class action filed in the United States District Court for the Northern District of Illinois and individual suits in Illinois state court on behalf of approximately 90 claimants alleging that the Company's emissions caused cancer and other serious ailments to nearby residents. Other defendants in many of these claims include one or two prior owners of our Waukegan facility and/or the operator of another EtO-emitting facility in the area. We deny the allegations and are vigorously defending against the claims. However, one or more adverse judgments could result in significant liability for us and have a material adverse effect on our business, results of operations and financial condition.

In litigation, including those described above, plaintiffs may seek various remedies, including without limitation declaratory and/or injunctive relief; compensatory or punitive damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs and/or other relief. Settlement demands may seek significant monetary and other remedies, or otherwise be on terms that we do not consider reasonable under the circumstances. It is likely that we will be subject to other claims in addition to those described above by similar groups of plaintiffs in the future relating to any of our current or former facilities or activities. Any claim brought against us, regardless of its merits, could be costly to defend and could result in increases of our insurance premiums and exhaust any insurance coverage that we may have for such claims. The financial impact of such litigation is difficult to assess or quantify. Some or all claims brought against us might not be covered by our insurance policies or, if covered, might exhaust our available insurance coverage for such occurrences. Even

where the claim should be covered by insurance, we have significant self-insured retention amounts, which we would have to pay in full before obtaining any insurance proceeds. Any decisions adverse to our position could result in our being obligated to make substantial payments. Even if such claims are decided in our favor, the costs associated with defending them could have an adverse impact on our business, results of operations and financial condition. In addition, awards against and settlements by our competitors or publicity associated with our EtO litigation and/or EtO litigation involving our competitors could incentivize people not currently involved to bring claims against us.

Additionally, some of the products that we distribute or manufacture have been and may in the future be alleged to cause personal injury, subjecting us to product liability claims. For example, we are a defendant in product liability lawsuits that allege personal injuries associated with the use of ethylene oxide to sterilize certain medical products. Product liability insurance for these types of claims is becoming more limited and may not be available to us at amounts that we historically have obtained or that we would like to obtain. It is possible that a settlement of or judgment for a product liability claim may not be covered by insurance or exceed available insurance recoveries. If this happens, and if any such settlement or judgment is in excess of any prior accruals, our business, results of operations and financial condition could be adversely affected.

We also operate in an industry characterized by extensive intellectual property litigation. Third parties may initiate legal proceedings contending that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which could be uncertain and could have a material adverse effect on our results of operations and financial condition. See "—We may become subject to litigation brought by third parties claiming infringement, misappropriation or other violation by us of their intellectual property rights."

Our insurance program may not be adequate to cover future losses.

We maintain third-party insurance to cover our exposure to certain property and casualty losses and are self-insured to a certain extent for claims and expenses related to other property and casualty losses, including product liability, intellectual property infringement and enforcement, environmental, and cybersecurity and data privacy losses. Insurance coverage limits provided by third-party insurers and/or our captive may not be sufficient to fully cover unanticipated losses.

We are subject to extensive and complex laws and governmental regulations and any adverse regulatory action may materially adversely affect our business, results of operations and financial condition both inside and outside the United States.

Our medical devices and technologies, as well as our business activities, are subject to a complex set of regulations and rigorous enforcement, including by the U.S. FDA, U.S. Department of Justice, Health and Human Services-Office of the Inspector General, and numerous other federal, state, and non-U.S. governmental authorities. To varying degrees, each of these agencies requires us, and our third-party manufacturers, to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products. As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations and trial endpoints. Unfavorable clinical data from existing or future clinical trials may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate, and our business, results of operations, financial condition and cash flows. We cannot guarantee that we will be able to obtain or maintain marketing clearance for our new products or enhancements or modifications to existing products, and the failure to maintain approvals or obtain approval or clearance could have a material adverse effect on our business, results of operations and financial condition. Even if we are able to obtain approval or clearance, it may:

- take a significant amount of time;
- require the expenditure of substantial resources;

- involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance;
- involve modifications, repairs or replacements of our products; and
- limit the proposed uses of our products.

Both before and after a product is commercially released, we have ongoing responsibilities under the U.S. FDA and other applicable non-U.S. government agency regulations. For instance, many of our facilities and procedures and those of our suppliers are also subject to periodic inspections by the U.S. FDA to determine compliance with applicable regulations. The results of these inspections can include inspectional observations on the U.S. FDA's Form-483, warning letters, or other forms of enforcement. If the U.S. FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical products are ineffective or pose an unreasonable health risk, the U.S. FDA could ban such medical products, detain or seize adulterated or misbranded medical products, order a recall, repair, replacement, or refund of such products, refuse to grant pending pre-market approval applications or require certificates of non-U.S. governments for exports, and/or require us to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health. The U.S. FDA and other non-U.S. government agencies may also assess civil or criminal penalties against us, our officers or employees and impose operating restrictions on a company-wide basis. The U.S. FDA may also recommend prosecution to the U.S. Department of Justice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products and limit our ability to obtain future pre-market clearances or approvals, and could result in a substantial modification to our business practices and operations. In addition, an inability to address noncompliance issues raised by the U.S. FDA and other non-U.S. government agencies in an effective and timely manner may also cause negative publicity, a loss of customer confidence in us or our current or future products, which may result in the loss of sales and difficulty in successfully launching new products. Furthermore, we occasionally receive subpoenas or other requests for information from state and federal governmental agencies, and while these investigations typically relate primarily to financial arrangements with healthcare providers, regulatory compliance and product promotional practices, we cannot predict the timing, outcome or impact of any such investigations. Any adverse outcome in one or more of these investigations could include the commencement of civil and/or criminal proceedings, substantial fines, penalties, and/or administrative remedies, including exclusion from government reimbursement programs and/or entry into Corporate Integrity Agreements with governmental agencies. In addition, resolution of any of these matters could involve the imposition of additional, costly compliance obligations. These potential consequences, as well as any adverse outcome from government investigations, could have a material adverse effect on our business, results of operations and financial condition.

In addition, the U.S. FDA has taken the position that device manufacturers are prohibited from promoting their products other than for the uses and indications set forth in the approved product labeling, and any failure to comply could subject us to significant civil or criminal exposure, administrative obligations and costs, and/or other potential penalties from, and/or agreements with, the federal government.

Governmental regulations outside the United States have, and may continue to, become increasingly stringent and common. In the European Union, for example, a new Medical Device Regulation which became effective in May 2021, includes significant additional pre-market and post-market requirements. Penalties for regulatory non-compliance could be severe, including fines and revocation or suspension of a company's business license, mandatory price reductions and criminal sanctions. Future laws and regulations may have a material adverse effect on our business, results of operations and financial condition.

The failure to comply with anti-corruption laws or economic sanctions could materially adversely affect our business, results of operations and financial condition and result in civil and/or criminal penalties.

The U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or, in certain instances, commercial counterparties for the purpose of obtaining or retaining

business. Because of the predominance of government-administered healthcare systems in many jurisdictions around the world, many of our customer relationships outside of the United States are with governmental entities and are therefore potentially subject to such laws. We also participate in public-private partnerships and other commercial and policy arrangements with governments around the globe.

Global enforcement of anti-corruption laws has increased in recent years, including investigations and enforcement proceedings leading to assessment of significant fines and penalties against companies and individuals. Our international operations create a risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or distributors. We have implemented and maintain policies and procedures designed to educate our employees and agents on, and to prevent improper practices that could give rise to, violations of applicable anti-corruption laws. However, these policies and procedures may not always be effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we could be held responsible. In addition, regulators could seek to hold us liable for conduct committed by companies in which we invest or that we acquire. Any alleged or actual violations of these regulations may subject us to government scrutiny, criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could materially disrupt our business, adversely affect our reputation and result in a material adverse effect on our business, results of operations and financial condition.

In addition, various governmental authorities (including the Office of Foreign Assets Control of the U.S. Department of the Treasury) administer and enforce laws and regulations prohibiting persons subject to their jurisdiction from dealing with countries or territories subject to comprehensive sanctions (currently Crimea, Cuba, Iran, North Korea and Syria) and with certain individuals and entities designated on sanctions lists maintained by such governmental authorities (collectively, "Sanctions Targets"). Our international operations may expose us, directly or indirectly, to Sanctions Targets. We have implemented and maintain policies and procedures designed to identify counterparties that may be Sanctions Targets and to prevent transactions that would give rise to violations of applicable sanctions laws. However, these policies and procedures may not be effective in all instances. To the extent that the Company engages in business involving Sanctions Targets or their property interests, U.S. persons investing in the Company may incur the risk of indirect exposure to such Sanctions Targets.

There can be no assurance that the United States or other countries or trade blocs, including the European Union, will not impose additional sanctions or implement new sanctions programs at a later date. Any future imposition of sanctions by the United States, the European Union or any of its member states, the United Kingdom or any other relevant sanctions authority may reduce the flow of goods from certain of our suppliers or may prevent us from engaging in dealings with certain countries or jurisdictions. Furthermore, any violations of applicable economic and trade sanctions could limit certain of the Company's business activities and could result in civil and criminal penalties that could damage the Company's reputation and have a materially adverse effect on the Company's results of operations or financial condition.

Our failure to comply with laws and regulations relating to reimbursement of healthcare goods and services may subject us to penalties and adversely impact our reputation, business, results of operations, financial condition and cash flows.

Our products are purchased principally by hospitals or physicians that typically bill various third-party payers, such as governmental healthcare programs (e.g., Medicare, Medicaid and comparable non-U.S. programs), private insurance plans and managed care plans, for the healthcare services provided to their patients. The ability of our customers to obtain appropriate reimbursement for products and services from third-party payers is critical because it affects which products customers purchase and the prices they are willing to pay. We also directly submit claims and other information to governmental healthcare programs for certain durable medical equipment, including prosthetics, orthotics and supplies ("DMEPOS" or "DME"), through our Managed Care division. As a result, our devices, products and therapies are subject to regulation regarding quality and cost by The U.S. Department of Health and Human Services, including the Centers for Medicare & Medicaid Services

("CMS"), as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of health are goods and services, including laws and regulations related to kickbacks, false claims, self-referrals and healthcare fraud and abuse (e.g., the federal False Claims Act ("FCA"), Stark Law and Anti-Kickback Statute ("AKS")).

The AKS, for example, prohibits knowingly and willfully offering, paying, soliciting or receiving any remuneration, whether directly or indirectly, in return for purchasing or ordering items or services, or patient referrals to providers of services, for which payment may be made in whole or in part by Medicare, Medicaid or other federally funded healthcare programs. Under the AKS, there are exceptions for, among other things, properly reported discounts, and payments of certain administrative fees to GPOs. Because of the breadth of the statutory prohibitions and the narrowness of statutory exceptions, Congress directed the Secretary of Health and Human Services to publish "safe harbor" regulations identifying certain practices that will not be treated as violating the AKS. While failure to satisfy the criteria for a safe harbor does not necessarily mean that an arrangement is unlawful, engaging in a business practice for which there is a safe harbor may be regarded as suspect if the practice fails to meet each of the prescribed criteria of the appropriate safe harbor. The enumerated safe harbors include safe harbors which implement, and further refine, the statutory exceptions for discounts and payments to GPOs. Because we sell some of our products to customers at prices below list price, we are engaged in giving discounts within the meaning of the AKS. The regulations require sellers to fully and accurately report all discounts and inform buyers of their obligations to report such discounts. We also pay administrative fees to certain purchasing agents within the meaning of the AKS. In order to qualify for the GPO safe harbor, certain requirements must be met including disclosure by the GPO to its members of the existence of the GPO fee arrangement and the requirement that members be neither wholly owned by the GPO nor subsidiaries of a parent corporation that wholly owns the GPO.

Many states have similar laws related to kickbacks, false claims, self-referrals and healthcare fraud and abuse that apply to reimbursement by state Medicaid and other funded programs as well as in some cases to all payers. In certain circumstances, insurance companies attempt to bring a private cause of action against a manufacturer for causing false claims. The relationships that we, and third parties that market and/or sell our products, have with healthcare professionals, such as physicians, hospitals, healthcare organizations and others, are also subject to scrutiny under various state, federal and foreign laws. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programs, we are subject to the Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to U.S.-licensed physicians or U.S. teaching hospitals. Similar reporting requirements have also been enacted on the state level domestically, and an increasing number of governments worldwide either have adopted or are considering similar laws requiring transparency of interactions with healthcare professionals. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties, treble damages, imprisonment, and exclusion from participation in governmental healthcare programs. FCA lawsuits can be initiated by the government or by individual whistleblowers who pursue qui tam actions on behalf of the government.

We strive to ensure our arrangements comply with applicable fraud and abuse laws and other laws and regulations relating to reimbursement of healthcare goods and services. We cannot assure you, however, that governmental officials responsible for enforcing these laws or whistleblowers will not assert that we are in violation of them or that such statutes or regulations ultimately will be interpreted by the courts in a manner consistent with our interpretation.

We are also subject to risks relating to changes in government and private medical reimbursement programs and policies, and changes in legal regulatory requirements in the United States and around the world. Implementation of further legislative or administrative reforms to these reimbursement systems, or adverse decisions relating to coverage of or reimbursement for our products by administrators of these systems, could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them.

Any failure to obtain, maintain, protect and enforce our intellectual property rights, or the failure of the strength or scope of our intellectual property rights, could harm our business, financial condition and results of operations.

We rely on a combination of patents, trademarks, copyrights, trade secrets, and other intellectual property rights in the United States and other countries, as well as agreements (such as employee, customer, non-disclosure and non-competition agreements) to protect our intellectual property. Although we currently rely on trademarks and trade secret protection of our material brands (e.g., Medline, Curad and Proxima) and know-how, respectively, we may, over time, increase our investment in protecting our intellectual property, including through additional patents and registrations. Effective intellectual property protection is expensive to develop and maintain, both in terms of initial registration and ongoing renewal and maintenance requirements and the costs of defending our rights.

The measures we take to obtain, maintain, protect and enforce our intellectual property may not be sufficient to offer us meaningful protection. There can be no guarantee that others will not infringe our trademarks or other intellectual property, independently develop similar manufacturing processes and technology, duplicate any of our manufacturing processes, technology or services, or design around our intellectual property to avoid any infringement. The steps we have taken to protect our intellectual property may not be adequate to prevent its infringement, misappropriation or other violation, and we may not be able to detect its occurrence. If we are unable to protect our intellectual property, particularly our brands and know-how, our competitive position and our business could be harmed. Moreover, our failure to develop and properly manage new intellectual property could hurt our market position and business opportunities. Furthermore, effective intellectual property protection may not be available in every country in which we offer our products and services, and the laws of certain non-U.S. countries where we do business or may do business in the future may not recognize certain intellectual property rights or protect them to the same extent as do the laws of the United States. Any changes in, or unexpected court interpretations of, intellectual property laws may compromise our ability to enforce our trademark, trade secret and other intellectual property rights.

In addition, litigation may be necessary in the future to enforce our intellectual property rights, and such litigation could be costly, time consuming and distracting to management, regardless of whether we are successful or not, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking their validity and enforceability that, if successful, could weaken or invalidate them.

Our failure to obtain, maintain, protect and enforce our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may become subject to litigation brought by third parties claiming infringement, misappropriation or other violation by us of their intellectual property rights.

Our commercial success depends in part on avoiding infringement, misappropriation or other violations of the intellectual property of third parties. However, we cannot be certain that our products and technologies and the conduct of our business does not and will not infringe or misappropriate intellectual property rights of others or be alleged to do same. Any claim that we have violated the intellectual property of third parties, with or without merit, and whether or not it results in litigation, is settled out of court or is determined in our favor, could be time consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from our business. Our liability insurance may not cover potential claims of this type adequately or at all. We also may have to seek third-party licenses to intellectual property, which may be unavailable, require payment of significant royalties or be available only at commercially unreasonable, unfavorable or otherwise unacceptable terms. Any of these events could have a material adverse effect on our business, results of operations and financial condition.

We are subject to complex and rapidly evolving data privacy and security laws and regulations and any ineffective compliance efforts with such laws and regulations may adversely impact our business.

Our business involves the collection, use, storage, disclosure and processing of personal data or personally identifiable information (together, "PII") of our employees, customers and other third parties as well as protected health information ("PHI") in our capacity as a Covered Entity as defined under the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act, and the regulations that implement both laws (collectively, "HIPAA") and in some instances, as a Business Associate as defined under HIPAA on behalf of our customers for certain parts of our business. We are directly or indirectly subject to numerous and evolving federal, state and foreign laws and regulations relating to the collection, use, storage, retention, security, disclosure, transfer, return, destruction and processing of PII and PHI, such as HIPAA, the Telephone Consumer Protection Act of 1991 ("TCPA"), the Payment Card Industry Data Security Standards, Section 5 of the Federal Trade Commission Act, the European Union's General Data Protection Regulation, and its UK equivalent ("UK GDPR", collectively, "GDPR") as well as U.S. state privacy laws such as the California Consumer Privacy Act ("CCPA") and state data breach notification laws. Further, the California Privacy Rights Act of 2020 ("CPRA"), the Virginia Consumer Data Protection Act and the Colorado Privacy Act become effective on January 1, 2023, and other states may soon pass their own data privacy laws. While the current U.S. state privacy laws generally include certain exemptions for data subject to and handled in compliance with HIPAA, there is no guarantee that future laws will include similar exemptions. Laws and regulations relating to privacy and data protection are continually evolving and subject to potentially differing interpretations by various courts and regulators.

For instance, in the United States, the CCPA, which increases the privacy protections afforded California residents, became effective January 1, 2020. The CCPA limits how we may collect, use and process personal data of California residents and mandates certain consents and notices in this regard. The CCPA establishes certain privacy rights and obligations regarding California residents and imposes potentially severe damages levied by regulators and creates a private right of action for certain data breaches. Further, in November 2020, California voters approved the CPRA, which will amend and expand the CCPA, beginning January 1, 2023. The CPRA imposes additional obligations on companies covered by the CCPA and establishes a regulatory agency dedicated solely to enforcing the CCPA and CPRA. The effects of the CCPA and CPRA (and other new state privacy laws) are potentially far-reaching, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses, and it remains unclear how various provisions will be interpreted and enforced by the courts and regulators.

Similarly, many foreign laws and regulations, including in countries in which we currently operate, govern the collection, storage, use, processing, disclosure, protection, transmission, retention and disposal of PII. For example, GDPR imposes strict requirements for controllers and processors in any country with respect to the PII of EU and UK residents, including, for example, limitations on data processing, sharing and retention, requirements of consents and notices to data subjects, rights of data subjects in their PII and strict requirements for how data may be transferred to so called "third countries," including the United States. Ensuring compliance with GDPR is an ongoing commitment that involves substantial costs, and despite our efforts, data protection authorities or others (including individual consumers) may assert that our business practices fail to comply with its requirements. If our operations are found to violate GDPR requirements, we may incur substantial fines and other penalties, including bans on processing and transferring personal data, required changes to our business practices, and reputational harm, any of which could have an adverse effect on our business. In particular, serious breaches of GDPR can result in regulatory fines of up to 4.0% of our annual worldwide revenues or up to €20 million, whichever is higher. Such penalties are in addition to any civil litigation claims by data controllers and data subjects.

Although we take reasonable efforts to comply with all applicable laws and regulations and have invested and continue to invest human and technology resources into data privacy compliance efforts, there can be no assurance that we will not be subject to regulatory or individual legal action, including fines, in the event of a

security incident or other claim that a consumer's privacy rights have been violated. We could be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that adversely affect our business, financial condition and results of operations.

We rely on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain, to operate our business, and a breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.

We are highly dependent on information technology networks and systems to operate our business and securely process, transmit and store PII and other sensitive and confidential data in connection with it. We cannot guarantee that our data security controls are sufficient. Security breaches of, or interruptions to, our information technology systems, including physical or electronic break-ins, computer viruses, phishing, spoofing and other attacks by hackers and similar breaches, or employee or contractor error, negligence or malfeasance, have in the past, and may in the future, create system disruptions or shutdowns, result in unauthorized access to, or disclosure, misuse, modification, or loss or destruction of, our or our customers' (or their members' and patients') or employees' data, or result in damage, disablement, or encryption of our data or our customers' (or their members and patients') or employees' data. Such data may include sensitive data or information, including PHI or other PII. We utilize third-party service providers for important aspects of the collection, storage, processing and transmission of employee and customer (and their members' and patients') PII, PHI and other confidential and sensitive information, and therefore rely on the security procedures of such third-party service providers with respect to such data, and they face the same risks as those set forth above.

We take certain administrative, physical and technological safeguards to address data security risks, such as by requiring contractors and other third-party service providers who handle PHI, other PII and other sensitive information on our behalf to enter into agreements that obligate them to use reasonable efforts to safeguard such PHI, other PII, and other sensitive information, and to comply with applicable laws regarding their collection, use, storage, processing, and transmission of such PHI and other PII.

Measures taken to protect our systems, those of our contractors or third-party service providers, or the PHI, other PII, or other sensitive information we, our contractors or third-party service providers process or maintain, may not adequately protect us from security risks. We have and may in the future be required to expend significant capital and other resources to protect against security breaches or to alleviate problems caused by security breaches, regardless of whether such breaches are of our systems or networks, or the systems or networks of our customers, contractors or third-party service providers. Despite our implementation of data privacy and security measures, cyberattacks are becoming harder to detect and more frequent in recent years, in part because of the proliferation of new technologies and the increased sophistication and activities of organized crime, hackers, terrorists, activists, malicious state actors, and other internal and external parties. As a result, we, our customers or our third-party service providers have and may in the future be unable to anticipate the techniques used to attack our or their systems or networks, or to implement adequate protective measures.

Security breaches, interruptions of systems or other security incidents that we, our customers or our third-party service providers experience have and could in the future harm our reputation, compel us to comply with breach notification and other laws in all 50 states, and under HIPAA, GDPR and other laws and regulations, expose us to legal and regulatory fines, penalties and other liabilities, contract and indemnity obligations, and cause us to incur significant costs for investigations and remediation, notification to affected individuals, measures intended to repair or replace systems or technology and prevent future occurrences and potential increases in insurance premiums. If we are unable to prevent or mitigate security breaches, interruptions of systems or other security incidents in the future, or to implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, and we may suffer a loss of customers, reputation and individual and investor confidence.

While we maintain insurance covering certain business interruptions, cybersecurity-related damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability, or all types of liability, or cover any indemnification claims against us relating to any security incident or breach, disruption in information technology services. In any event, insurance coverage would not address the reputational damage that could result from a security incident. Moreover, we cannot be certain that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, financial condition and results of operations.

Our business and operations depend on the proper functioning of critical facilities and distribution networks.

Our business depends on the proper functioning of our and our suppliers' critical facilities, including our logistics and distribution networks. Our business, results of operations and financial condition could be adversely affected if our or a service provider's critical facilities or distribution networks are disrupted (including disruption of access), are damaged or fail, whether due to physical disruptions, such as fire, natural disaster, pandemic or power outage, or due to cybersecurity incidents, ransomware or other actions of third parties, including labor strikes, political unrest and terrorist attacks. Manufacturing disruptions also can occur due to regulatory action, production quality deviations, safety issues or raw material shortages or defects, or because a key product or component is manufactured at a single manufacturing facility with limited alternate facilities.

From time to time, we perform business process improvements or infrastructure modernizations or use service providers for key systems and processes, such as receiving and processing customer orders, customer service and accounts payable. If any of these initiatives are not successfully or efficiently implemented or maintained, they could adversely affect our business and our internal control over financial reporting.

Tax legislation could materially adversely affect our financial results and tax liabilities, and audits by tax authorities could result in additional tax payments for prior periods.

We are subject to the tax laws and regulations of the United States federal, state and local governments, as well as foreign jurisdictions. From time to time, various legislative initiatives may be proposed that could materially adversely affect our tax positions. There can be no assurance that our effective tax rate will not be materially adversely affected by legislation resulting from these initiatives. In addition, tax laws and regulations are extremely complex and subject to varying interpretations. Although we believe that our historical tax positions are sound and consistent with applicable laws, regulations and existing precedent, there can be no assurance that our tax positions will not be challenged or audited by relevant tax authorities or that we would be successful in any such challenge or audit. If these audits result in assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities.

We may be required to recognize impairment charges related to goodwill, identified intangible assets and fixed assets that would reduce our reported assets and earnings.

Goodwill and other identifiable intangible assets comprise a substantial portion of our total assets, and we expect to have substantial balances of goodwill and identified intangible assets as a result of the Transactions. Following the consummation of the Acquisition, we will be required to test our goodwill and identifiable intangible assets with indefinite lives for impairment on the same date each year and on an interim basis if there are indicators of a possible impairment. We will also be required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment.

There is significant judgment required in the analysis of a potential impairment of goodwill, identified intangible assets and fixed assets. If, as a result of a general economic slowdown, deterioration in one or more of

the markets in which we operate or impairment in our financial performance and/or future outlook, the estimated fair value of our long-lived assets decreases, we may determine that one or more of our long-lived assets is impaired. An impairment charge would be determined based on the estimated fair value of the assets. Recognition of an impairment would reduce our reported assets and earnings, and any such impairment charge could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to derive fully the anticipated benefits from our existing or future acquisitions, joint ventures, investments, dispositions or other strategic transactions.

Acquisitions, joint ventures, investments and other strategic transactions are an important part of our strategy to expand and enhance our products, services and customer base and to enter new geographic areas. As we continue pursuing selective acquisitions, strategic investments, partnerships or alliances with third parties to support our business and growth strategy, we seek to be disciplined, but there can be no assurance that we will be able to identify suitable acquisition, strategic investment, partnership or alliance candidates on favorable terms, if at all.

We may also decide from time to time to dispose of assets or businesses. These transactions may involve challenges and risks. There can be no assurance that future dispositions or divestitures will occur within the anticipated timeframe or at all, or if a transaction does occur, there can be no assurance as to the potential value created by the transaction. The process of exploring strategic alternatives or selling a business could also negatively impact customer decision-making and cause uncertainty and negatively impact our ability to attract, retain and motivate key employees. Any failures or delays in completing dispositions or divestitures could have an adverse effect on our business, financial condition and results of operations, and on our ability to execute our strategy. There is no assurance that these transactions will be successful. In addition, we expend costs and management resources to pursue and complete divestitures and manage post-closing arrangements. Completed divestitures may also result in continued financial involvement in the divested business, such as through transition services arrangements, guarantees, indemnifications or other financial arrangements, following the transaction.

We may not realize the expected benefits from the entry into new or amended contracts, planned cost-savings and business improvement initiatives.

We often enter into new or expanded contracts with customers. Although we may expect to realize substantial benefits from such contracts, including as we execute on our strategy to transition customers to Medline Brand| products, there can be no assurance we will be successful with this strategy or that we will realize all of the benefits we expect from such contracts.

Our cost savings and business improvement initiatives could result in unexpected charges and expenses that negatively impact our financial results and we could fail to achieve the desired efficiencies and estimated cost savings. In addition, if we are not able to effectively implement these initiatives, or if they fail to operate as intended, our financial results could be adversely affected.

Additionally, these types of initiatives could yield unintended consequences such as distraction of management and employees, business disruption, an inability to attract or retain key personnel, which could negatively affect our business or financial condition and results of operations.

If we are not able to effectively develop, implement and manage our outsourcing or similar third-party relationships we enter into in connection with cost savings or business improvement initiatives, we may experience operational difficulties and increased costs, which may adversely affect our results of operations.

We present information relating to pre-acquisition results of acquisitions and certain of the data used in calculating this information was unaudited or involved certain estimates and judgments, and accordingly you should not unduly rely on them.

This offering memorandum includes certain statements and figures relating to pre-acquisition results of acquired companies. See "Summary—Summary Historical and Pro Forma Consolidated Financial Information—Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow." These figures are generated by including results from historical acquired businesses and product lines assuming such acquisitions were made at the beginning of the earliest period presented. We calculated such figures using the information and records available from the acquired businesses and product lines, which in certain instances was based on unaudited financial information or management schedules and therefore required significant assumptions and estimates. While the information presented is the best information available to us, given these limitations, some or all of this information may prove to be inaccurate or incomplete. As a result, you should not unduly rely on such information in making an investment in the notes.

Significant challenges or delays in the Company's sourcing of new products, technologies and indications could have an adverse impact on the Company's long-term success.

The Company's continued growth and success depends on its ability to source new and differentiated products and services that address the evolving healthcare needs of patients, providers and consumers. Sourcing successful products and technologies is also necessary to offset revenue losses when the Company's existing products lose market share due to various factors such as competition and loss of patent exclusivity. New products or enhancements to existing products may not be accepted quickly or significantly in the marketplace due to product and price competition, changes in customer preferences or healthcare purchasing patterns, resistance by healthcare providers or uncertainty over third-party reimbursement. The Company cannot be certain when or whether it will be able to source, license or otherwise acquire products and technologies, whether particular product candidates will be granted regulatory approval, and, if approved, whether the products will be commercially successful.

Risks Related to the Transactions

After the Transactions, the Investors will control us and may have conflicts of interest with us or you in the future.

The Investors will indirectly own, through their ownership in our parent companies, a majority of our outstanding equity interests, on a fully diluted basis, immediately after consummation of the Transactions. In addition, immediately following consummation of the Transactions, the Investors will control Mozart Parent and, indirectly, the Company. As a result, the Investors will have control over our decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of the board of directors or equityholders of us or any of the parent companies, regardless of whether the noteholders believe that any such transactions are in their own best interest. For example, the Investors could cause us to make acquisitions that increase the amount of indebtedness that is secured or to sell assets, which may impair our ability to make payments under the notes.

In addition, funds affiliated with the Sponsors are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. Funds affiliated with the Sponsors may also pursue acquisitions that may be complementary with our business and, as a result, those acquisition opportunities may not be available to us.

So long as the Investors continue to indirectly own a significant amount of the outstanding shares of our equity interests, even if such amount is less than 50%, the Investors will continue to be able to strongly influence or effectively control our decisions.

The pro forma financial information included in this offering memorandum is presented for illustrative purposes only and may not be an indication of our financial condition or results of operations following consummation of the Transactions.

The unaudited pro forma consolidated financial information contained in this offering memorandum (i) is presented for illustrative purposes only, (ii) is based on various adjustments, assumptions and preliminary estimates (including expected cost savings, efficiencies, and synergies) made by us that are inherently uncertain, although considered reasonable by us, and subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond our control, (iii) may not be an indication of our actual financial condition or results of operations following consummation of the Transactions and (iv) does not give effect to the final purchase price allocations and/or pre-closing or post-closing purchase price adjustments, if any. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this offering memorandum. Our actual financial condition and results of operations following consummation of the Transactions may not be consistent with, or evident from, this pro forma financial information. In addition, the assumptions used in preparing the pro forma combined financial information may not prove to be accurate, and other factors may affect our financial condition or results of operations following consummation of the Transactions. Additionally, we anticipate incurring integration costs, which have not been reflected in the unaudited pro forma condensed combined financial information presented in this offering memorandum. The Transactions may also give rise to unexpected liabilities and costs. See "Unaudited Pro Forma Consolidated Financial Information."

The announcement and pendency of the Acquisition and the other transactions contemplated by the Purchase and Sale Agreement may adversely affect our business or results of operations.

Uncertainty about the effect of the Acquisition and the other transactions contemplated by the Purchase and Sale Agreement on our employees, customers, and other parties may have an adverse effect on our business, results of operations and financial condition, regardless of whether the Acquisition is completed. These risks include, but are not limited to, the following, all of which could be increased by a delay in or abandonment of the Acquisition:

- our ability to attract, retain, and motivate employees, including key personnel, could be impaired;
- significant management time and resources could be diverted to the consummation of the Transactions;
- relationships with customers, suppliers, and other business partners could be affected;
- certain business decisions by our suppliers and other business partners could be delayed or changed;
- we may not be able to pursue alternative business opportunities or make appropriate changes to our business; and
- significant costs, expenses, and fees for professional services and other transaction costs in connection with the Transactions have been and may continue to be incurred.

Risks Related to our Indebtedness and the Notes

Our substantial indebtedness could adversely affect our financial condition, our ability to operate our business, react to changes in the economy or our industry, prevent us from fulfilling our obligations under the notes, pay our other debts and could divert our cash flow from operations for debt payments. In addition, the value of the rights of holders of the secured notes to the Collateral (as defined under the heading "Description of Secured Notes—Certain Definitions") may be reduced by any increase in the indebtedness secured by the Collateral.

We will have a substantial amount of debt, which requires significant interest and principal payments. As of June 26, 2021, on a pro forma basis after giving effect to the Transactions, the Issuer and the guarantors would have had approximately $14,772 million in total indebtedness outstanding (excluding approximately $18 million

of issued and undrawn letters of credit), none of which would have been subordinated and of which $10,770 million would have been senior secured indebtedness, consisting of $7,000 million of borrowings under the New Term Loan Facilities, and $3,770 million of the secured notes. In addition, as of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had approximately $982 million of availability to incur additional secured indebtedness under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder). In addition, after giving effect to the Transactions, the CMBS Borrower would have had approximately $2,230 million of secured indebtedness outstanding under the CMBS Loan (and/or the Alternative RE Borrower would have had up to $2,200 million of secured indebtedness outstanding under the Alternative RE Term Loan Facility borrowed in lieu thereof). Subject to the limits contained in the credit agreement that will govern the New Senior Secured Credit Facilities and the indentures that will govern the notes offered hereby, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could increase. Specifically, our high level of debt could have important consequences to the holders of the notes, including the following:

- it may be difficult for us to satisfy our obligations, including debt service requirements under our outstanding debt, including the notes;
- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions or other general corporate purposes may be impaired;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, including the notes, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures, future business opportunities and other purposes;
- we are more vulnerable to economic downturns and adverse industry conditions and our flexibility to plan for, or react to, changes in our business or industry is more limited;
- our ability to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors, may be compromised due to our high level of debt and the restrictive covenants in the credit agreement that will govern the New Senior Secured Credit Facilities, and the indentures that will govern the notes offered hereby;
- our ability to borrow additional funds or to refinance debt may be limited; and
- it may cause potential or existing customers or vendors to not contract with us due to concerns over our ability to meet our financial obligations.

If the Issuer or the guarantors incur any additional secured indebtedness that ranks equally with the secured notes and related guarantees, the holders of that debt will be entitled to share ratably with such holders in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of the Issuer or a guarantor, subject to any collateral arrangements. If we do not consummate the CMBS Loan by the time of the consummation of the Acquisition, the Alternative RE Borrower may instead borrow up to $2,200 million in lieu thereof under the Alternative RE Term Loan Facility. If we enter into the Alternative RE Term Loan Facility, amounts borrowed thereunder will be secured by the assets of the Issuer and the guarantors (other than the equity interests of the Issuer) that secure the Issuer's and the guarantors' obligations under the secured notes and under the New Senior Secured Credit Facilities on a pari passu basis, and the Alternative RE Term Loan Facility will be guaranteed by the Issuer and the guarantors. This may have the effect of reducing the amount of proceeds paid to the holders of the secured notes. In addition, any borrowings under the New Senior Secured Credit Facilities, the CMBS Financing and the secured notes offered hereby will be secured indebtedness and therefore would be effectively senior to the unsecured notes offered hereby and the related guarantees to the extent of the assets securing such indebtedness. See "Description of Certain Other Indebtedness," "Description of Secured Notes" and "Description of Unsecured Notes."

Despite our indebtedness levels on the closing date after giving pro forma effect to the Transactions, we and our subsidiaries may still be able to incur substantially more debt, which could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the agreements that will govern the New Senior Secured Credit Facilities and the CMBS Financing, respectively, and the indentures that will govern the notes offered hereby will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness that may be incurred in compliance with these restrictions could be substantial. If we incur additional debt above the levels that will be in effect on the closing date after giving effect to the Transactions, the risks associated with our leverage, including those described above, would increase. The New Senior Secured Credit Facilities will include the $6,000.0 million New Dollar Term Loan Facility and the euro-equivalent of $1,000.0 million New Euro Term Loan Facility, which will be funded in their entirety concurrently with the closing of the Acquisition. Additionally, we expect to incur $2,230.0 million of CMBS Financing on or prior to the closing of the Acquisition. In addition, as of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had an additional approximately $982 million of availability to incur additional secured indebtedness under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be issued thereunder), which may be drawn after the closing date. Further, the restrictions in the indentures that will govern the notes and the agreements that will govern the New Senior Secured Credit Facilities and the CMBS Financing, respectively, will not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined in such debt instruments.

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

Interest rates may increase in the future. As a result, interest rates on the New Senior Secured Credit Facilities, the CMBS Financing or other variable rate debt offerings could be higher or lower than current levels. As of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had $9,230 million of outstanding debt at variable interest rates. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. A 0.25% increase in the expected rate of interest under our New Senior Secured Credit Facilities would increase our annual interest expense by approximately $17.5 million, which amount would increase to the extent any borrowings are made on our New Revolving Credit Facility. Additionally, a 0.25% increase in the expected rate of interest under the CMBS Financing would increase our annual interest expense by approximately $5.6 million.

An increase in interest rates would increase the interest costs on any variable rate indebtedness we may incur, including our New Senior Secured Credit Facilities and CMBS Financing, which could adversely impact our ability to refinance our indebtedness.

Interest rates may fluctuate in the future. As a result, interest rates on the New Senior Secured Credit Facilities, the CMBS Financing or other variable rate debt offerings could be higher or lower than current levels. An increase in interest rates would increase our debt service obligations, even though the amount borrowed remained the same, and therefore reduce cash flow available for other corporate purposes.

In addition, a transition away from LIBOR as a benchmark for establishing the applicable interest rate may affect the cost of servicing our debt under the Credit Agreement. The Financial Conduct Authority of the United Kingdom has announced that it plans to phase out LIBOR by the end of calendar year 2021. On November 30, 2020, ICE Benchmark Administration, the administrator of the U.S. dollar LIBOR rates, announced that it will continue publication of overnight and one-, three-, six- and twelve-month tenors until June 30, 2023.

Although these borrowing arrangements provide for alternative base rates, such alternative base rates may or may not be related to LIBOR, and the consequences of the phase out of LIBOR cannot be entirely predicted at

this time. For example, if any alternative base rate or means of calculating interest with respect to our outstanding variable rate indebtedness leads to an increase in the interest rates charged, it could result in an increase in the cost of such indebtedness, impact our ability to refinance some or all of our existing indebtedness or otherwise have a material adverse impact on our business, financial condition and results of operations. We have entered and may from time to time enter into interest rate derivative contracts. While these agreements may lessen the impact of rising interest rates, hedging transactions may not fully protect us from interest rate risk.

We may be unable to service our indebtedness, including the notes.

Our ability to make scheduled payments on and to refinance our indebtedness, including the notes, depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors, all of which are beyond our control, including the availability of financing in the international banking and capital markets. Lower net revenues generally will reduce our cash flow. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, including the notes, to refinance our debt or to fund our other liquidity needs. After giving effect to the Transactions, substantially all of our other debt, including the New Senior Secured Credit Facilities and the CMBS Financing, will mature before the maturity dates of the secured notes and the unsecured notes.

If we are unable to meet our debt service obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, including the notes, which could cause us to default on our debt obligations and impair our liquidity. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations.

Moreover, in the event of a default, the holders of our indebtedness, including the notes, could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, if any. The lenders under the New Revolving Credit Facility could also elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation. If we breach our covenants under the New Senior Secured Credit Facilities or the CMBS Financing, we would be in default thereunder. The lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

While the CMBS Borrower is not obligated to make payments on the Notes, in the event that the CMBS Borrower were to become a debtor in a bankruptcy case, a creditor, receiver, conservator or the trustee in such bankruptcy might request a court to order the CMBS Borrower's assets and liabilities be consolidated with our assets and liabilities (including its properties) for the satisfaction of claims of creditors of the CMBS Borrower. In such event, the amount and timing of payments on the Notes would be adversely affected.

We will have substantial obligations under long-term leases, including the Master Lease with the CMBS Borrower, that could adversely affect our financial condition and prevent us from fulfilling our obligations under the Notes.

We lease, as of June 26, 2021, 80 of our properties pursuant to long-term space and ground leases, (including 41 distribution centers and our headquarters) and 49 of which are expected to be leased from the CMBS Borrower, pursuant to the Master Lease to be entered into at or prior to the closing of the CMBS Loan, which will expire in 2036, subject to extension. The aggregate annual rental expense for the year ended 2020 for all of the leases of Medline Parent and its subsidiaries was approximately $69.6 million and is expected (after giving effect to the Master Lease) to be approximately $99.0 million for fiscal year 2021. The net annual rental expense after giving effect to expected return distributions (including sublease rent from subtenants) (i) for all leases of Medline Parent and its subsidiaries for the year ended 2020 was approximately $55.4 million and

(ii) for all leases of Medline Borrower for the fiscal year 2021 is expected (after giving effect to the Master Lease and the consolidated rental income expected to be received by its subsidiary MRE Propco, LP) to be approximately $60.7 million for fiscal year 2021. Many of our leases provide for scheduled increases in rent, including, in the case of the Master Lease, an annual increase equal to 2%. The substantial obligations under our leases could further exacerbate the risks described above under "We may be unable to service our indebtedness, including the notes."

A material portion of our properties are leased to us by the CMBS Borrower, which has its own substantial indebtedness. A default under the Master Lease and/or such indebtedness could adversely affect us.

As described above, 49 (including 31 distribution centers and our headquarters) of our properties are expected to be leased to us by the CMBS Borrower pursuant to the Master Lease after giving effect to the Transactions. The CMBS Borrower is a distinct legal entity from us and will have outstanding indebtedness of approximately $2,230 million after giving effect to the Transactions (assuming the funding of the CMBS Loan). While the CMBS Borrower is one of our subsidiaries, it will not guarantee the notes and will not be restricted by the covenants in the indentures governing the notes. In addition, the CMBS Borrower's indebtedness limits its ability to make distributions or other intercompany loans and payments to us. If a default occurs under the Master Lease beyond applicable cure periods, the CMBS Borrower is entitled to terminate the Master Lease, enter the leased premises and re-let the premises and seek lease damages. Further, if there is an event of default under the indebtedness of the CMBS Borrower, such indebtedness may be accelerated. In such event the lender and/or collateral agent for such indebtedness may also be entitled to foreclose on the properties owned by the CMBS Borrower, subject to a customary subordination, non-disturbance and attornment agreement which provides that so long as there is no default under the Master Lease, our possession of the properties and rights under the Master Lease will not be disturbed. The exercise of remedies under the Master Lease and/or under the CMBS Borrower's indebtedness could adversely affect our continued use of our properties, our relationship with the landlord for our properties and our access to excess cash flow from the CMBS Borrower.

The credit agreements that will govern the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, respectively, and the indentures that will govern the notes offered hereby will each impose significant operating and financial restrictions on the Issuer and its restricted subsidiaries, which may prevent us from capitalizing on business opportunities.

The credit agreements that will govern the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, respectively, and the indentures that will govern the notes offered hereby will each impose significant operating and financial restrictions on us. These restrictions will limit the Issuer's ability and the ability of its restricted subsidiaries to, among other things:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to the Issuer or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries;
- prepay, redeem or repurchase certain indebtedness that is subordinated in right of payment to the notes; and
- transfer or sell assets.

The Issuer and its restricted subsidiaries will be subject to covenants, representations and warranties in respect of the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, including, in the case of the New Revolving Credit Facility only, a first lien net leverage ratio financial covenant in the credit agreement that will govern the New Senior Secured Credit Facilities. Regardless of whether the Alternative RE Term Loan Facility is consummated, the Alternative RE Borrower and its subsidiaries (including the CMBS Borrower) will not be restricted subsidiaries of the Issuer, guarantee the notes or be subject to the covenants, representations and warranties in respect of the New Senior Secured Credit Facilities. However, if the Alternative RE Term Loan Facility is consummated, the Issuer and its restricted subsidiaries will guarantee the obligations of the Alternative RE Borrower under, and be subject to the covenants, representations and warranties in respect of, the Alternative RE Term Loan Facility. Such guarantees by the Issuer and its restricted subsidiaries will be automatically and irrevocably terminated and released concurrently with the prepayment of the Alternative RE Term Loan Facility (and/or reductions of the amount outstanding under the Alternative RE Term Loan Facility with the proceeds of the CMBS Loan) in full. See "Description of Certain Other Indebtedness."

As a result of these restrictions, we will be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

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

A decline in our operating results or available cash could cause us to experience difficulties in complying with covenants contained in more than one agreement, which could result in our bankruptcy or liquidation.

If we were to sustain a decline in our operating results or available cash, we could experience difficulties in complying with the financial covenant contained in the credit agreement that will govern the New Senior Secured Credit Facilities. The failure to comply with such covenant could result in an event of default under the New Senior Secured Credit Facilities and by reason of cross-acceleration or cross-default provisions, other indebtedness may then become immediately due and payable. In addition, should an event of default occur, the lenders under our New Revolving Credit Facility could elect to terminate their commitments thereunder, cease making loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our New Senior Secured Credit Facilities to avoid being in default. If we breach our covenants under our New Senior Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our New Senior Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

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

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

Unless they are guarantors of the notes, the Issuer's subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available to the Issuer or the guarantors for that purpose. Our non-guarantor

subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each non-guarantor subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our non-guarantor subsidiaries.

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

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

If there were an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flows would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, including the New Senior Secured Credit Facilities and the CMBS Financing, the holders of such debt could proceed against the collateral securing that indebtedness. 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.

Prior to or when the New Senior Secured Credit Facilities and CMBS Financing mature, we may not be able to refinance or replace them.

The New Senior Secured Credit Facilities and CMBS Financing all have an earlier maturity date than the secured notes and the unsecured notes. Prior to or when each of the New Senior Secured Credit Facilities and the CMBS Financing matures, we may need to refinance them and may not be able to do so on favorable terms or at all. If we are able to refinance maturing indebtedness, the terms of any refinancing or alternate credit arrangements may contain terms and covenants that restrict our financial and operating flexibility. If we are unable to refinance the New Senior Secured Credit Facilities or the CMBS Financing prior to or when each matures, it could result in an event of default under the agreements that will govern the New Senior Secured Credit Facilities and the CMBS Financing. Moreover, the occurrence of an event of default under the credit agreement that will govern the New Senior Secured Credit Facilities could result in an event of default under our other indebtedness, including the indentures that will govern the notes.

Prior to or when the secured notes mature, we may not be able to refinance or replace them.

The secured notes have earlier maturity dates than the unsecured notes. Prior to or when the secured notes mature, we may need to refinance them and may not be able to do so on favorable terms or at all. If we are able to refinance maturing indebtedness, the terms of any refinancing or alternate credit arrangements may contain terms and covenants that restrict our financial and operating flexibility. If we are unable to refinance the secured notes prior to or when they mature it could result in an event of default under the indenture that will govern the secured notes. Moreover, the occurrence of an event of default under the indenture that will govern the secured notes could result in an event of default under our other indebtedness, including the indenture that will govern the unsecured notes.

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

The notes will not be guaranteed by certain of our existing and future subsidiaries, including the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower). Only Holdings and our existing wholly-owned domestic restricted subsidiaries that guarantee indebtedness under the New Senior Secured Credit Facilities will

initially guarantee the notes upon consummation of the Acquisition. As of the closing date of the Acquisition, none of our foreign subsidiaries will guarantee the notes, and no such subsidiaries are expected to guarantee the notes in the future. In addition, in the event that any CMBS Loan is consummated, each of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) will be designated as "Unrestricted Subsidiaries" under the Senior Secured Credit Facilities and the indentures that will govern the notes offered hereby. As a result, none of the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) will guarantee the Senior Secured Credit Facilities or the notes offered hereby and the U.S. real properties of the CMBS Borrower and its subsidiaries that will be collateral for the CMBS Loan will not be included in the assets that secure the secured notes. As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions, the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) represented approximately 8.0% of our total assets and 11.7% of our total liabilities. Claims of holders of the notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including the subsidiaries of the Alternative RE Borrower (including the CMBS Borrower) and trade creditors, and will not be satisfied from the assets of these non-guarantor subsidiaries until their creditors are paid in full. As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions, after intercompany eliminations, our non-guarantor subsidiaries represented approximately 11.3% of our revenues, 14.3% of our Adjusted EBITDA, 14.2% of our total assets and 13.4% of our total liabilities.

In addition, the guarantee of certain guarantors will be released in connection with a transfer of such guarantor in a transaction not prohibited by the indentures that will govern the notes or upon certain other events described in "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

The indentures that will govern the notes offered hereby will permit these non-guarantor subsidiaries to incur certain additional debt and will not limit their ability to incur other liabilities that are not considered indebtedness thereunder.

Certain actions in respect of defaults and amendments taken under the indentures governing the notes by beneficial owners, including those with short positions in excess of their interests in the notes, will be disregarded.

By acceptance of the notes, each holder of notes (other than screened affiliates and regulated banks) agrees, in connection with any notice of default, notice of acceleration or instruction to the applicable trustee or the Notes Collateral Agent to provide a notice of default, notice of acceleration or take any other action (a "Noteholder Direction"), to (i) deliver a written representation to the issuer, the applicable trustee and the Notes Collateral Agent, if applicable, that such holder and any of its affiliates acting in concert with it in connection with its investment in the notes (other than screened affiliates and regulated banks) are not (or, in the case such holder is DTC or its nominee, that such holder is being instructed solely by beneficial owners that (together with such affiliates) are not) Net Short (as defined under the headings "Description of Secured Notes—Certain Definitions" and "Description of Unsecured Notes—Certain Definitions") with respect to the applicable series of notes and (ii) provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such holder's representation within five business days of request therefor. These restrictions may impact a holder's ability to participate in Noteholder Directions if it is unable to make such a representation.

In addition, for purposes of determining whether the required number of holders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the indentures that will govern the notes, (ii) otherwise acted on any matter related to the indentures that will govern the notes or (iii) directed or required the applicable trustee, the Notes Collateral Agent or any holder to undertake any action with respect to or under the indentures that will govern the notes, all notes held or beneficially owned by a holder or a beneficial owner (together with its affiliates) may not account for more than 20.0% of the notes of a series included in determining whether the required number of holders have consented to any action (the "Voting Cap"). All notes of a series held by any holder or beneficial owner or any affiliate of

such holder or beneficial owner in excess of the Voting Cap shall be deemed to not be outstanding for all purposes of calculating whether the required number holders have taken any action (or refrained from taking any action) or provided any consent or waiver with respect to such series, subject to certain exceptions. These restrictions may impact a holder's or beneficial owner's ability to participate in a voting decision if such holder or beneficial owner and its affiliates own a large amount of notes.

From and after the consummation of the Acquisition and, if applicable, the Escrow Release Date (as defined under the heading "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption"), the unsecured 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.

Our obligations under the unsecured notes will be unsecured and will be effectively subordinated to our secured indebtedness, including the indebtedness under the New Senior Secured Credit Facilities, the secured notes and, if consummated, the Alternative RE Term Loan Facility, to the extent of the value of the collateral securing such secured indebtedness. Borrowings under the New Senior Secured Credit Facilities, the secured notes and, if consummated, the Alternative RE Term Loan Facility, will be secured by substantially all of the assets of the Issuer and any existing and future guarantors, including all of the issued and outstanding equity interests of the Issuer (except in the case of the Alternative RE Term Loan Facility) and each wholly-owned restricted subsidiary directly owned by the Issuer or any guarantor (which, in the case of foreign subsidiaries, will be limited to 65% of the issued and outstanding equity interests of each direct or indirect restricted subsidiary of the Issuer). If consummated, the Alternative RE Term Loan Facility will be secured by substantially the same assets that secure the New Senior Secured Credit Facilities (other than the equity interests of the Issuer), plus all of the issued and outstanding equity interests of the Alternative RE Borrower and the direct U.S. subsidiaries of the Alternative RE Borrower and mortgages on the CMBS Properties (as defined herein). The CMBS Loan will be separately secured by the CMBS Properties, but will not be secured by the assets securing the New Senior Secured Credit Facilities or the secured notes. Likewise, the CMBS Properties will not secure borrowings under the New Senior Secured Credit Facilities or the secured notes.

If an event of default occurs under the credit agreements that will govern the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, respectively, and/or the indenture that will govern the secured notes offered hereby, the holders of such senior secured indebtedness will have a prior right to our secured assets, to the exclusion of the holders of the unsecured notes, even if we are in default with respect to the unsecured notes. In that event, our secured assets (including, only in the case of the Alternative RE Term Loan Facility, the CMBS Properties) would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under the New Senior Secured Credit Facilities, the secured notes and the Alternative RE Term Loan Facility), which may result in all or a portion of our assets being unavailable to satisfy the claims of the holders of the unsecured 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 unsecured notes will participate in our remaining assets ratably with each other and with all holders of our other unsecured indebtedness that is deemed to be of the same class as such unsecured notes, and potentially with all of our other general unsecured creditors, based upon the respective amounts owed to each holder or creditor. In the case of any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due with respect to the unsecured notes. As a result, holders of such unsecured notes may receive less, ratably, with respect to any such distribution or payment than holders of our secured indebtedness.

As of June 26, 2021, after giving effect to the Transactions, the Issuer and the guarantors would have had total indebtedness of $14,772 million other than the unsecured notes (excluding approximately $18 million of issued and undrawn letters of credit), all of which ranks *pari passu* in right of payment with the notes, consisting of secured indebtedness of $7,000 million of borrowings under the New Term Loan Facilities and $3,770 million of the secured notes. In addition, as of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had approximately $982 million of availability to incur additional secured indebtedness under our

New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be issued thereunder). In addition, after giving effect to the Transactions, the CMBS Borrower would have had approximately $2,230 million of secured indebtedness outstanding under the CMBS Loan (and/or the Alternative RE Borrower would have had up to $2,200 million of secured indebtedness outstanding under the Alternative RE Term Loan Facility borrowed in lieu thereof). In addition, we will be permitted to add incremental facilities under the credit agreement that will govern the New Senior Secured Credit Facilities, subject to certain conditions being satisfied. The indentures that will govern the notes will also permit us to incur additional secured indebtedness, which could be substantial.

The indentures that will govern the notes will permit us to incur indebtedness secured by the Collateral with a lien on ABL Priority Collateral that is senior in priority to the secured notes, and the secured notes will be effectively subordinated to any such indebtedness to the extent of the value of such ABL Priority Collateral.

The indentures that will govern the notes will permit us to incur certain Senior ABL Revolving Credit Obligations secured by the Collateral with a lien on ABL Priority Collateral that is senior in priority to the secured notes and such indebtedness may be substantial. As a result, the obligations under the secured notes and the related guarantees will be effectively subordinated to these Senior ABL Revolving Credit Obligations to the extent of the value of such ABL Priority Collateral. If an event of default occurs under an agreement that governs any Senior ABL Revolving Credit Obligations, the holders of such Senior ABL Revolving Credit Obligations will have a prior right to the relevant ABL Priority Collateral, to the exclusion of the holders of the secured notes, even if we are in default with respect to the secured notes. In that event, the relevant ABL Priority Collateral would first be used to repay in full such Senior ABL Revolving Credit Obligations, which may result in all or a portion of our assets being unavailable to satisfy the claims of the holders of the secured notes and the New Senior Secured Credit Facilities, and it is possible that no such proceeds from assets of such ABL Priority Collateral will remain to make payments on the secured notes, the New Senior Secured Credit Facilities or on the unsecured notes. In addition, under the indentures that will govern the notes we will be permitted to repay Senior ABL Revolving Credit Obligations with the proceeds of sales of Collateral without making an offer to purchase any of the notes.

Many of the covenants in the indentures that will govern the notes will not apply to us if the applicable series of notes are rated investment grade by either Moody's or S&P.

Many of the covenants in the indentures that will govern the notes will cease to apply to the applicable series of notes during such time, if any, as the notes of such series are rated investment grade by either Moody's or S&P, provided that at such time no default or event of default has occurred and is continuing. Although there can be no assurance that the notes will ever be rated investment grade, or if they are rated investment grade, that the notes will maintain these ratings, any suspension of the covenants under the indentures that will govern the notes would allow us to engage in certain transactions that would not be permitted while these covenants were in effect. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the indentures that will govern the notes on the basis that such actions would have been prohibited by the covenants. See "Description of Secured Notes—Certain Covenants" and "Description of Unsecured Notes—Certain Covenants."

Sales of assets by the Issuer and the guarantors could reduce the Collateral and the related guarantees.

The security documents that will relate to the secured notes offered hereby will allow the Issuer and the guarantors to remain in possession of, retain exclusive control over, freely operate and collect, invest and dispose of any income from, the Collateral. To the extent the Issuer or a guarantor sells any assets that constitute such Collateral, the proceeds from such sale will be subject to the liens securing the secured notes offered hereby and the related guarantees only to the extent such proceeds would otherwise constitute Collateral securing the secured notes offered hereby and the related guarantees under the security documents. Such proceeds will also be subject to the security interests of certain creditors other than the holders of the secured notes offered hereby, some of

which may be senior or prior to the liens held by the holders of the secured notes, or may have a lien in those assets that is pari passu with the lien of the holders of the secured notes (including, without limitation, the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility). To the extent the proceeds from any sale of Collateral do not constitute Collateral under the security documents, the pool of assets securing the secured notes and the related guarantees will be reduced, and the secured notes and the related guarantees will not be secured by such proceeds.

The value of the Collateral securing the secured notes offered hereby and the related guarantees may not be sufficient to satisfy our obligations under the secured notes.

Obligations under the secured notes will be secured, together with the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, by pari passu liens on the Collateral. No appraisal of the value of the Collateral has been made in connection with this offering of the secured notes, and the fair market value of the Collateral will be subject to fluctuations based on factors that include, among others, changing economic conditions, competition and other future trends. By its nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the lenders under the New Senior Secured Credit Facilities, the holders of the secured notes and the lenders under the Alternative RE Term Loan Facility, if consummated, will be entitled to be repaid in full from the proceeds of the Collateral before any payment is made in respect of any other indebtedness that is secured by a junior lien on such Collateral or that is unsecured (including, without limitation, the unsecured notes). Moreover, the lenders under the New Senior Secured Credit Facilities, the lenders under the Alternative RE Term Loan Facility, if consummated, and the holders of any other additional indebtedness secured by a pari passu lien on the Collateral will share the proceeds of such Collateral ratably with the holders of the secured notes, thereby diluting the Collateral coverage available to holders of the secured notes. In particular, the fair market value of the Collateral may not be sufficient to repay the holders of the secured notes upon any foreclosure, liquidation, bankruptcy or similar proceeding and after the repayment of indebtedness with prior security interests in the Collateral, if any. There also can be no assurance that the Collateral will be saleable, and even if saleable, the timing of its liquidation would be uncertain. Accordingly, there may not be sufficient Collateral to pay all or any of the amounts due on the secured notes. Any claim for the difference between the amount, if any, realized by holders of the secured notes from the sale of the Collateral securing the secured notes and the obligations under the secured notes and other obligations secured by a pari passu lien on Collateral will rank equally in right of payment with all of the Issuer's unsecured unsubordinated indebtedness (including, without limitation, the unsecured notes) and other obligations, including trade payables. In addition, as discussed further below, the holders of the secured notes would not be entitled to receive post-petition interest or applicable fees, costs, expenses, or charges to the extent the amount of the obligations due under the secured notes exceeded the value of the Collateral (after taking into account all other pari passu debt that was also secured by the Collateral, including the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility), or any "adequate protection" on account of any undersecured portion of the secured notes. See "—In the event of a bankruptcy of the Issuer or any of the guarantors, the holders of the secured notes may be deemed to have an unsecured claim to the extent that the Issuer's obligations in respect of the secured notes exceed the fair market value of the Collateral securing the secured notes and the related guarantees."

With respect to some of the Collateral, the security interest of the Notes Collateral Agent and its ability to foreclose will also be limited by the need to meet certain requirements, such as obtaining third-party consents and making additional filings. If the Issuer is unable to obtain these consents or make these filings, the security interests may be invalid and the holders will not be entitled to the Collateral or any recovery with respect thereto. We cannot assure you that any such required consents will be obtained on a timely basis or at all. These requirements may limit the number of potential bidders for certain Collateral in any foreclosure or other auction and may delay any sale, either of which events may have an adverse effect on the sale price of the Collateral. Therefore, the practical value of realizing on the Collateral may, without the appropriate consents and filings, be limited.

Under the terms of the indenture that will govern the secured notes, the Issuer will be permitted to incur indebtedness in amounts in excess of the current commitments under New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility. All of the commitments under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, will be secured by the Collateral on a pari passu basis and will be entitled to payment out of the proceeds of any sale of the Collateral on a pari passu basis with the holders of the secured notes. The indentures that will govern the notes will also permit the Issuer and the guarantors to create additional liens on the Collateral under specified circumstances, some of which liens may be pari passu with or senior to the liens securing the secured notes. Any obligations secured by such liens may further dilute the collateral coverage and limit the recovery from the realization of the collateral available to satisfy holders of the secured notes. See "Description of Secured Notes—Certain Covenants—Liens" and "Description of Unsecured Notes—Certain Covenants—Liens."

Even though the holders of the secured notes will benefit from a pari passu lien on the Collateral, the collateral agent under the New Senior Secured Credit Facilities will initially control actions with respect to that Collateral pursuant to the Pari Passu Intercreditor Agreement.

The rights of the holders of the secured notes with respect to the Collateral that will secure the secured notes on a pari passu basis will be subject to the Pari Passu Intercreditor Agreement among all holders of obligations secured by that Collateral on a pari passu basis, including the obligations under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility. Under the Pari Passu Intercreditor Agreement, any actions that may be taken with respect to such Collateral, including the ability to cause the commencement of enforcement proceedings against such Collateral and to control such proceedings, will be at the exclusive direction of the collateral agent under New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility until the earlier of (1) the date on which the Issuer's obligations under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility are discharged (which discharge does not include certain refinancings of the senior secured credit facilities) or (2) 120 days after the occurrence of an event of default under the indenture that will govern the secured notes and acceleration of the obligations thereunder, if the secured notes represent the largest outstanding principal amount of indebtedness secured by a pari passu lien on the Collateral (other than the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility) and the Notes Collateral Agent has complied with the applicable notice provisions so long as the agent under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility has not commenced and is not then diligently pursuing the exercise of remedies with respect to Collateral or any portion thereof or the Issuer or any guarantor is not then a debtor in any bankruptcy or similar insolvency or liquidation proceeding.

After the discharge of the obligations with respect to the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility, the right to direct the actions with respect to the Collateral securing the secured notes will pass to the authorized representative of holders of the then largest outstanding principal amount of indebtedness secured by a first lien on the Collateral. If the Issuer issues additional indebtedness that is equal in priority to the lien securing the Issuer's secured notes in the future in a greater principal amount than the secured notes, then the authorized representative for such additional indebtedness would be next in line to exercise rights under the Pari Passu Intercreditor Agreement, rather than the Notes Collateral Agent. Accordingly, the Notes Collateral Agent may never have the right to control remedies and take other actions with respect to the Collateral.

In addition, under the terms of the Pari Passu Intercreditor Agreement, if at any time the controlling collateral agent forecloses upon or otherwise exercises remedies against any Collateral resulting in a sale thereof, the lien securing the secured notes on such Collateral will be automatically released and discharged (provided that any proceeds from such sale are applied ratably among all the then outstanding pari passu obligations). The Collateral so released will no longer secure the Issuer's and the guarantors' obligations under the secured notes and the related guarantees. The Holders of the secured notes will also waive certain important rights otherwise available to secured creditors in a bankruptcy, as the Pari Passu Intercreditor Agreement will prohibit the trustee

for the secured notes and the Notes Collateral Agent from objecting following the filing of a bankruptcy petition to a proposed debtor-in-possession financing to be provided to us that is secured by the Collateral or to the use of cash collateral that has not been opposed to or objected to by the controlling collateral agent or the other controlling secured parties, subject to certain conditions and limited exceptions. After such a filing, the value of the Collateral could materially deteriorate, and holders of the secured notes would be unable to raise an objection.

Also, under the Pari Passu Intercreditor Agreement, in the event that the holders of the secured notes obtain possession of any Collateral or realize any proceeds or payment in respect of any such Collateral at any time prior to the discharge of each of the other pari passu obligations, then such holders will be obligated to hold such Collateral, proceeds, or payment in trust for the other holders of pari passu obligations and, subject to the Pari Passu Intercreditor Agreement, promptly transfer such Collateral, proceeds, or payment, as the case may be, to the controlling collateral agent, to be distributed in accordance with the provisions of the Pari Passu Intercreditor Agreement among all the holders of pari passu obligations. Thus, there can be no assurances that under the Pari Passu Intercreditor Agreement, the holders of the secured notes would not be obligated to turn over to the other holders of the pari passu obligations any Collateral, proceeds or payments they may receive. Finally, holders of the secured notes will waive certain rights otherwise accruing to them as secured creditors in bankruptcy under the Pari Passu Intercreditor Agreement.

Pledges of equity interests of certain of the Issuer's foreign subsidiaries may not constitute Collateral for the repayment of the secured notes because such pledges may not be perfected pursuant to foreign law pledge documents.

Part of the security for the repayment of the secured notes may consist of a pledge of up to 65% of the voting stock of each direct foreign subsidiary of the Issuer. Although such a pledge of capital stock will be required to be granted under U.S. security documents, it may be necessary or desirable to perfect such pledges under foreign law pledge documents. The Issuer will not be required to provide such foreign law pledge documents. Unless and until such pledges of equity interests are properly perfected, they may not constitute Collateral for the repayment of the secured notes.

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

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

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

The Collateral securing the secured notes and the related guarantees will include substantially all of the Issuer's and the guarantors' tangible and intangible assets which assets also secure the Issuer's and the guarantors' indebtedness under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility (other than the equity interests of the Issuer), whether now owned or acquired or arising in the future. Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens on

the Collateral securing the secured notes may not be perfected if we are not able to take the actions necessary to perfect any of these liens on or prior to the date of the issuance of the secured notes or thereafter. We will have limited obligations to perfect the security interest of the holders of the secured notes in specified collateral other than the filing of financing statements. To the extent a security interest in certain Collateral is not properly perfected on the date of the issuance of the secured notes, such security interest might be avoidable in bankruptcy, which could impact the value of the Collateral. See "—Any future pledge of Collateral or guarantee may be avoidable in bankruptcy."

If additional material wholly-owned domestic restricted subsidiaries are formed or acquired and become guarantors under the indentures that will govern notes, additional financing statements would be required to be filed to perfect the security interest for the secured notes in the assets of such guarantors. Depending on the type of the assets constituting after-acquired collateral, additional action may be required to perfect the security interest in such assets. Applicable law requires that certain property and rights acquired after the grant of a general security interest can be perfected only at the time such property and rights are acquired and identified. Neither the trustee for the secured notes nor the Notes Collateral Agent will be responsible to monitor, and there can be no assurance that the Issuer will inform the trustee for the secured notes or the Notes Collateral Agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. None of the trustee for the secured notes, the Notes Collateral Agent, the collateral agent for the New Senior Secured Credit Facilities and the collateral agent for the Alternative RE Term Loan Facility, if consummated, will have any obligation to monitor the acquisition of additional property or rights that constitute Collateral or monitor the perfection of or make any filings to perfect or maintain the perfection of any security interests in any of the Collateral. Such inaction may result in the loss of the security interest in such Collateral or the priority of the security interest in favor of the secured notes and the guarantees against third parties. Even if the Notes Collateral Agent's liens on Collateral acquired or arising in the future are properly perfected, such liens may potentially be avoidable as a preference in any bankruptcy proceeding under certain circumstances. See "—Any future pledge of Collateral or guarantee may be avoidable in bankruptcy."

Lien searches may not reveal all liens on the Collateral.

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

The Collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss or impairment in value of any of the Collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the secured notes and the related guarantees.

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

The indentures that will govern the notes will permit liens in favor of third parties to secure additional debt, including purchase money indebtedness and capital lease obligations, and, in the case of certain of such liens, the liens on the related assets securing the secured notes and the related guarantees may, under certain circumstances, be either subordinated to such permitted liens or released. Our ability to incur additional debt and liens on such

additional debt in favor of third parties is subject to limitations as described herein under the headings "Description of Secured Notes" and "Description of Unsecured Notes." In addition, certain assets are excluded from the Collateral securing the secured notes and the related guarantees, as discussed under "Description of Secured Notes—Security for the Notes." If an event of default occurs and the maturity of the secured notes is accelerated, the secured notes and the related guarantees will rank pari passu with the holders of other unsecured or senior indebtedness of the relevant obligor with respect to such excluded assets. As a result, if the value of the assets pledged as security for the secured notes is less than the value of the claims of the holders of the secured notes, those claims may not be satisfied in full before the claims of our unsecured creditors are paid.

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

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

- the Issuer or any of the guarantors was insolvent or rendered insolvent by reason of issuing the notes or the guarantees (or the related security interests with respect to the secured notes and the related guarantees);
- the issuance of the notes or guarantees (or the related security interests with respect to the secured notes and the related guarantees) left the Issuer or any of the guarantors with an unreasonably small amount of capital to carry on the business in which such Issuer or such guarantor was engaged or about to engage; or
- the Issuer or any of the guarantors intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they become due.

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

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the law of the jurisdiction that is being applied, such that we cannot be certain as to: the standards a court would use to

determine whether or not the Issuer or the guarantors were solvent at the relevant time, or, regardless of the standard that a court uses, that it would not determine that the Issuer or a guarantor was indeed insolvent on that date; that any payments to the holders of the notes (including under the guarantees) did not constitute preferences, fraudulent transfers or conveyances on other grounds; or that the issuance of the notes and the guarantees would not be subordinated to the Issuer's or any guarantor's other debt.

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

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

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

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

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

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

Finally, as a court of equity, the bankruptcy court may otherwise subordinate the claims in respect of the notes or the guarantees to other claims against the Issuer or the guarantors under the principle of equitable subordination, if the court determines that: (i) the holder of the notes engaged in some type of inequitable

conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of the notes; and (iii) equitable subordination is not inconsistent with the provisions of the U.S. Bankruptcy Code.

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

Collateral pledged or guarantees issued after the issue date of the notes may be treated under bankruptcy law as if they were pledged to secure or delivered to guarantee, as applicable, previously existing indebtedness. Any future pledge of Collateral or issuance of a guarantee in favor of the holders of the secured notes (including any Liens delivered or reinstated after the Reversion Date and/or pursuant to guarantees delivered in connection therewith after the date the secured notes are issued) or any future issuance of a guarantee in favor of the holders of the unsecured notes (including pursuant to guarantees delivered in connection therewith after the date the unsecured notes are issued) may be avoidable by the pledgor (as a debtor in possession), guarantor (as a debtor in possession), by its trustee in bankruptcy or potentially by other creditors if certain events or circumstances exist or occur, including, among others, if (1) the pledgor or guarantor is insolvent at the time of the pledge and/or issuance of the guarantee, (2) the pledge and/or issuance of the guarantee (as applicable) permits the holders of the secured notes or the unsecured notes (as applicable) to receive a greater recovery in a hypothetical Chapter 7 case than if such pledge and/or guarantee (as applicable) had not been given and (3) a bankruptcy proceeding in respect of the pledgor or guarantor is commenced within 90 days following the pledge or the perfection thereof and/or the issuance of the guarantee (as applicable), or, in certain circumstances, a longer period. Accordingly, if the Issuer or any guarantor were to file for bankruptcy protection after the issue date of the notes and any pledge of Collateral not pledged, or any guarantees not issued on the issue date of the notes had been pledged or perfected or issued (as applicable) less than 90 days before commencement of such bankruptcy proceeding, such pledges or guarantees are materially more likely to be avoided as a preference by the bankruptcy court than if delivered on the issue date of the notes (even if the other guarantees or liens (as applicable) issued on the issue date of the notes would no longer be subject to such risk). To the extent that the grant of any such security interest and/or guarantee is avoided as a preference or otherwise, you would lose the benefit of the security interest and/or guarantee (as applicable).

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

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

Agent could or would repossess or dispose of the Collateral, the value of the Collateral as of the commencement date of any bankruptcy proceedings, or whether or to what extent or in what form holders of the secured notes would be compensated for any delay in payment or loss of the value of the Collateral through the requirements of "adequate protection."

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

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

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

In the event of a bankruptcy of the Issuer or any of the guarantors, the holders of the secured notes may be deemed to have an unsecured claim to the extent that the Issuer's obligations in respect of the secured notes exceed the fair market value of the Collateral securing the secured notes and the related guarantees.

In any bankruptcy proceeding with respect to the Issuer or any of the guarantors that have guaranteed the secured notes, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the Collateral with respect to the secured notes on the date of the bankruptcy filing was less than the then-current principal amount of the secured notes and all of our other outstanding Pari Passu Obligations. Upon a finding by the bankruptcy court that the secured notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the secured notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the Collateral. In such event, the secured claims of the holders of the secured notes would be limited to the value of the Collateral.

The consequences of a finding of under-collateralization would include, among other things, a lack of entitlement on the part of the holders of the secured notes to receive post-petition interest, fees, and expenses and a lack of entitlement on the part of the unsecured portion of the secured notes to receive "adequate protection" under federal bankruptcy laws, as discussed above. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be re-characterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the secured notes.

If a bankruptcy petition were filed by or against us in the United States, the allowed claim for the secured notes or the unsecured notes may be less than the principal amount of the secured notes or the unsecured notes (as applicable) stated in the indentures.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the secured notes or the unsecured notes, the claim by any holder of the secured notes or the unsecured senior notes for the principal amount thereof (as applicable) may be allowed in an amount equal to the sum of:

- the original issue price of the secured notes or the unsecured notes (as applicable); and

- that portion of the stated principal amount of the secured notes or the unsecured notes (as applicable) that exceeds the issue price thereof (as applicable), if any, that does not constitute "unmatured interest" for the purposes of the U.S. Bankruptcy Code.

Any such discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest, which is not allowable as part of a bankruptcy claim under the U.S. Bankruptcy Code. Accordingly, holders of the secured notes or the unsecured notes (as applicable) under these circumstances may receive an amount that is less than the principal amount thereof (as applicable) stated in the indentures.

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

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

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

Upon a change of control triggering event, as defined under the indentures that will govern the notes, you will have the right to require the Issuer to offer to purchase all of the notes then outstanding at a price equal to 101% of the principal amount of the notes, plus accrued interest, if any, to, but excluding, the date of purchase. In order to obtain sufficient funds to pay the purchase price of the outstanding notes, we expect that we would have to refinance the notes. We cannot assure you that we would be able to refinance the notes on reasonable terms, if at all. The Issuer's failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the indentures that will govern the notes. Such an event of default may cause the acceleration of our other debt, including debt under the New Senior Secured Credit Facilities and, if consummated, the Alternative RE Term Loan Facility. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the indentures that will govern the notes.

In addition, upon the occurrence of certain specified asset sales, the Issuer will be required to offer to purchase outstanding notes and indebtedness under the New Senior Secured Credit Facilities, at 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The source of funds for any such purchase of the notes will be the Issuer's available cash or cash generated from the Issuer's operations or other sources, including borrowings, sales of assets or sales of equity. The Issuer may not be able to purchase the notes upon such an asset sale offer because the Issuer may not have sufficient financial resources at the time of such asset sale to make the required purchase of notes and such other indebtedness, or because restrictions in the Issuer's other indebtedness will not allow such purchase of the notes. Any of the Issuer's future debt agreements may contain similar provisions. Accordingly, if such an asset sale were to occur, the Issuer may not have sufficient financial resources to purchase the notes and such other indebtedness that the Issuer would be required to offer to purchase or that become immediately due and payable as a result. The Issuer

may require additional financing from third parties to fund any such purchases, and we cannot assure you that we would be able to obtain financing on satisfactory terms or at all. See "Description of Secured Notes—Repurchase at the Option of Holders—Asset Sales" and "Description of Unsecured Notes—Repurchase at the Option of Holders—Asset Sales." The Issuer's failure to pay holders tendering notes and such other indebtedness upon such an asset sale would result in an event of default under the indentures that will govern 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.

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

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

The definition of change of control in the indentures that will govern the notes includes 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 notes to require the Issuer to purchase its notes as a result of a sale of less than all our assets to another person may be uncertain. See "Description of Secured Notes—Repurchase at the Option of Holders—Change of Control" and "Description of Unsecured Notes—Repurchase at the Option of Holders—Change of Control."

An active trading market may not develop for the notes.

Each series of notes will constitute a new class of securities with no established trading market. We cannot assure you that an active trading market for the notes will develop and continue after this offering. We do not intend to apply for listing of the notes on any securities exchange or on any automated dealer quotation system. Although we have been informed by certain of the initial purchasers that they currently intend to make a market for the notes, they are not obliged to do so and any market making may be discontinued at any time without notice.

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

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

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

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities that are similar to the notes. We cannot assure you that the market, if any, for any of the notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

Holders of the notes will not be entitled to registration rights and the Issuer does not currently intend to register the notes under applicable securities laws, and there are restrictions on transfer on your ability to transfer or resell the notes.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. The Issuer is not obligated, and does not intend, to register the notes under the Securities Act or to offer to exchange the notes in an exchange offer registered under the Securities Act. The holders of the notes will not be entitled to require the Issuer to register the notes for resale or otherwise. As a result, for so long as the notes remain outstanding, they may be transferred or resold only in transactions exempt from the registration requirements of federal and applicable state securities laws.

The indentures that will govern the notes 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 indentures that will govern the notes 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 protection of the Trust Indenture Act except to the extent there are similar provisions in the indentures that will govern the notes.

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

Credit rating agencies continually revise their ratings for the companies that they follow, including us. Credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. The notes offered hereby will have a non-investment grade rating on the issue date. There can be no assurances that such rating will remain for any given period of time or that such rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Credit ratings are not recommendations to purchase, hold or sell the notes, and may be revised or withdrawn at any time. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. If the credit rating of the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

The lenders under the New Senior Secured Credit Facilities will have the discretion to release any guarantor under the New Senior Secured Credit Facilities in a variety of circumstances, which will cause such guarantor to be released from its guarantee of each series of notes and, if consummated, the Alternative RE Term Loan Facility, in which case any liens on the assets of such guarantor in favor of the New Senior Secured Credit Facilities, the Alternative RE Term Loan Facility (if consummated) and the secured notes offered hereby will also be released.

While any obligations under the New Senior Secured Credit Facilities remain outstanding, a guarantor's guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustees

under the indentures that will govern the notes, at the discretion of lenders under the New Senior Secured Credit Facilities, if the guarantor no longer guarantees obligations under the New Senior Secured Credit Facilities or any other indebtedness, in which case any liens on the assets of such guarantor in favor of the New Senior Secured Credit Facilities, the secured notes offered hereby and, if consummated, the Alternative RE Term Loan Facility will also be released. See "Description of Secured Notes" and "Description of Unsecured Notes." The lenders under the New Senior Secured Credit Facilities will have the discretion to release the guarantees under the New Senior Secured Credit Facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those non-guarantor subsidiaries will be structurally senior to claims of noteholders.

There are circumstances other than repayment or discharge of the notes under which the guarantees will be released automatically, without your consent or the consent of the trustees.

Under various circumstances, the guarantees of the notes will be released automatically. The guarantee of a subsidiary guarantor of the notes will be automatically released to the extent such subsidiary guarantor is released in connection with a sale or other disposition of the equity interests of such subsidiary guarantor in a transaction not prohibited by the indentures that will govern the notes. The indentures also will permit us to designate one or more of the Issuer's restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary, which will result in the guarantee of such subsidiary guarantor being automatically released. If a subsidiary guarantor is released from its guarantee of the New Senior Secured Credit Facilities or certain other indebtedness of the Issuer or any other guarantor, other than in connection with a refinancing of the New Senior Secured Credit Facilities and such other indebtedness or a payment under such guarantee, or a guarantor ceases to be a subsidiary as a result of any foreclosure of any pledge or security interest securing the secured indebtedness, such subsidiary's guarantee of the notes and, if consummated, the Alternative RE Term Loan Facility will be automatically released as well, in which case any liens on the assets of such subsidiary in favor of the New Senior Secured Credit Facilities, the secured notes offered hereby and, if consummated, the Alternative RE Term Loan Facility will also be released. If the guarantee of any subsidiary guarantor is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be structurally senior to the claim of any holders of the notes. For a description of all circumstances in which a guarantor's subsidiary guarantee will be automatically released, see "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

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

Under various circumstances, the Collateral and related guarantees will be released automatically, including:

- upon a sale, transfer or other disposition of such Collateral (to a person that is not the Issuer or a guarantor) in a transaction not prohibited under the indenture that will govern the secured notes. See "Description of Secured Notes—Release of Collateral";
- with respect to the equity interests of and Collateral held by a guarantor of the secured notes, upon the release of such guarantor from its guarantees;
- pursuant to the terms of the Pari Passu Intercreditor Agreement, upon any release in connection with a foreclosure or exercise of remedies with respect to such Collateral by the controlling collateral agent in accordance with the terms of the Pari Passu Intercreditor Agreement;
- upon the release of Excess Proceeds that remain unexpended after the conclusion of an Asset Sale Offer conducted in accordance with the Secured Indenture (each capitalized term as defined under "Description of Secured Notes");

- if all other liens on such Collateral securing Pari Passu Obligations are released or will be released simultaneously therewith;
- if the release of such lien is approved, authorized or ratified by the required number of holders;
- to the extent such Collateral becomes an Excluded Asset; and
- if the secured notes would be rated investment grade by either Moody's or S&P after giving effect to such lien release. See "Description of Secured Notes—Security for the Secured Notes—Release of Collateral."

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

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

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

If the Liens securing the secured notes are released as a result of an Investment Grade Event (as defined under the heading "Description of Secured Notes—Certain Definitions"), the secured notes will become unsecured and no Liens will be granted unless the Secured Notes have a lower than investment grade rating from each of Moody's and S&P.

If the Liens securing the secured notes are released as a result of an Investment Grade Event, the secured notes will become unsecured and no Liens will be granted unless the Secured Notes have a lower than investment grade rating from each of Moody's and S&P. Any pledge of collateral in favor of the Notes Collateral Agent and the other security documents delivered after such date, could be avoidable in bankruptcy and if this were to occur, holders of the secured notes could lose the benefit of such security interest. See "—Any future pledge of Collateral or guarantee may be avoidable in bankruptcy."

The terms of the New Senior Secured Credit Facilities and the CMBS Financing have not been finalized.

The agreements relating to the New Senior Secured Credit Facilities and the CMBS Financing have not been finalized. The Issuer's ability to successfully syndicate the New Senior Secured Credit Facilities is subject to market conditions, and the Issuer cannot assure you that the New Senior Secured Credit Facilities will be successfully syndicated on the terms described herein. Although we expect to consummate the CMBS Loan by the closing of the Acquisition, there is no guarantee such CMBS Loan will be consummated by the closing date

of the Acquisition or at all, in which case we would enter into the Alternative RE Term Loan Facility, as discussed under "Description of Certain Other Indebtedness." Future changes in market conditions may result in changes to the terms for the New Senior Secured Credit Facilities and the CMBS Financing, including pricing, that are less favorable to us and may increase our interest expense and adversely affect our business. The terms of the New Senior Secured Credit Facilities and the CMBS Financing could also change in a way that increases our indebtedness or makes it easier to incur debt in the future.

In the event that the Acquisition is not consummated on or before the Outside Date and the other Escrow Release Conditions are not satisfied or the terms of the Escrow Agreement are not otherwise complied with, the notes will be subject to a Special Mandatory Redemption, and as a result, you may not obtain the return you expect on the notes.

If the Acquisition is not consummated simultaneously with this offering, concurrently with the closing of this offering, the Issuer will enter into the Escrow Agreement pursuant to which the Issuer will deposit (or cause to be deposited) an amount equal to the gross proceeds of the offering into segregated escrow accounts for each series of notes until the date that the Escrow Release Conditions are satisfied. The funds in such escrow accounts will be initially limited to the gross proceeds from the offering and will not be sufficient to pay the Special Mandatory Redemption Price. Pending the consummation of the Acquisition, one or more funds or limited partnerships managed or advised by affiliates of the Sponsors will either (i) deposit (or cause the Issuer to deposit) funds into the applicable escrow account in an amount sufficient to pay accrued interest on the notes each month in advance or (ii) commit to pay or guarantee any accrued and unpaid interest owing to the holders of each series of notes plus other amounts needed to discharge each indenture in the event of a Special Mandatory Redemption.

If, among other things, the Acquisition is not consummated on or prior to the Outside Date, the Issuer will redeem, on the Special Mandatory Redemption Date in accordance with the terms of the indentures that will govern the notes, all of the notes at the Special Mandatory Redemption Price. Upon such redemption, you may not be able to reinvest the proceeds from the redemption in an investment that yields comparable returns. Additionally, you may suffer a loss on your investment if you purchase the notes at a price greater than the issue price of the notes. See "Description of Secured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption" and "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption." Although the trustees, for the benefit of the holders of the notes, will be granted a first-priority lien on such funds, the ability of holders of the notes to realize upon the funds in the applicable escrow accounts may be subject to certain bankruptcy law limitations in the event of a bankruptcy of the Issuer.

Between the time of the offering of the notes and the consummation of the Acquisition, the parties to the Purchase and Sale Agreement may agree to modify or waive the terms or conditions of such document without consent of the Holders of notes.

Prior to the consummation of the Acquisition, the parties to the Purchase and Sale Agreement may agree to amendments or waivers of the terms thereof. Although the Escrow Agreement will provide as a condition to the release of the funds in the applicable escrow accounts that the Acquisition is to be consummated, this condition will not preclude the transaction parties from making changes to the terms of the transactions or from waiving conditions to the transactions that have an adverse effect on the holders of the notes, including a change in the purchase price or to the structure of the Acquisition.

If the Issuer commences a bankruptcy or reorganization case or one is commenced against the Issuer, bankruptcy laws may prevent the release of the escrowed funds.

If the Issuer commences a bankruptcy or reorganization case, or one is commenced against the Issuer, while amounts remain in the escrow accounts, applicable bankruptcy laws may prevent the Escrow Agent from releasing the funds in the applicable escrow accounts or applying those funds to effect a Special Mandatory

Redemption of each series of notes or otherwise applying those funds for the benefit of itself and the holders of each series of notes. The court adjudicating that case might find that such escrow accounts are the property of the bankruptcy estate. Although the amounts in the escrow accounts will be pledged as collateral for payment, if required, of the Special Mandatory Redemption Price of each series of notes, the automatic stay provisions of the federal bankruptcy laws generally prohibit secured creditors from foreclosing upon or disposing of a debtor's property without bankruptcy court approval. As a result, holders of each series of notes may not be able to have the funds in the applicable escrow account applied at the time or in the manner contemplated by the indentures that will govern the notes and could suffer a loss as a result.

In addition, if the court adjudicating the Issuer's bankruptcy or reorganization case finds that the escrowed funds are property of the bankruptcy estate, the court could authorize the use of these funds by the bankruptcy estate or the bankruptcy trustee, if one is appointed, with or without restrictions. As a result, the holders of each series of notes could become unsecured creditors of the bankruptcy estate. In such event, the only remedy available to the holders of each series of notes would be to sue for payment on such series of notes.

Prior to the consummation of the Acquisition, the Issuer will have limited assets and Medline will not have any obligations under the notes and Medline will not be subject to the restrictive covenants in the indentures that will govern the notes.

Prior to the consummation of the Acquisition, holders of the notes will not have any recourse to Medline, as the notes will be the obligations of the Issuer only. The Issuer does not conduct any material operations and has no material assets (other than the escrowed proceeds). In the event of a bankruptcy of the Issuer prior to the consummation of the Acquisition, holders of the notes will have a secured claim as to the funds deposited into the applicable escrow account and an unsecured claim to any other assets of the Issuer and will not have any recourse to any assets of Medline. Prior to the consummation of the Acquisition, Medline will not be subject to any of the covenants set forth in the indentures that will govern the notes. Pursuant to the Purchase and Sale Agreement, Mozart Parent and its subsidiaries generally are required to operate in the ordinary course of business prior to the consummation of the Acquisition.

USE OF PROCEEDS

The table below sets forth the estimated sources and uses of funds in connection with the Transactions (and after the gross proceeds from this offering are released from escrow, if applicable), assuming they occurred on June 26, 2021 and based on estimated amounts outstanding on that date. Actual amounts will vary from the estimated amounts shown below depending on several factors, including, among others, the amount of cash and cash equivalents balances, net working capital and other purchase price adjustments, indebtedness (including accrued interest on such indebtedness), changes made to the sources of the contemplated financings, the number of shares of capital stock and equity awards outstanding on the closing date of the Acquisition and differences from our estimated fees and expenses.

If the Acquisition is not consummated simultaneously with this offering, the gross proceeds of this offering will be funded into escrow and, upon release of the funds from escrow, the proceeds from this offering will be used to fund a portion of the Transactions as set forth below or, if applicable, will be used to fund the Special Mandatory Redemption as described herein. See "Summary—The Transactions—Escrow."

You should read the following together with the information included under the headings "Summary— The Transactions," "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this offering memorandum.

Sources	Amount	Uses	Amount
($ in millions)			
New Senior Secured Credit Facilities:		Purchase price of equity[8]	$32,228
New Revolving Credit Facility[1]	$ —	Managing partner units[9]	606
New Dollar Term Loan Facility[2]	6,000	Cash to balance sheet	300
New Euro Term Loan Facility[3]	1,000	Estimated fees and expenses[10]	558
CMBS Financing[4]	2,230		
Notes offered hereby[5]	7,770		
Sponsor equity[6]	13,192		
Existing Investors equity[7]	3,500		
Total sources	$33,692	**Total uses**	$33,692

(1) Our New Revolving Credit Facility will provide for $1,000.0 million of borrowings, subject to customary borrowing conditions. We do not currently expect to draw any amounts under the New Revolving Credit Facility to finance the Transactions or on the closing date of the Acquisition.

(2) Represents the aggregate principal amount of the New Dollar Term Loan Facility, without giving effect to discounts or fees to be paid to the lenders.

(3) Represents the U.S. dollar equivalent of the aggregate principal amount of the New Euro Term Loan Facility, without giving effect to discounts or fees to be paid to the lenders.

(4) Represents the aggregate principal amount of the CMBS Financing, without giving effect to discounts or fees to be paid to the lenders or investors.

(5) Represents the aggregate principal amount of the notes offered hereby and does not reflect the initial purchasers' discount or any issue discount.

(6) Represents an investment to be made by the Sponsors, together with certain co-investors, with respect to the Acquisition.

(7) Represents equity investments by the Existing Investors that will be made through rollover contributions of equity securities.

(8) Represents the aggregate acquisition consideration (including the repayment of existing indebtedness, if any) to be paid in connection with the Acquisition subject to customary debt, working capital and other purchase price adjustments as provided in the Purchase and Sale Agreement, including approximately $3,500 million of equity investments by the Existing Investors that will be made through rollover contributions of equity securities.

(9) Participants in the Medline Industries, Inc. Managing Partner Program will receive cash payments under the program in respect of their outstanding managing partner units in connection with and following the closing of the Acquisition. Amount shown herein represents the estimated portion of such cash payments that is payable upon the closing of the Acquisition.

(10) Represents estimated fees, costs and expenses of the Sponsors and the Company (following the Acquisition) associated with the Transactions, including, without limitation, certain amounts payable under the Purchase and Sale Agreement and any fees and expenses incurred in connection therewith, original issue discount on the New Term Loan Facilities, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, sponsor fees, compensation arrangements with certain key executives and other transactional costs and legal, accounting and other professional fees and expenses.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 26, 2021 on:

- an actual basis; and
- a pro forma basis after giving effect to the Transactions.

The information in this table should be read in conjunction with "Summary—Summary Historical and Pro Forma Consolidated Financial Information," "Summary—The Transactions," "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Certain Other Indebtedness" and the financial statements and the related notes included elsewhere in this offering memorandum.

(dollars in thousands)	**Actual**	**Pro forma**
		(unaudited)
Cash and cash equivalents	$ 432,494	$ 299,788
Debt:		
New Senior Secured Credit Facilities[1]:		
New Revolving Credit Facility[2]	$ —	$ —
New Dollar Term Loan Facility[3]	—	6,000,000
New Euro Term Loan Facility[4]	—	1,000,000
CMBS Financing[5]	—	2,230,000
Notes offered hereby[6]:		
Secured notes	—	3,770,000
Unsecured notes	—	4,000,000
Existing lines of credit[7]	2,261	2,261
Total debt	2,261	17,002,261
Total stockholders' equity/partners' capital	8,256,508	16,601,700
Total capitalization	$8,258,769	$33,603,961

(1) The New Senior Secured Credit Facilities are expected to consist of (i) a New Revolving Credit Facility, providing for up to $1,000.0 million of revolving extensions of credit outstanding at any time (including revolving loans, swing line loans and letters of credit), (ii) a $6,000.0 million New Dollar Term Loan Facility and (iii) a euro-equivalent of $1,000.0 million New Euro Term Loan Facility. See "Description of Certain Other Indebtedness—New Senior Secured Credit Facilities."

(2) We do not currently expect to draw any amounts under the New Revolving Credit Facility to finance the Transactions or on the closing date of the Acquisition. As of June 26, 2021, on a pro forma basis after giving effect to the Transactions, we would have had approximately $982 million of availability under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder).

(3) Represents the aggregate principal amount of the New Dollar Term Loan Facility, without giving effect to discounts, fees or commissions to be paid to the lenders.

(4) Represents the U.S. dollar equivalent of the aggregate principal amount of the New Euro Term Loan Facility, without giving effect to discounts, fees or commissions to be paid to the lenders.

(5) Represents the aggregate principal amount of the CMBS Financing, without giving effect to discounts or fees to be paid to the lenders or investors. See "Description of Certain Other Indebtedness—CMBS Financing." As the CMBS Loan will be incurred by our "Unrestricted Subsidiaries" and non-recourse to the Company and its Restricted Subsidiaries, any indebtedness and interest payable thereunder will not be included for purposes of covenant calculations under the indentures that will govern the notes or the credit agreement that will govern our New Senior Secured Credit Facilities.

(6) Represents the aggregate principal amount of the notes offered hereby, without giving effect to discounts, fees or commissions to be paid to the initial purchasers.

(7) Represents certain existing lines of credit at subsidiaries outside of the United States that we expect will remain outstanding following the consummation of the Transactions.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The below unaudited pro forma consolidated financial information for the Company and its subsidiaries gives effect to the Transactions.

With respect to the financing transactions, the unaudited pro forma consolidated financial information is based on the assumption that we will enter into the following financing transactions:

- incur $6,000 million of principal amount of term loans under the New Dollar Term Loan Facility, incur the euro-equivalent of $1,000 million of principal amount of term loans under the New Euro Term Loan Facility and enter into a $1,000 million New Revolving Credit Facility;
- incur $2,230 million in principal amount in one or more mortgage and mezzanine loans under the CMBS Loan; and
- issue $3,770 million aggregate principal amount of secured notes and $4,000 million aggregate principal amount of unsecured notes, each offered hereby.

The unaudited pro forma consolidated balance sheet as of June 26, 2021 reflects the Transactions as if each occurred on June 26, 2021. The unaudited pro forma consolidated statements of operations reflect the Transactions as if each occurred on January 1, 2020.

The unaudited pro forma consolidated statement of operations data for the twelve months ended June 26, 2021 has been derived by taking the unaudited pro forma consolidated statement of operations data for the year ended December 31, 2020, adding the unaudited pro forma consolidated statement of operations data for the six months ended June 26, 2021 and subtracting the unaudited pro forma consolidated statement of operations data for the six months ended June 27, 2020.

The adjustments necessary to fairly present the unaudited pro forma consolidated financial information have been made based on available information and in the opinion of management are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with this unaudited pro forma financial information. The pro forma adjustments related to the Transactions are preliminary and revisions to the fair value of assets acquired and liabilities assumed may have a significant impact on the pro forma adjustments. A final valuation of assets acquired and liabilities assumed has not been completed, and the completion of fair value determinations may result in changes in the values assigned to property and equipment and other assets (including intangibles) acquired and liabilities assumed.

Revisions to the preliminary estimates set forth herein may have a significant impact on the pro forma amounts of total assets, total liabilities and equity, revenues, depreciation and amortization expense, interest expense and income tax expense. The actual adjustments will be made as of the closing date of the Acquisition and may differ from those reflected in the unaudited pro forma consolidated financial information presented below. Such differences may be material.

The unaudited pro forma financial information does not reflect any cost savings or synergies or associated costs to achieve such savings or synergies or other restructurings that may result from the Transactions. The unaudited pro forma consolidated financial information is for illustrative purposes only and does not purport to represent what our financial position or results of operations actually would have been had the events noted above in fact occurred on the assumed dates or to project our financial position or results of operations for any future date or future period.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF JUNE 26, 2021
(In thousands)

	Historical	Acquisition Transaction Accounting Adjustments	Financing Transaction Accounting Adjustments	Pro Forma Balance Sheet
Assets				
Current Assets:				
Cash and cash equivalents	$ 432,494	$(29,857,006) (a)	$13,192,000 (a)	$ 299,788
			16,532,300 (b)	
Investments in trading securities	127,706	(120,734) (e)	—	6,972
Trade accounts receivable, net of allowance for doubtful accounts of $117,821	2,357,335	—	—	2,357,335
Inventories, net	3,255,260	472,978 (c)	—	3,728,238
Current maturities of notes receivable and advances	519	—	—	519
Other current assets	298,595	(5,723) (d)	22,500 (a)	315,372
Total current assets	**6,471,909**	**(29,510,485)**	**29,746,800**	**6,708,224**
Property, plant and equipment, net	2,575,324	1,817,382 (c)	—	4,392,706
Other assets:				
Notes receivable and advances, less current portion	7,296	—	—	7,296
Goodwill	388,821	9,143,022 (c)	—	9,531,843
Intangible assets, net	195,786	14,589,493 (c)	—	14,785,279
Other long-term assets	21,291	(500) (e)	—	20,791
Total other assets	**613,194**	**23,732,015**	**—**	**24,345,209**
Total Assets	**$9,660,427**	**$ (3,961,088)**	**$29,746,800**	**$35,446,139**
Liabilities and stockholders' equity				
Current Liabilities:				
Short-term borrowings on lines of credit	$ 2,261	$ —	$ 60,000 (b)	$ 62,261
Accounts payable	418,664	—	—	418,664
Accrued expenses	874,953	—	—	874,953
Income taxes payable	21,452	—	—	21,452
Total current liabilities	**1,317,330**	**—**	**60,000**	**1,377,330**
Long-term debt, net	—	—	16,494,800 (b)	16,494,800
Long-term liabilities	86,589	606,222 (f)	—	972,309
		279,498 (g)		
Total liabilities	**1,403,919**	**885,720**	**16,554,800**	**18,844,439**
Stockholders' equity/partners' capital				
Common stock	1,160,204	(1,160,204) (h)	—	—
Retained earnings	7,301,887	(7,301,887) (h)	—	—
Accumulated other comprehensive loss	(50,949)	50,949 (h)	—	—
Partners' capital	—	3,500,000 (a)	13,192,000 (a)	16,601,700
		(90,300) (a)		
	8,411,142	(5,001,442)	13,192,000	16,601,700
Less cost of treasury stock	(154,634)	154,634 (h)	—	—
Total stockholders' equity/ partners' capital	**8,256,508**	**(4,846,808)**	**13,192,000**	**16,601,700**
Total liabilities and stockholders' equity/ Partners' capital	**$9,660,427**	**$ (3,961,088)**	**$29,746,500**	**$35,446,139**

See accompanying notes to unaudited pro forma financial information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In thousands)

	Historical	Acquisition Transaction Accounting Adjustments		Financing Transaction Accounting Adjustments		Pro forma
Net sales	$17,539,817	$ —		$ —		$17,539,817
Cost of goods sold	12,912,783	(38,809)	(k)	—		13,397,747
		50,795	(l)			
		472,978	(m)			
Gross profit	4,627,034	(484,964)		—		4,142,070
Selling, general and administrative expenses	2,526,810	(47,662)	(i)	—		3,539,686
		797,376	(j)			
		(113,183)	(k)			
		146,045	(l)			
		230,300	(n)			
Operating income	2,100,224	(1,497,840)		—		602,384
Other income (expense)						
Interest and investment income (expense), net	35,453	—		(821,660)	(b)	(786,207)
Foreign exchange gain	10,088	—		—		10,088
Total other income (expense)	45,541	—		(821,660)		(776,119)
Income (loss) before income taxes	2,145,765	(1,497,840)		(821,660)		(173,735)
Income taxes	48,844	—	(g)	—	(g)	48,844
Net income (loss)	**$ 2,096,921**	**$(1,497,840)**		**$(821,660)**		**$ (222,579)**

See accompanying notes to so unaudited pro forma financial information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 26, 2021
(In thousands)

	Historical	Acquisition Transaction Accounting Adjustments		Financing Transaction Accounting Adjustments		Pro forma
Net sales	$9,458,637	$ —		$ —		$9,458,637
Cost of goods sold	7,076,082	(19,308)	(k)			7,082,171
		25,397	(l)			
Gross profit	2,382,555	(6,089)				2,376,466
Selling, general and administrative expenses	1,261,268	(23,186)	(i)			1,649,513
		398,688	(j)			
		(60,280)	(k)			
		73,023	(l)			
Operating income (loss)	1,121,287	(394,334)		—		726,953
Other expense						
Interest and investment (expense), net	(10,257)	—		(406,578)	(b)	(416,835)
Foreign exchange (loss)	(4,287)	—		—		(4,287)
Total other expense	(14,544)	—		(406,578)		(421,122)
Income before income taxes	1,106,743	(394,334)		(406,578)		305,831
Income taxes	102,161	—	(g)	—	(g)	102,161
Net income	**$1,004,582**	**$(394,334)**		**$(406,578)**		**$ 203,670**

See accompanying notes to unaudited pro forma financial information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 27, 2020
(In thousands)

	Historical	Acquisition Transaction Accounting Adjustments		Financing Transaction Accounting Adjustments		Pro forma
Net sales	$7,703,842	$ —		$ —		$7,703,842
Cost of goods sold	5,712,096	(23,340)	(k)	—		6,187,131
		25,397	(l)			
		472,978	(m)			
Gross profit	1,991,746	(475,035)		—		1,516,711
Selling, general and administrative expenses	1,200,307	(22,912)	(i)	—		1,828,097
		398,688	(j)			
		(51,309)	(k)			
		73,023	(l)			
		230,300	(n)			
Operating income (loss)	791,439	(1,102,825)		—		(311,386)
Other income (expense)						
Interest and investment income (expense), net	13,005	—		(408,532)	(b)	(395,527)
Foreign exchange loss	(5,346)	—		—		(5,346)
Total other income (expense)	7,659	—		(408,532)		(400,873)
Income (loss) before income taxes	799,098	(1,102,825)		(408,532)		(712,259)
Income taxes	16,913	—	(g)	—	(g)	16,913
Net income (loss)	**$ 782,185**	**$(1,102,825)**		**$(408,532)**		**$ (729,172)**

See accompanying notes to unaudited pro forma financial information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JUNE 26, 2021
(In thousands)

	Historical	Acquisition Transaction Accounting Adjustments		Financing Transaction Accounting Adjustments		Pro forma
Net sales	$19,294,612	$ —		$ —		$19,294,612
Cost of goods sold	14,276,769	(34,777)	(k)	—		14,292,787
		50,795	(l)			
Gross profit	5,017,843	(16,018)		—		5,001,825
Selling, general and administrative expenses	2,587,771	(47,935)	(i)	—		3,361,103
		797,376	(j)			
		(122,154)	(k)			
		146,045	(l)			
Operating income	2,430,072	(789,350)		—		1,640,722
Other income (expense)						
Interest and investment income (expense), net	12,191	—		(819,707)	(b)	(807,516)
Foreign exchange gain	11,147	—		—		11,147
Total other income (expense)	23,338	—		(819,707)		(796,369)
Income before income taxes	2,453,410	(789,350)		(819,707)		844,353
Income taxes	134,092	—	(g)	—	(g)	134,092
Net income	**$ 2,319,318**	**$(789,350)**		**$(819,707)**		**$ 710,261**

See accompanying notes to unaudited pro forma financial information.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
(In thousands)

(a) Reflects the incurrence of term loans and notes offered hereby to fund the Acquisition. A detailed estimate of the sources and uses of cash associated with the Transactions are as follows:

Sources:	
New Senior Secured Credit Facilities:	
New Revolving Credit Facility	$ —
New Dollar Term Loan Facility	6,000,000
New Euro Term Loan Facility	1,000,000
CMBS Financing	2,230,000
Notes offered hereby	7,770,000
Sponsor equity	13,192,000
Existing Investors equity	3,500,000
Total Sources	$33,692,000

Uses:	
Purchase price of equity	$32,088,000
Management partnership units[(i)]	606,000
Cash to balance sheet	300,000
Estimated fees & expenses[(ii)]	698,000
Total Uses	$33,692,000

(i) Represents the first installment payment to the participants in the Company's Managing Partner Program, refer to note (f) below.

(ii) Represents the estimated financing and other fees, costs and expenses incurred in connection with the Transactions.

Fees, costs and expenses[(1)]	$ 698,000
Deferred fees and expenses on New Revolving Credit Facility	(22,500)
Deferred fees and expenses on New Term Loan Facilities and notes offered hereby	(445,200)
Non-deferred fees and expenses	$ 230,300

(1) The estimated fees and expenses are inclusive of $140.0 million of transaction costs anticipated to be incurred by the Company and adjusted from the purchase price of equity as provided in the Purchase and Sale Agreement.

(b) Represents the New Term Loan Facilities, CMBS Financing and the notes offered hereby.

New term loans, CMBS financing and the notes offered hereby	$ 17,000,000
Estimated deferred financing costs	(410,200)
Estimated original issue discount	(35,000)
Current portion	(60,000)
Long-term portion	$ 16,494,800

Total interest expense and amortization for the New Term Loan Facilities, CMBS Financing and the notes offered hereby, and the undrawn commitment fee for the New Revolving Credit Facility for the:

Year ended December 31, 2020[(i)]	$ 821,660
Six months ended June 26, 2021[(i)]	$ 406,578
Six months ended June 27, 2020[(i)]	$ 408,532
Twelve months ended June 26, 2021[(i)]	$ 819,707

(i) Reflects (x) the cash interest expense of approximately $752.5 million per year based upon an assumed weighted-average interest rate of 4.85% on our New Term Loan Facilities, the CMBS Loan and the notes offered hereby, (y) the undrawn commitment fee of approximately $5.0 million per year assuming that our New Revolving Credit Facility will be undrawn at the closing of the Acquisition and (z) the amortization of approximately $64.1 million per year of estimated capitalized financing costs for our New Term Loan Facilities, the CMBS Loan, and the notes offered hereby.

Based upon the assumed balances of the New Term Loan Facilities, the CMBS Loan and the notes offered hereby, a hypothetical 100 basis point increase in interest rates would increase our annual interest expense by approximately $170.9 million and $84.5 million for the year ended December 31, 2020 and the six months ended June 26, 2021, respectively.

The pro forma financial information assumes that we will consummate the CMBS Loan concurrently with the consummation of the Acquisition. If we do not consummate the CMBS Loan, we will instead borrow up to $2,230 million in lieu thereof under the Alternative RE Term Loan Facility. If we enter into the Alternative RE Term Loan Facility, it may impact our debt balance, total interest expense and amortization.

(c) Represents adjustments based on preliminary estimates of fair value and the adjustment to goodwill, inventory, property, plant and equipment, and intangible assets derived from the difference in the estimated total consideration and the estimated fair value of assets acquired and liabilities assumed. Upon completion of the fair value assessment after the Acquisition, it is anticipated that the ultimate purchase price allocation will differ from the preliminary assessment outlined below. Any changes to the initial estimates of the fair value of the acquired assets and assumed liabilities will be recorded as adjustments to those assets and liabilities, and residual amounts will be allocated to goodwill. The estimated consideration is based on the cash paid and rollover equity. Final consideration will be determined at the closing of the Transactions.

The fair value assigned to the inventory, property, plant, and equipment, and intangible assets has been estimated based on third-party preliminary valuation studies utilizing valuation techniques including the income, cost and market approaches. Working capital amounts are assumed to have fair values equal to historical book values. The final purchase price allocation will be based on an appraisal subsequent to the consummation of the Acquisition and may result in materially different allocations for assets than those presented in this unaudited pro forma consolidated balance sheet. Any change in the amount of the final purchase price allocated to amortizable, finite-lived intangible assets as well as inventory and property, plant and equipment could materially affect the amount of amortization and depreciation expense. The preliminary purchase price and purchase price allocation are presented as follows:

($ in thousands)	
Purchase Price	
Base purchase price	$ 32,227,990
Historical cash adjustment	432,494
Pre-acquisition unpaid transaction expenses of Company and Existing Investors	(140,000)
Total purchase price	$ 32,520,484
Allocated To	
Cash and cash equivalents	432,494
Investments in trading securities	6,972
Trade accounts receivable, net	2,357,335
Inventories, net	3,728,238
Current maturities of notes receivable and advances	519
Other current assets	292,872
Property, plant and equipment, net	4,392,706
Notes receivable and advances, less current portion	7,296
Intangible assets, net	14,785,279
Other long-term assets	20,791
Short-term borrowings on lines of credit	(2,261)
Accounts payable	(418,664)
Accrued expenses	(1,621,175)
Income taxes payable	(21,452)
Long-term liabilities	(972,309)
Preliminary fair value of net assets acquired	$ 22,988,641
Preliminary allocation to goodwill	9,531,843
Historical Goodwill	388,821
Adjustment to Goodwill	$ 9,143,022

(d) Represents the elimination of prepaid rent since it does not meet the definition of an asset.

(e) Represents certain investments that will not be retained by the Company after the Transactions.

(f) Represents an estimated accrual of remaining payments to participants in the Medline Industries, Inc. Managing Partner Program, who will have an option to receive cash payments under the program in respect of their outstanding managing partner units in connection with and following the closing of the Acquisition. The total estimated payment approximates $1.8 billion and will be made in three equal installments, with the first installment paid in connection with the closing of the Acquisition and the second and third installments expected to be paid approximately 12 and 24 months, respectively, following the closing of the Acquisition. Half of the second and third payments will be made only to participants who remain employed by the Company. As such, the liability accrued only reflects the half of the second and third installments that are due to participants and not contingent on employment. Amounts accrued are an estimate and may not represent actual future payments as all participants will have the opportunity to rollover a portion of their payment into equity upon consummation of the Transactions.

(g) Represents incremental deferred tax liabilities recognized on the preliminary estimates of fair value and the adjustments to intangible assets and inventory. These purchase accounting adjustments create new differences between the book basis and tax basis of the respective assets. The amount of these balance sheet adjustments is determined by applying the effective tax rate to the portion of these adjustments that relate to our foreign subsidiaries. For U.S. subsidiaries treated as pass-through entities for federal income tax purposes, no adjustment is necessary as the stepped-up basis in tangible and intangible assets, including Goodwill, will only be tax deductible at the investor level. Certain U.S. state jurisdictions may tax pass-through entities; however, the impact of those jurisdictions is expected to be immaterial.

In conjunction with the recognition of these deferred tax liabilities, there is no net income tax provision or benefit to record on the adjustments for cost of goods sold or amortization as the items are temporary in nature.

(h) Represents adjustments to adjust the stockholders' equity of Medline Industries, Inc. to zero upon the closing of the Acquisition.

(i) Represents removal of the Company's intangible amortization expense for the:

Year ended December 31, 2020	$47,662
Six months ended June 26, 2021	$23,186
Six months ended June 27, 2020	$22,912
Twelve months ended June 26, 2021	$47,935

(j) Total intangible amortization expense of new intangible assets recognized in conjunction with the Acquisition for the:

Year ended December 31, 2020	$797,376
Six months ended June 26, 2021	$398,688
Six months ended June 27, 2020	$398,688
Twelve months ended June 26, 2021	$797,376

(k) Removal of the Company's property, plant and equipment depreciation expense for the:

Year ended December 31, 2020	$151,992
Six months ended June 26, 2021	$ 79,588
Six months ended June 27, 2020	$ 74,649
Twelve months ended June 26, 2021	$156,931

(l) Total depreciation expense of property, plant and equipment based on the preliminary estimates of fair value recognized in conjunction with the Acquisition for the:

Year ended December 31, 2020	$196,840
Six months ended June 26, 2021	$ 98,420
Six months ended June 27, 2020	$ 98,420
Twelve months ended June 26, 2021	$196,840

(m) Represents an increase to cost of goods sold related to fair value step up of inventory sold within the period of the pro forma statement of operations. This adjustment will not impact the statement of operations beyond 12 months from the date of the Acquisition.

(n) Represents the additional expenses and fees anticipated to be incurred by the Company related to advisory fees, sponsor fees, compensation arrangements with certain key executives and other transactional costs and legal, accounting and other professional fees and expenses. This adjustment will not impact the statement of operations beyond 12 months from the date of the Acquisition.

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

The following discussion should be read in conjunction with our audited consolidated financial statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 and our unaudited condensed consolidated financial statements as of June 26, 2021 and for the six months ended June 26, 2021 and June 27, 2020 and the notes thereto included elsewhere in this offering memorandum. The purpose of Management's Discussion and Analysis of Financial Condition and Results of Operations is to provide a narrative explanation of our financial statements from the perspective of our management that enables investors to better understand our business, to enhance our overall financial disclosures, to provide the context within which our financial information may be analyzed and to provide information about the quality of, and potential variability of, our financial condition, results of operations and cash flows. For a discussion of important factors, including the continuing development of our business and other factors that could cause actual results to differ materially from the past results, see "Risk Factors" contained in this offering memorandum.

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" presents the historical consolidated financial information of Medline Industries, LP (formerly Medline Industries, Inc., an Illinois corporation) and its consolidated subsidiaries. The historical consolidated financial information of Mozart Holdings, LP ("Mozart Parent") is not discussed below as Mozart Parent is a newly organized entity, has had no business transactions or activities to date and had no assets or liabilities during the periods presented in this section. In connection with the Transactions, investment funds affiliated with the Sponsors and certain co-investors ("Sponsor Purchasers") will acquire approximately 79% of the equity interests of Mozart Parent and the Existing Investors will own approximately 21% of the equity interest of Mozart Parent, which will become the parent entity of the Medline business described in this offering memorandum. Unless the context indicates otherwise, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to the "Company," "Medline," "we," "us" and "our" mean (1) Medline Industries, LP (formerly Medline Industries, Inc., an Illinois corporation) and its consolidated subsidiaries prior to the completion of the Transactions and (2) Mozart Parent and its consolidated subsidiaries thereafter.

Overview

Medline, headquartered in Northfield, Illinois, is the nation's largest supplier of med-surg products to healthcare providers across the continuum of care. We are vertically integrated, combining manufacturing, sales and distribution capabilities at scale to provide med-surg products consumed by the healthcare industry every day. This allows us to deliver a complete solution to our customers, supporting them in improving the overall operating performance of the healthcare delivery system. Our global manufacturing, sourcing and distribution network enables us to partner with healthcare providers around the world, delivering products and solutions that reduce costs, increase supply chain efficiency and improve overall quality of care.

Since inception, we have experienced over 50 consecutive years of revenue growth, with a 20% compounded annual growth rate since inception and continuous double digit growth for all but three years. Our growth has been primarily driven by market share gains across the continuum of care and within product categories. In 2020, we generated over $17.5 billion of revenue as the nation's largest manufacturer and distributor of med-surg products.

On September 7, 2021, in connection with the transaction, Medline converted from an Illinois corporation to an Illinois limited partnership. On September 9, 2021, in connection with the transaction, Medline became an indirect subsidiary of Mozart Parent.

Products

Since our founding as a med-surg product manufacturer, Medline has focused intently on offering an expanding set of high quality, value priced products to support the critical needs of our customers. Over time, we have recognized the fragmented supply chain in the healthcare industry, and our customers have valued the proposition of a fully integrated distribution model. Our customers look to us as a partner who can provide value through our self-manufactured product portfolio combined with a best-in-class supply chain. Today, 55% of our revenues are from our own Medline Brand products, and 45% are from Distributed Products or third-party products sold through our own distribution network.

Our combination of products and services makes us uniquely able to address our customers' evolving needs. We operate 27 Medline Brand product divisions that manufacture over 180,000 Medline Brand products. We self-manufacture over 77,000 Medline Brand products, which are produced across over 20 owned and operated manufacturing sites throughout North America. We rely upon our deep-rooted global sourcing relationships to manufacture the remaining portion of Medline Brand products. With more than 160 exclusivity agreements, our relationships with these global contract manufacturers are long-dated, some of which have existed for over 30 years. Our robust Medline Brand product portfolio drives significant value to our customers by offering 5% to 8% cost savings relative to competitors. Medline Brand products hold market-leading positions across many key categories in the healthcare market, enabling consistent conversion rates due to high quality, product performance and customer confidence.

In addition to our Medline Brand products, we sell and distribute over 150,000 third-party products from key manufacturing brands such as Becton Dickinson / Bard, 3M, Stryker, Baxter, Medtronic and Johnson & Johnson. In total, across our Medline Brand products and our Distributed Products, we offer customers over 340,000 total products across over 300 product categories.

We are highly diversified across all product divisions and categories, with little concentration. The largest Medline Brand product categories include Sterile Procedure Trays, Exam Gloves and Personal Care, which accounted for $1.3 billion, $1.1 billion and $0.7 billion of revenue in 2020, respectively. Medline Brand products yield significantly higher profitability and can generate over 4x higher margins than Distributed Products. In total, Medline Brand products represented 84% of our total gross profit in 2020 versus Distributed Products representing 16%. While Distributed Products are less profitable for us, by offering our customers a complete assortment of med-surg products, we are able to solidify our customer relationships which increases satisfaction and stickiness, and creates the foundation for additional Medline Brand product sales over time.

We have a rich culture of entrepreneurship and innovation that drives continued new product development. We ingrain ourselves with our customers and are uniquely positioned in the market as both a manufacturer and distributor, allowing us to identify customer needs and develop products and solutions to address those needs. This position in the market enables us to identify opportunities to provide our clients with value-added product innovations and lower cost solutions through our Medline Brand products.

We benefit from a highly synergistic relationship between our sales force and product divisions. With a high number of touch points and frequent dialogue with customers, our sales force is able to identify customer needs and collaborates with our product divisions to develop solutions to address those needs. In turn, our product divisions rely upon our sales force's access to every corner of healthcare, enabling broad applicability for their products. Coupled together, we have a differentiated ability to bring new products to market to continue to drive business opportunities, as evidenced by over 200 FDA 510K clearances, 20 of which were granted in 2020. We have also received over 1,200 granted patents with over 600 pending applications.

Further, we are able to utilize our highly attractive platform capable of realizing significant synergies to acquire complementary assets that may be less efficient to develop in-house. Evidence of this is our recent acquisition of a significant portion of the Hudson RCI brand of respiratory products from Teleflex, which added

the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement our existing respiratory portfolio in order to meet the market needs by bolstering our respiratory product portfolio and increasing domestic and international channel access. We believe this acquisition is exemplary of our ability to recognize opportunities and our culture of quickly adapting to ultimately better serve our customers and the healthcare system.

Prime Vendor Relationships

Our most important growth driver has been our ability to win prime vendor contracts with the Acute Care end-market, including hospitals and IDNs. A hospital typically awards a single prime vendor contract to one distributor. The contract is a long-term agreement between the customer and distributor for the distributor to provide the vast majority—often 100%—of the customer's med-surg product needs. This provides essential simplicity and greater cost savings to the Acute Care hospital by centralizing all purchases with a single partner, and provides us with better customer coordination and increased visibility into customer purchasing behavior across our own and third-party brands that we sell, creating opportunities for partnership and growth.

As healthcare systems continue to consolidate, IDNs now own and control many sites of care beyond the acute care setting. These IDNs are increasingly seeking a supply chain partner with reliable manufacturing and distribution capabilities who can serve the entire continuum of care. We have a differentiated ability to contract with customers for their needs across the entire continuum, including the acute care setting along with the alternate sites of care such as physician offices, ambulatory surgery centers, home health, hospice and others. Evidence of our differentiated value is our average of over 60% win rate on requests for proposal since 2018. As the only prime vendor partner with the full capability to serve the entire continuum of care, we are highly differentiated and well positioned to continue to win new business. Importantly, we expect this trend of IDN consolidation to continue, providing a growth opportunity moving forward.

As of December 31, 2020, we had over 850 active prime vendor relationships, generating approximately 52% ($9.2 billion) of our 2020 revenue. Additionally, expansion of new prime vendor deals and growth in existing prime vendor contracts has been a key driver of our continued revenue growth through the third quarter of 2021. With these prime vendor contracts, we distribute both products from other product manufacturers / original equipment managers ("OEMs") and our own Medline Brand products. At the beginning of a new prime vendor relationship, Distributed Products typically represent approximately 90% of sales. Once these contracts are signed, the strength of our vertically integrated model and the quality and pricing of our Medline Brand products encourages customers to increasingly convert from Distributed Products to Medline Brand products. Our compelling value proposition offers customers 5% to 8% of cost savings when they convert to Medline Brand Products, while also providing us with better economics and profitability on our revenue.

Over time, our contracts become more profitable as customers continue to convert from Distributed Products to Medline Brand. In the first year of a prime vendor contract, we have historically been able to shift product mix to Medline Brand by approximately an incremental 10% to achieve approximately 20% Medline Brand mix. In the years thereafter, customers have historically continued to convert to Medline Brand products and increase product mix on average 2% to 3% each year through additional customer service and product innovation efforts. Our customers are also incentivized to increase their Medline Brand portfolio penetration, which, in turn, allows them to decrease their cost of distribution on Distributed Products manufactured by other suppliers. After five years, our typical experience is that Medline Brand represents approximately over 35% of a contract, and a mature run-rate contract can be 45% to over 50% Medline Brand. As customers become more price sensitive and they are increasingly able to realize the value and quality delivered by Medline Brand products, we expect this Medline Brand product mix will accelerate and increase above 35% in less than five years.

Financial Highlights

The following is a summary of our 2020 financial results:

- Our net sales increased by $3,599.4 million, or 25.8%, from $13,940.4 million in 2019 to $17,539.8 million in 2020, primarily due to increased demand for personal protective equipment ("PPE") arising from the COVID-19 pandemic, expansion of new prime vendor deals in the United States, and the contribution from strategic acquisitions. Our net sales increased by 24.5% excluding the impact of acquisitions completed in 2020 and 2019.
- Net income increased by $830.3 million, or 65.6%, from $1,266.6 million in 2019 to $2,096.9 million in 2020, primarily due to the sales growth noted above as well as better expense leverage.
- Adjusted EBITDA increased by $808.0 million, or 51.2%, from $1,578.0 million in 2019 to $2,386.0 million in 2020, primarily due to the net income growth noted above.
- Free Cash Flow increased by $758.0 million, or 68.2%, from $1,112.0 million in 2019 to $1,870.0 million in 2020.

The following is a summary of our June 26, 2021 year to date financial results:

- Our net sales increased $1,754.8 million, or 22.8%, to $9,458.6 million for the six months ended June 26, 2021 compared to $7,703.8 million for the six months ended June 27, 2020, primarily due to increased demand for PPE products, expansion of new prime vendor deals, growth in existing prime vendor deals, and recovery of surgery-related sales.
- Net income increased by $222.4 million, or 28.4%, from $782.2 million for the six months ended June 27, 2020 to $1,004.6 million for the six months ended June 26, 2021 primarily due to the sales growth noted above as well as better expense leverage.
- Adjusted EBITDA increased by $377.7 million, or 41.3%, from $913.8 million for the six months ended June 27, 2020 to $1,291.6 million for the six months ended June 26, 2021, primarily due to the net income growth noted above adjusted for more favorable addbacks related to income tax and investment performance for the six months ended June 26, 2021.
- Free Cash Flow increased by $399.2 million, or 57.5%, from $694.4 million for the six months ended June 27, 2020 to $1,093.6 million for the six months ended June 26, 2021. See "Summary—Summary Historical and Pro Forma Consolidated Financial Information—Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow."

Impact of COVID-19 on Our Business

We have been, and expect to continue to be, impacted by the global pandemic and related effects associated with COVID-19. We have further described the impact of COVID-19 under "Risk Factors" elsewhere in this offering memorandum.

We continue to work to protect our employees, while maintaining business continuity. We have taken steps to help employees lead safe and productive lives during the pandemic, including remote working, enhanced cleaning and medical screening measures, and pandemic leave policies, while maintaining strong productivity. Additional measures have been implemented to ensure the safety and protection of people who work in our plants and distribution centers across the world, many of whom support the manufacturing and delivery of products that are critical in response to the global pandemic. Certain effects of the pandemic have increased the demand for our products, while others have decreased demand or made it more difficult for us to serve customers. Serving our customers is our highest priority and our teams continue to communicate with individual customers about potential disruptions.

Given the diversity of our businesses, the impact of COVID-19 varied across the Company throughout 2020 and continuing through the first six months of 2021. We experienced strong sales growth in PPE divisions,

including Diagnostics, Proxima, Lab, Respiratory, Exam Gloves, Textiles, Preventive Care and Ready Care. At the same time, a delay in elective surgeries contributed in part to sales declines in a number of our businesses with the biggest 2020 year-on-year total sales decreases coming from our Sterile Procedure Trays (SPT) division (down 5.8%). For the full year 2020, we estimate that the total impact of COVID-19 on net sales and net income was an increase of $1,210.0 million and $405.0 million, respectively, as compared to 2019. For the six months ended June 26, 2021, we estimate that the total impact of COVID-19 on net sales and net income was an increase of $813.0 million and $95.0 million, respectively, as compared to the six months ended June 27, 2020.

Although we believe the impact of the pandemic had a positive effect on sales volumes of certain of our product lines, COVID-19 has impacted our supply chains with respect to products such as Exam Gloves and other PPE products which has affected our ability to keep up with global demand for such products. As this situation continues, we closely monitor and evaluate the potential impact that supply chain constraints might have on the Company's broader products.

We are unable to predict the duration of the pandemic and the full impact that COVID-19 will have on our future financial position and operating results due to numerous variables and continued uncertainties. Although we have experienced growth in sales volumes for certain of our products (such as PPE) during the COVID-19 pandemic, as well as improved productivity and manufacturing output, there can be no assurance that such growth rates, increased sales volumes or other improvements will be maintained during or following the COVID-19 pandemic. See "Risk Factors—Risks Related to Our Business—The COVID-19 pandemic has adversely impacted certain aspects of the Company's business and could cause disruptions or future impact to the Company's business, results of operations and financial condition."

Key Factors and Trends Affecting Our Results of Operations

Price transparency mandate in healthcare

On October 29, 2020, the Health and Human Services Department of the federal government, along with the Department of Labor and the Treasury, promulgated a final rule to mandate price transparency in healthcare. The requirements of this rule give consumers the tools needed to access pricing information through their health plans and build upon previous actions taken to increase price transparency. The intention of the new rule is to bring greater competition to the private healthcare industry, consistent with the previously enacted governmental requirements for hospitals to disclose their standard charges, including negotiated rates with third-party payers.

Our suite of service offerings that help healthcare providers address logistical and care delivery challenges may benefit from the implementation and enforcement of this new rule. Medline is focused on cost effective, standardized products and processes. We provide a cost competitive offering through our unique vertically integrated business model that leverages our Medline Brand portfolio and best-in-class distribution network.

Supplier relationships

We have a large and diverse group of suppliers, numbering more than 4,000 as of June 26, 2021. The COVID-19 pandemic has had a significant impact on our suppliers. Production delays, materials shortages and liquidity challenges in our suppliers' logistics chains impacted Medline as well. While Medline saw sales growth during the pandemic, the supply chain stresses we faced led to increases in costs for both raw materials and finished goods that we purchased in support of our customers and business. See "Risk Factors—Risks Related to Our Business—Increases in shipping costs or service issues with our third-party shippers could harm our business."

During the pandemic, several of our suppliers experienced financial hardship. We cannot be certain that all of them will continue in business in the months and years to come, or that they will be able to supply us with sufficient volume or at a cost which is acceptable to us. We also cannot be certain if the pricing changes we saw as a result of the pandemic were temporary or permanent.

We will continue to monitor our suppliers' situations closely and diversify our input sourcing. Those products and services which have only one or a small number of potential suppliers will warrant special attention.

U.S. and China trade relations

In the fourth round of tariff impositions in September 2019, the Trump Administration raised tariffs on a range of products from China. Imports of medical goods from China were affected, which had a significant impact both in terms of making some competitors' products more expensive, and causing some of our Medline Brand products, which are contract manufactured in China, more costly to provide.

In March 2020, the additional tariffs were temporarily suspended on a range of medical goods, primarily PPE, reversing the cost burden from the tariffs. In March 2021, the Biden Administration extended the tariff exclusion through September 30, 2021, to aid the continued effort to fight COVID-19.

We cannot predict the duration of these suspensions, whether previous or new tariffs will be instituted or the nature of such tariffs; however, we will continue to monitor developments that will impact our business and seek to adjust our operations accordingly. In addition, should the tariffs no longer be excluded, we do not expect this to materially impact our results as we continue to mitigate the potential tariff costs by diversifying our supply chain.

Acquisition activity

The market for healthcare products has historically been fragmented. Technology developments in the logistics and marketing fields along with growing regulatory pressure, have led to a large number of mergers and acquisitions among both providers of medical care and the companies which provide the goods that support healthcare delivery. The complexity and breadth of healthcare logistics make it increasingly difficult for providers of care to handle procurement, manage inventory and forecast inventory flow.

We have acquired companies both to extend our product line and to expand our share of market in strategic sectors. Recent significant acquisitions include:

- *Hudson RCI Respiratory Products.* On June 28, 2021, the Company completed the acquisition of the Hudson RCI Respiratory business from Teleflex Inc. for $274.0 million. Medline added the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement Medline's existing respiratory portfolio in order to meet the needs of the market. The addition of the Hudson RCI products increases Medline's respiratory portfolio as we are committed to offering respiratory products to meet healthcare needs in the acute and post-acute care spaces across the United States, Europe and Asia Pacific region.
- *NAMIC Fluid Management Product Line.* On May 31, 2019, the Company purchased the fluid management business ("NAMIC") of Angiodynamics, Inc. for $167.5 million. NAMIC fluid management is known for its high quality and has been a natural fit with our world class portfolio of medical devices and supplies, allowing the Company to offer customers expanded choice and cost-effective kitting options.

Given the current state of the healthcare products market, we expect to continue to contemplate acquisitions in the future in order to build and strengthen our suite of products and offerings.

The regulatory environment and quality standards

Healthcare is among the most regulated industries, and a critical part of the regulatory environment in our business pertains to setting standards for quality. The products we provide our customers must meet rigorous quality standards; failure to meet these standards can result in recalls, sanctions, litigation and declining sales.

We believe that we maintain industry-leading quality in our production processes and demand the same from our suppliers. As we seek to continue to replace outside-sourced products with Medline Brand products, we will face more demands to respond to regulatory requirements.

In 2017, the European Community enacted a new quality standard for medical devices marketed in Europe called the Medical Device Regulation ("MDR"). The MDR went into force in May of 2021. This regulation takes the existing Medical Device Directive ("MDD") standard and adds life cycle management of the sales of the device beyond the initial approval of the device with the prior MDD, and expands the categories of objects subject to its oversight. With international markets a major focus for our future growth and Europe a particularly valuable market with its comparatively wealthy, aging population, this new regulation has had and will continue to have a significant impact on how we conduct operations both in Europe and in our production facilities which supply our European market units.

In China, the National Medical Products Administration has become more active in regulating products that are given access to the Chinese market. In light of the current trade environment between the United States and China, we are actively monitoring events and evaluating their possible impacts on our businesses and partners.

Aging population and integrated delivery networks

According to the U.S. Census Bureau, the "Baby Boom" generation born between 1946 and 1964 will have mostly retired by 2024. The National Institute of Health projects that the population over age 85 will have doubled from 2005 by 2030 to more than 9 million. This "graying" trend is not exclusive to the United States but is shared among all of the Organization for Economic Co-operation and Development members. The elderly consume a disproportionate share of healthcare and are the primary users of long-term care facilities. Assuming nursing home populations increase as the world rebounds from COVID-19 and regular healthcare visits resume to pre-COVID-19 levels, we believe that demand for our post-acute products and services should similarly increase. Since we operate throughout North America, Europe and East Asia, we may benefit from the world-wide nature of this trend.

Integrated delivery networks ("IDNs") were conceived in order to provide the full continuum of healthcare services to patients from hospitals, to nursing homes, to physicians' offices. The growth of IDNs is a firmly established trend, but this trend may intensify over the coming decade as there may be greater demand for their services, resulting from the world-wide "graying" discussed above. The objective of an IDN is to provide holistic and coordinated treatment to patients. Due to the size of IDNs, they have purchasing power and the ability to negotiate contracts with medical supply distributors, which may result in lower prices for our products. However, healthcare delivery consolidation in IDNs also will provide us the opportunity to become the prime vendor of healthcare products to larger healthcare providing organizations as existing customers acquire non-customers. Additionally, IDNs are acquiring in different end-markets, driving patient care from hospitals to these end-markets.

As healthcare offerings become broader, more differentiated and patient-centric across the care continuum, clinicians and clinical staff tend to require products closely adapted to their needs, their patients' needs, as well as their own, modus operandi preferred methods. Manufacturers and distributors who are able to engage these clinical staff members to provide adapted solutions based on their preferences and usage feedback will be in a stronger growth position. This is particularly the case in the operating room with the broad usage of custom, sterile procedure kits and trays, as determined by surgical and clinical requirements. This trend is also occurring outside the operating room where differentiated products, either custom products or products designed with clinical staff, have proliferated. Medline has developed relationships with IDNs as part of its product innovation and continuous improvement processes and is ideally positioned to leverage its product leadership and customer intimacy position.

Consolidation of group purchase organizations

Healthcare facilities are prioritizing cost-cutting measures, spurred by CMS initiatives and external market factors. This includes the use of price negotiators to lower costs across the supply chain. Group Purchasing Organizations (a "GPO" or "GPOs") and IDNs are two of these negotiators. The goal of IDNs and GPOs is to lower costs for healthcare facilities and providers by working with suppliers to lower prices. To maximize market share and increase their leverage, IDNs and GPOs have been consolidating in recent years.

We believe GPOs have and will continue to impact our operating model. GPOs help to reduce the cost of medical supplies for healthcare providers by offering buying power. Today, approximately 75% of our sales go through GPOs in the United States. Our customers gain purchasing power and steady pricing by being part of a GPO, and we pay fees to the GPOs when its members utilize the contracts to purchase our products. In the future we could see additional GPO consolidation, where more healthcare providers purchase through GPO contracts and a variety of additional services for the members' customers are offered.

Non-GAAP Financial Information

We use various non-GAAP financial metrics to analyze and evaluate the performance of our business and to provide a greater understanding with respect to our results of operations. These include Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow.

Certain of these key performance measures are not measurements of financial performance under U.S. GAAP. In evaluating our performance as measured by these non-GAAP measures, management recognizes and considers the limitations of these measures. Other companies in our industry may calculate them differently than we do, or may not calculate them at all, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP measures should not be considered in isolation or as substitutes for net income or any other measure calculated in accordance with U.S. GAAP, as applicable, and should be considered together with U.S. GAAP financial measures. See "Summary—Summary Historical and Pro Forma Combined Financial Information" for a reconciliation of Adjusted EBITDA, Further Adjusted EBITDA and Free Cash Flow to net income, the closest comparable U.S. GAAP measure.

Adjusted EBITDA and Further Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) adjusted for interest, tax, depreciation and amortization as further adjusted to exclude certain items that we do not consider indicative of our core operating performance or that impact comparison of the performance of our businesses either period-over-period or with other businesses as more fully described below. We define Further Adjusted EBITDA as Adjusted EBITDA on a pro forma basis for the twelve months ended June 26, 2021, adjusted for the historical Adjusted EBITDA of acquisitions, assuming such acquisitions were made at the beginning of the earliest period presented, the estimated net favorable impact to our business from elevated demand for certain of our products due to the COVID-19 pandemic, as well as the estimated run rate impact of signed contracts and net rent payments under the Master Lease (assuming the completion of the CMBS Loan). We use Adjusted EBITDA and Further Adjusted EBITDA to compare our operating results on a consistent basis. We present Adjusted EBITDA and Further Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance, and we believe that Adjusted EBITDA and Further Adjusted EBITDA provide useful information to investors in understanding and evaluating our operating results. Adjusted EBITDA and Further Adjusted EBITDA do not reflect certain cash expenses that we are obligated to make, and although depreciation and amortization are non-cash charges, assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Further Adjusted EBITDA do not reflect any cash requirements for such replacements.

Free Cash Flow

We define Free Cash Flow as Adjusted EBITDA less total net capital expenditures for the applicable period (capital expenditures less proceeds received on sale of fixed assets). We use Free Cash Flow to evaluate our ability to generate cash that can be used for working capital requirements, interest expense, repayment of indebtedness, member distributions, acquisitions and for continued re-investment into our business.

Comparability of Historical Financial Results

On June 5, 2021, the Issuer entered into the Purchase and Sale Agreement with Mozart Buyer LP, Mozart RE Debt Merger Sub Inc., Mozart Holdco, Inc. and Medline Parent. Upon the terms and subject to the conditions set forth in the Purchase and Sale Agreement, certain transactions will take place that will result in the Sponsor Purchasers acquiring approximately 79% of the equity interests of Mozart Parent and the Existing Investors owning approximately 21% of the equity interests of Mozart Parent, which will become the parent entity of the Medline business.

The aggregate acquisition consideration (including the repayment of existing indebtedness) to be paid in connection with the Acquisition will be approximately $33,692 million, subject to customary debt, working capital and other purchase price adjustments as provided in the Purchase and Sale Agreement.

In connection with the consummation of the Acquisition, we intend to enter the following financing transactions:

- the borrowing of $6,000 million under a new senior secured term loan facility (the "New Dollar Term Loan Facility"), the borrowing of the euro-equivalent of $1,000 million under a new euro-denominated senior secured term loan facility (the "New Euro Term Loan Facility"), and the entry into a new $1,000 million senior secured revolving credit facility (the "New Revolving Credit Facility" and, together with the New Term Loan Facilities, the "New Senior Secured Credit Facilities");
- the borrowing of $2,230 million by subsidiaries of Mozart Real Estate Holdings, LP in one or more mortgage and mezzanine loans (collectively, the "CMBS Loan"), and/or the borrowing of amounts in lieu thereof by the Alternative RE Borrower pursuant to the Alternative RE Term Loan Facility;
- the issuance of $3,770 million aggregate principal amount of secured notes and $4,000 million aggregate principal amount of unsecured notes, each offered hereby; and
- the contribution of approximately $16,692 million of common equity by the Sponsors (including approximately $3,500 million of equity investments by the Existing Investors that will be made through rollover contributions of equity securities).

As a result of the Transactions discussed above, the historical consolidated financial statements presented in this offering memorandum and discussed below are not necessarily indicative of what our future results of operations, financial position and cash flows. For example, we expect to incur higher amortization expense and interest expense as a result of the Transactions.

Components of Results of Operations

Net Sales

We generate revenue principally from the sales of products. The majority of the sales transactions are supported by an underlying agreement or a formal purchase order. Revenue is recognized with the transfer of control which is generally when a product is shipped to a customer, the customer has legal title to the product, and the Company has a right to payment for such product. Although products are generally sold at fixed prices, certain customers receive incentive awards, such as sales rebates, return allowances, and other rights, which are accounted for as variable consideration. The Company estimates these amounts in the same period revenue is

recognized based on the expected value to be provided to the customer and reduces revenue accordingly based primarily on its assessments of anticipated performance and historical information that is reasonably available to the Company.

Gross Profit; Cost of Goods Sold

Gross profit represents net sales as described above less cost of goods sold, which consists of product costs, including the cost of materials, direct and indirect labor costs, overhead, certain depreciation, shipping and handling costs and import expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of corporate management and support functions, including general management, legal, accounting, finance, human resources, sales, marketing, and other functions not directly associated with revenue generation activities. SG&A expenses include salaries, bonuses and other payroll-related benefits, general operating expenses such as occupancy costs, information technology infrastructure, travel, freight out, advertising and marketing expenses, as well as professional services and consulting expenses.

Interest and Investment Income, net

Interest and investment income, net consists of interest generated on customer receivable balances, bank deposits, and money market accounts, and investment income or loss from market value changes on equity securities, mutual funds, derivative instruments, municipal bonds and corporate bonds.

Foreign Exchange Gain (Loss)

Foreign exchange gains and losses are generated by invoices denominated in currencies other than the reporting currency (U.S. dollars) as well as settlements of intercompany balances.

Income Taxes

The provision for income taxes consists primarily of income taxes related to our U.S. corporate and foreign subsidiaries in jurisdictions in which we conduct business. The majority of our income is generated within U.S. flow-through entities in which federal and some state income taxes are not assessed at the corporate level. As such, our effective tax rate will vary based on the level of income earned by tax paying and non-tax paying entities as well as the geographic mix of profits and other items.

Consolidated Results of Operations

The following table sets forth our results of operations for the periods presented:

	Years ended December 31,			Six months ended	
	2020	2019	2018	June 26, 2021	June 27, 2020
			(in thousands)		
Net sales	$17,539,817	$13,940,377	$11,718,867	$9,458,637	$7,703,842
Cost of goods sold	12,912,783	10,417,522	8,598,729	7,076,082	5,712,096
Gross profit	4,627,034	3,522,855	3,120,138	2,382,555	1,991,746
Selling, general and administrative expenses	2,526,810	2,230,771	1,866,210	1,261,268	1,200,307
Operating income	2,100,224	1,292,084	1,253,928	1,121,287	791,439
Other income (expense):					
Interest and investment income, net	35,453	11,384	9,477	(10,257)	13,005
Foreign exchange gain (loss)	10,088	(7,758)	17,039	(4,287)	(5,346)
Total other income	45,541	3,626	26,516	(14,544)	7,659
Income before income taxes	2,145,765	1,295,710	1,280,444	1,106,743	799,098
Income taxes	48,844	29,089	30,382	102,161	16,913
Net income	$ 2,096,921	$ 1,266,621	$ 1,250,062	$1,004,582	$ 782,185

The following table sets forth our results of operations as a percentage of net sales for the periods presented:

	Years ended December 31,			Six months ended	
	2020	2019	2018	June 26, 2021	June 27, 2020
			(as a percentage of net sales)		
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	73.6	74.7	73.4	74.8	74.1
Gross profit	26.4	25.3	26.6	25.2	25.9
Selling, general and administrative expenses	14.4	16.0	15.9	13.3	15.6
Operating income	12.0	9.3	10.7	11.9	10.3
Other income (expense):					
Interest and investment income, net	0.2	0.1	0.1	(0.1)	0.2
Foreign exchange gain (loss)	0.1	(0.1)	0.1	(0.1)	(0.1)
Total other income	0.3	0.0	0.2	(0.2)	0.1
Income before income taxes	12.2	9.3	10.9	11.7	10.4
Income taxes	0.3	0.2	0.3	1.1	0.2
Net income	12.0%	9.1%	10.7%	10.6%	10.2%

Six months ended June 26, 2021 Compared to six months ended June 27, 2020

	Six months ended			
	June 26, 2021	June 27, 2020	$ Change	% Change
	(in thousands, except for percentages)			
Net sales	$9,458,637	$7,703,842	$1,754,795	22.8%
Cost of goods sold	7,076,082	5,712,096	1,363,986	23.9%
Gross profit	2,382,555	1,991,746	390,809	19.6%
Selling, general and administrative expenses	1,261,268	1,200,307	60,961	5.1%
Operating income	1,121,287	791,439	329,848	41.7%
Other income (expense):				
Interest and investment income, net	(10,257)	13,005	(23,262)	N/A
Foreign exchange gain (loss)	(4,287)	(5,346)	1,059	(19.8%)
Total other income (expense)	(14,544)	7,659	(22,203)	N/A
Income before income taxes	1,106,743	799,098	307,645	38.5%
Income taxes	102,161	16,913	85,248	504.0%
Net income	$1,004,582	$ 782,185	$ 222,397	28.4%

Net Sales

Net sales increased $1,754.8 million, or 22.8%, to $9,458.6 million for the six months ended June 26, 2021 compared to $7,703.8 million for the six months ended June 27, 2020. The U.S. business increased $1,432.4 million, or 20.2%, to $8,525.7 million for the six months ended June 26, 2021 compared to $7,093.3 million for the six months ended June 27, 2020. In the United States, the acute care business comprised a substantial portion of the overall increase representing $1,163.6 million of the total U.S. change, primarily due to expansion of new prime vendor deals, growth in existing prime vendor deals and recovery of surgery-related sales.

The non-U.S. business increased $322.4 million, or 52.8%, to $933.0 million for the six months ended June 26, 2021 compared to $610.6 million for the six months ended June 27, 2020 primarily due to increased demand for PPE products across Europe and Canada.

Gross Profit

Gross profit increased $390.8 million, or 19.6%, to $2,382.6 million for the six months ended June 26, 2021 compared to $1,991.7 million for the six months ended June 27, 2020 primarily due to the net sales increase as described above. Gross profit as a percentage of net sales decreased from 25.9% for the six months ended June 27, 2020 to 25.2% for the six months ended June 26, 2021 primarily due to increased costs from our global sourcing vendors related to PPE sales.

Selling, General and Administrative Expenses

Selling, general and administrative expense increased $61.0 million, or 5.1%, to $1,261.3 million for the six months ended June 26, 2021 compared to $1,200.3 million for the six months ended June 27, 2020 primarily driven by an increase in compensation and other payroll-related expenses due to higher average headcount, merit increases for the company as a whole and pandemic wage increases for employees at our distribution centers.

Interest and Investment Income, net

Interest and investment income, net decreased $23.3 million to a loss of $10.3 million for the six months ended June 26, 2021 compared to a gain of $13.0 million in the six months ended June 27, 2020, primarily due to a decline in market values of certain investments in the six months ended June 26, 2021.

Foreign Exchange Gain (Loss)

Foreign exchange loss decreased $1.1 million, or 19.8%, to a $4.3 million loss for the six months ended June 26, 2021 compared to a loss of $5.3 million for the six months ended June 27, 2020, primarily due to favorable foreign exchange rate movement on certain intercompany loans.

Income Taxes

Income tax expense increased $85.2 million, or 504.0%, to $102.2 million for the six months ended June 26, 2021 compared to $16.9 million for the six months ended June 27, 2021, primarily due to the increase in income before income taxes in tax-paying entities as a result of the factors described above in addition to other tax adjustments.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

	Years ended December 31,			
	2020	2019	$ Change	% Change
	(in thousands, except for percentages)			
Net sales	$17,539,817	$13,940,377	$3,599,440	25.8%
Cost of goods sold	12,912,783	10,417,522	2,495,261	24.0%
Gross profit	4,627,034	3,522,855	1,104,179	31.3%
Selling, general and administrative expenses	2,526,810	2,230,771	296,039	13.3%
Operating income	2,100,224	1,292,084	808,140	62.5%
Other income (expense):				
Interest and investment income, net	35,453	11,384	24,069	211.4%
Foreign exchange gain (loss)	10,088	(7,758)	17,846	N/A
Total other income	45,541	3,626	41,915	N/A
Income before income taxes	2,145,765	1,295,710	850,055	65.6%
Income taxes	48,844	29,089	19,755	67.9%
Net income	$ 2,096,921	$ 1,266,621	$ 830,300	65.6%

Net Sales

Net sales increased $3,599.4 million, or 25.8%, to $17,539.8 million for the year ended December 31, 2020 compared to $13,940.4 million for the year ended December 31, 2019. The U.S. business increased $2,744.8 million, or 21.2%, to $15,690.1 million for the year ended December 31, 2020 compared to $12,945.3 million for the year ended December 31, 2019. In the United States, the acute care business comprised a substantial portion of the overall increase representing $1,710.3 million of the total U.S. change primarily due to the implementation of new prime vendor deals and PPE growth, partially offset by lower surgery-related product sales. In addition, the post-acute care business increased $407.3 million primarily due to increased demand for PPE products.

The non-U.S. business increased $854.6 million or, 85.9%, to $1,849.7 million for the year ended December 31, 2020 compared to $995.1 million for the year ended December 31, 2019, primarily due to increased demand for PPE products across Europe and Canada.

Gross Profit

Gross profit increased $1,104.2 million, or 31.3%, to $4,627.0 million for the year ended December 31, 2020 compared to $3,522.9 million for the year ended December 31, 2019 primarily due to the net sales increase

described above. Gross profit as a percentage of net sales increased from 25.3% in 2019 to 26.4% in 2020, primarily due to sales of higher margin PPE products, sourcing savings and lower tariffs on product primarily imported from China.

Selling, General and Administrative Expenses

Selling, general and administrative expense increased $296.0 million, or 13.3%, to $2,526.8 million for the year ended December 31, 2020 compared to $2,230.8 million for the year ended December 31, 2019, primarily due to an increase in compensation and other payroll-related expenses due to higher average headcount, merit increases for the company as a whole and pandemic wage increases for employees at our distribution centers, as well as increased outside services and professional fees. This was partially offset by declines in expenses related to travel and sales meetings due to COVID-19.

Interest and Investment Income, net

Interest and investment income, net increased $24.1 million, or 211.4%, to $35.5 million for the year ended December 31, 2020 compared to $11.4 million for the year ended December 31, 2019, primarily due to a rise in market values of certain investments.

Foreign Exchange Gain (Loss)

Foreign exchange gain increased $17.8 million to a $10.1 million gain for the year ended December 31, 2020 compared to a loss of $7.8 million for the year ended December 31, 2019, primarily due to favorable foreign exchange rate movement on certain intercompany loans.

Income Taxes

Income tax expense increased $19.8 million, or 67.9%, to $48.8 million for the year ended December 31, 2020 compared to $29.1 million for the year ended December 31, 2019, primarily due to the increase in Income before income taxes in tax-paying entities as a result of the factors described above.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

	Years ended December 31,			
	2019	**2018**	**$ Change**	**% Change**
	(in thousands, except for percentages)			
Net sales	$13,940,377	$11,718,867	$2,221,510	19.0%
Cost of goods sold	10,417,522	8,598,729	1,818,793	21.2%
Gross profit	3,522,855	3,120,138	402,717	12.9%
Selling, general and administrative expenses	2,230,771	1,866,210	364,561	19.5%
Operating income	1,292,084	1,253,928	38,156	3.0%
Other income (expense):				
Interest and investment income, net	11,384	9,477	1,907	20.1%
Foreign exchange gain (loss)	(7,758)	17,039	(24,797)	N/A
Total other income	3,626	26,516	(22,890)	N/A
Income before income taxes	1,295,710	1,280,444	15,266	1.2%
Income taxes	29,089	30,382	(1,293)	(4.3%)
Net income	$ 1,266,621	$ 1,250,062	$ 16,559	1.3%

Net Sales

Net sales increased $2,221.5 million, or 19.0%, to $13,940.4 million for the year ended December 31, 2019 compared to $11,718.9 million for the year ended December 31, 2018. The U.S. business increased $2,148.4 million, or 19.9%, to $12,945.3 million for the year ended December 31, 2019 compared to $10,796.9 million for the year ended December 31, 2018. In the United States, the acute care business comprised most of the overall increase representing $1,644.2 million of the total U.S. change primarily due to new prime vendor implementations and growth with existing prime vendor customers.

The non-U.S. business increased $73.1 million, or 7.9%, to $995.1 million for the year ended December 31, 2019 compared to $922.0 million for the year ended December 31, 2018 primarily due to growth in new customers across Canada and Europe.

Gross Profit

Gross profit increased $402.7 million, or 12.9%, to $3,522.9 million for the year ended December 31, 2019 compared to $3,120.1 million for year ended December 31, 2018 primarily due to the net sales increase described above. Gross profit as a percentage of net sales declined from 26.6% in 2018 to 25.3% in 2019 primarily due to the onboarding of new prime vendor customers driving an increase in distributed product volume sold at a lower margin, manufacturing start-up costs incurred in 2019 and increased tariffs incurred on products imported from China.

Selling, General and Administrative Expenses

Selling, general and administrative expense increased $364.6 million, or 19.5%, to $2,230.8 million for the year ended December 31, 2019 compared to $1,866.2 million for the year ended December 31, 2018, primarily due to an increase in compensation and other payroll-related expenses caused by headcount growth and merit increases for the company as a whole. Other expenses such as freight, travel and outside services also contributed to the overall increase.

Interest and Investment Income, net

Interest and investment income, net increased $1.9 million, or 20.1%, to $11.4 million for the year ended December 31, 2019 compared to $9.5 million for the year ended December 31, 2018, primarily due to a rise in market values of certain investments.

Foreign Exchange Gain (Loss)

Foreign exchange loss increased $24.8 million to a $7.8 million loss for the year ended December, 31 2019 compared to a gain of $17.0 million for the year ended December 31, 2018, primarily due to unfavorable foreign exchange rate impacts on intercompany transactions.

Income Taxes

Income tax expense decreased $1.3 million, or 4.3%, to $29.1 million for the year ended December 31, 2019 compared to $30.4 million for the year ended December 31, 2018.

Liquidity and Capital Resources

Prior to the Transactions, our primary sources of liquidity have been our cash and cash equivalents, trading securities and our cash flows from operations. As of June 26, 2021, we had cash and cash equivalents of $432.5 million and investments in trading securities of $127.7 million. After giving effect to the Transactions, our New Revolving Credit Facility will also provide us with additional liquidity as discussed under "—Borrowings—Post-Transactions" below.

Our primary uses of cash include product purchases, operating costs, personnel-related costs, capital expenditures related to property and equipment and potential acquisitions. Going forward, we will also need to use a portion of our cash for payments of interest under the indebtedness incurred in connection with the Transactions as discussed under "—Borrowings—Post-Transactions" below and we also need to use a portion of our cash to make payments due under the Medline Industries, Inc. Managing Partner Program.

We believe that our cash and cash equivalents on hand, cash flows from operations and borrowing availability under our New Revolving Credit Facility will be sufficient to fund our ongoing working capital, investing and financing requirements for at least the next twelve months. Our ability to generate sufficient cash flows from operations is, however, subject to many risks and uncertainties, including future economic trends and conditions, demand for our products and services, foreign currency exchange rates and other risks and uncertainties applicable to our business, as described under "Risk Factors."

Cash Flows

The following table sets forth the major components of our consolidated statements of cash flows for the periods presented (in millions):

	Years ended December 31,			Six months ended	
	2020	2019	2018	June 26, 2021	June 27, 2020
			(in thousands)		
Net cash and cash equivalents and restricted cash provided by (used in):					
Operating activities	$1,486,556	$ 604,632	$1,266,322	$ 883,981	$ 669,991
Investing activities	(561,077)	(680,804)	(316,847)	(115,645)	(219,181)
Financing activities	(721,135)	(188,626)	(727,157)	(708,345)	(339,153)
Effect of exchange rate changes	22,232	3,222	(37,990)	(11,016)	(2,473)
Net increase (decrease) in cash and cash equivalents and restricted cash	$ 226,576	$(261,576)	$ 184,328	$ 48,975	$ 109,184

Cash Flows from Operating Activities

For the six months ended June 26, 2021, net cash provided by operating activities was $884.0 million, an increase of $214.0 million compared to the six months ended June 27, 2020, primarily due to an increase of $222.4 million in net income.

For the year ended December 31, 2020, net cash provided by operating activities was $1,486.6 million, an increase of $882.0 million compared to the year ended December 31, 2019, primarily due to an increase of $830.3 million in net income.

For the year ended December 31, 2019, net cash provided by operating activities was $604.6 million, a decrease of $661.7 million compared to the year ended December 31, 2018, due to a $668.9 million decrease in cash from changes in working capital. These changes in working capital primarily resulted from increases in accounts receivable due to higher sales as well as greater purchases in inventory due to the growing needs of customers and the business.

Cash Flows from Investing Activities

For the six months ended June 26, 2021, net cash used in investing activities was $115.6 million, a decrease of $103.6 million compared to the six months ended June 27, 2020. This change was primarily due to an $81.3 million decrease in purchases of property and equipment as a result of higher expenditures during the first half of 2020 to expand manufacturing capacity and construct distribution centers.

For the year ended December 31, 2020, net cash used in investing activities was $561.1 million, a decrease of $119.7 million compared to the year ended December 31, 2019, primarily due lower payments for acquisitions of $179.5 million partially offset by a $69.5 million increase in purchases of property and equipment.

For the year ended December 31, 2019, net cash used in investing activities was $680.8 million, an increase of $364.0 million compared to the year ended December 31, 2018. This change was primarily due to higher payments for acquisitions as Medline Parent acquired NAMIC and Suture Express in 2019 along with a $134.8 million increase in purchases of property and equipment to support our growth.

Cash Flows from Financing Activities

For the six months ended June 26, 2021, net cash used in financing activities was $708.4 million, an increase of $369.2 million compared to the six months ended June 27, 2020. This change was primarily due to a $444.0 million increase in distributions to stockholders, partially offset by $75.3 million decrease in repayments under lines of credit.

For the year ended December 31, 2020, net cash used in financing activities was $721.1 million, an increase of $532.5 million compared to the year ended December 31, 2019, primarily due to repayments of borrowings of $288.9 million made in 2020 compared to borrowings of $398.9 million 2019, partially offset by lower distributions to stockholders.

For the year ended December 31, 2019, net cash used in financing activities was $188.6 million, a decrease of $538.6 million compared to the year ended December 31, 2018. This change was primarily due to borrowings of $398.9 million in 2019 and common stock repurchases of $166.4 million made in 2018.

Borrowings Post-Transactions

After the consummation of the Transactions, we will be highly leveraged. As of June 26, 2021, after giving effect to the Transactions, we would have had approximately $17,002 million of total debt outstanding, including $7,770 million of notes offered hereby, $6,000 million of New Dollar Term Loan Facility, $1,000 million of New Euro Term Loan Facility, and $2,230 million of CMBS Loan, with approximately $982 million of availability under our New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder). In addition, we will have the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments in an aggregate principal amount of up to (a) the greater of (1) $2,375 million and (2) an amount equal to 100% of our trailing consolidated EBITDA for the most recently ended period of four consecutive fiscal quarters for which financial statements are internally available, on a pro forma basis plus (b) certain additional amounts subject to certain conditions. See “Description of Certain Other Indebtedness—New Senior Secured Credit Facilities.”

Our liquidity requirements will increase after the consummation of the Transactions, primarily due to debt service requirements. On a pro forma basis, after giving effect to the Transactions, our net cash interest expense for the last twelve months ended June 26, 2021 would have been $754.4 million, using assumed blended interest rates on our new indebtedness. Each 0.25% increase or decrease in such assumed blended interest rate would have increased or decreased, as applicable, our pro forma interest expense by $42.6 million. The amount of borrowings under the New Revolving Credit Facility will fluctuate from time to time and could increase the amount of outstanding borrowings at any given time.

As market conditions warrant, we and our equity holders, including the Investors and their affiliates and members of management, may from time to time, depending upon market conditions, seek to repurchase debt securities that we have issued or loans that we have borrowed, including the notes offered hereby and borrowings under our New Senior Secured Credit Facilities, in privately negotiated or open market transactions, by tender offer or otherwise, and such repurchases may be at prices below par.

New Senior Secured Credit Facilities

In connection with the Transactions, we will enter into a new credit agreement, together with a security and other agreements, which will consist of for (i) the New Dollar Term Loan Facility in an aggregate principal amount of $6,000 million, (ii) the New Euro Term Loan Facility in an aggregate principal amount of the Euro equivalent of $1,000 million and (iii) the New Revolving Credit Facility in an aggregate principal amount of $1,000 million with no amounts currently anticipated to be drawn at closing of the Transactions. For a description of our New Senior Secured Credit Facilities, see "Description of Certain Other Indebtedness—New Senior Secured Credit Facilities."

CMBS Financing

It is expected that the CMBS Loan will be evidenced by five componentized promissory notes (the "CMBS Notes"), in the aggregate original principal amount of $2,230 million, made by the CMBS Borrower in favor of the CMBS Lender. In the event that we do not consummate the CMBS Loan or receive at least $2,200 million of gross proceeds from such CMBS Loan by the time of the consummation of the Acquisition, we expect to enter into a credit agreement that will govern the Alternative RE Term Loan Facility with a financial institution to be appointed by the Alternative RE Borrower as administrative agent and collateral agent. For a description of our CMBS Financing, see "Description of Certain Other Indebtedness—CMBS Financing."

Notes Offered Hereby

The indentures that will govern the notes offered hereby will, among other restrictions, limit the ability of the Issuer and the ability of the Issuer's restricted subsidiaries to:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to the Issuer or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries;
- prepay, redeem or repurchase certain indebtedness that is subordinated in right of payment to the notes; and
- transfer or sell assets.

Subject to certain exceptions, the indentures that will govern the notes will permit the Issuer and its restricted subsidiaries to incur additional indebtedness, including senior indebtedness and secured indebtedness. For more details, see "Description of Secured Notes" and "Description of Unsecured Notes."

Contractual Obligations

The following table summarizes our principal contractual obligations as of June 26, 2021 on a historical basis:

		Payments Due By Period			
	Total	2021	2022 - 2023	2024 - 2025	Thereafter
Operating lease obligations	$292,482	$40,298	$122,548	$ 72,870	$ 56,766
Unconditional purchase obligations	$334,983	$18,762	$118,380	$145,841	$ 52,000
Pension obligations	$ 19,440	$ 623	$ 3,516	$ 3,773	$ 11,528
Total contractual obligations	$646,904	$59,683	$244,444	$222,483	$120,294

The table below sets forth the contractual obligations as of June 26, 2021 on a pro forma basis after giving effect to the financing transactions but does not update the other line items in the contractual obligations table that appear above.

		Payments Due By Period			
	Total	2021	2022 - 2023	2024 - 2025	Thereafter
Long term debt obligations[(a)]	$17,000	$ 15	$ 120	$ 120	$16,745
Interest payments related to long term debt obligations[(b)]	5,234	187	1,482	1,360	2,205

(a) Long-term debt obligations on a pro forma basis will consist of outstanding principal under the New Senior Secured Credit Facilities, CMBS Financing and the notes offered hereby and exclude scheduled interest payments on such indebtedness.

(b) Includes interest on the New Senior Secured Credit Facilities, CMBS Financing and the notes offered hereby at an estimated blended rate of interest.

Off Balance Sheet Arrangements

Medline does not have guarantees or other off-balance sheet financing arrangements, including variable interest entities, of a magnitude that the Company believes could have a material impact on our financial condition or liquidity.

Critical Accounting Policies & Estimates

Our consolidated financial statements included elsewhere in this offering memorandum have been prepared in conformity with GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs, expenses and related disclosures. These estimates and assumptions are often based on historical experience and judgments that we believe to be reasonable under the circumstances at the time made. However, all such estimates and assumptions are inherently uncertain and unpredictable, and actual results may differ. It is possible that other professionals, applying their own judgment to the same facts and circumstances, could develop and support alternative estimates and assumptions that could result in material changes to our operating results and financial condition. We evaluate our estimates and assumptions on an ongoing basis.

Management evaluated the development and selection of its critical accounting policies and estimates and believes that the following involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on

subsequent results of operations. More information on all of our significant accounting policies can be found in Note 1—Nature of Business and Significant Accounting Policies to our audited consolidated financial statements.

Revenue Recognition

We generate revenue principally from the sale of products. The majority of sales transactions are supported by an underlying agreement or a formal purchase order. We transfer control and recognize revenue when the product is shipped to customers, customers have legal title to the product, and we have a right to payment for such product. Revenue is measured as the amount of consideration we expect to receive in exchange for those products.

We generally warrant that our products will conform to pre-established specifications and that its products will be free from material defects for a limited time. We limit our warranty to the replacement of defective parts, or a refund or credit of the price of the defective product. We do not account for these warranties as separate performance obligations. Warranty claims are not material as a majority of our products are consumables.

Although products are generally sold at fixed prices, certain customers receive incentive awards, such as sales rebates, return allowances, scrap allowances, and other rights, which are accounted for as variable consideration. We estimate these amounts in the same period revenue is recognized based on the expected value to be provided to the customer and reduces revenue accordingly. Our estimate of variable consideration and ultimate determination of the estimated amounts to include in the transaction price is based primarily on its assessments of anticipated performance and historical information that is reasonably available to us.

Shipping and handling costs are treated as fulfillment costs and are included in cost of sales. Since we typically invoice customers when performance obligations are satisfied, we do not have material contract assets or contract liabilities. Our credit terms are customary and do not contain significant financing components that extend beyond one year of fulfillment of performance obligations.

Accounts receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on a periodic basis. We charge interest on overdue receivables and evaluate the collection of this interest through the allowance for doubtful accounts. We determine the allowance for doubtful accounts by identifying at-risk accounts primarily by considering the age of the customer's receivable and also by considering the creditworthiness of the customer, as well as general economic conditions. If any of these factors change, we may also change its original estimates, which could impact the level of its future allowance for doubtful accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily by the last-in, first-out method. For certain foreign subsidiaries, cost is determined using the first-in, first-out method. Estimated provisions are established for slow-moving and obsolete inventory.

Intangibles and Long-Lived Assets

Intangible assets are initially measured at fair value and consist of trade names, customer relationships, non-compete agreements, intellectual property from acquisitions by the Company, and various license and distribution agreements for exclusive supply and distribution rights.

The Company reviews long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated undiscounted future cash flow from use of the asset is less than the carrying amount of that asset. There was no material impairment recorded during the years ended December 31, 2020, 2019 and 2018.

Defined Benefit Pension Plans

We have various non-contributory defined benefit retirement plan obligations at various foreign subsidiaries. We account for our defined benefit pension plans in conformity with sections of Accounting Standards Codification 715, recognizing the funded status of our defined benefit pension plans as a net asset or liability in our statement of financial position, with an offsetting amount in accumulated other comprehensive (loss) income, and recognizing changes in that funded status in the year in which changes occur through comprehensive (loss) income.

We use appropriate actuarial methods and assumptions in accounting for our defined benefit pension plans. Actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense and the recorded obligation in future periods. Therefore, assumptions used to calculate benefit obligations as of the end of a fiscal year directly impact the expense to be recognized in future periods. Significant assumptions include the following:

- Interest rates used to discount pension plan liabilities
- Long-term rate of return on pension plan assets
- Rates of increases in employee compensation
- Anticipated future healthcare trend rates
- Other assumptions involving demographic factors such as retirement, mortality and turnover

The weighted-average assumptions as of June 26, 2021 and December 31, 2020, is as follows:

	June 26, 2021		December 31, 2020	
	Benefit Obligation	Net Periodic Benefit Cost	Benefit Obligation	Net Periodic Benefit Cost
Weighted-average discount rate	2.47%	2.47%	2.47%	2.47%
Rate of compensation increase	3.46%	3.46%	3.46%	3.29%
Expected long-term return on plan assets	N/A	2.65%	N/A	3.00%

Quantitative and Qualitative Market Risk

We are exposed to market risks in the ordinary course of our business from adverse changes in foreign currency exchange rates, interest rates and commodity prices.

Foreign Currency Exchange Rate Risks

We have significant international operations including operations in Canada, the United Kingdom, France, Spain, Japan and Germany among others, all of which have a different currency exposure than the U.S. dollar. The Company has a natural, partial operational hedge in some of these geographies where local manufacturing and assembly has been established for strategic purposes, but the majority of our material spend and is exposed to Asian vendors and highly commoditized supply chain.

While we currently do not hold any derivative financial instruments to hedge against foreign currency gains and losses exposure, we monitor the movements of these currencies and actively engage in regional vendor load

balancing to diversify foreign exchange risk. Our results of operations are subject to changes in foreign exchange rates due to the translation of our results to U.S. dollars. As of December 31, 2020, approximately 10% of our sales are exposed to CAD, EUR, GBP, JPY and AUD and over 20% of our purchasing and manufacturing cost is in China, with some secondary exposure in CNY.

Interest Rate Risk

As of June 26, 2021, we would have had $17,002 million of outstanding indebtedness on a pro forma basis after giving effect to the Transactions, including $9,230 million of borrowings at variable interest rates. A 0.25% increase in the expected rate of interest under our New Senior Secured Credit Facilities would increase our annual interest expense by approximately $17.5 million, which amount would increase to the extent any borrowings are made on our New Revolving Credit Facility. Additionally, a 0.25% increase in the expected rate of interest under the CMBS Financing would increase our annual interest expense by approximately $5.6 million.

Commodities

As a manufacturer of medical products, we purchase significant amounts of raw materials and semi-finished goods. Among the raw materials purchased are various commodities that are subject to significant price fluctuations or made from commodities that are subject to these price fluctuations. These include natural commodities, oil based products and other organic or chemical compounds. The Company manages commodity price risks through negotiated supply contracts and price protection agreements. These contracts and price protection agreements do not entirely insulate us from price fluctuations especially over the medium and longer term. For every 1% change in the price of cotton, our Adjusted EBITDA is changed by approximately 0.2% (without any consideration of selling price offset or sourcing hedge). For every 1% change in the price of crude oil, our Adjusted EBITDA is changed by approximately 0.3%.

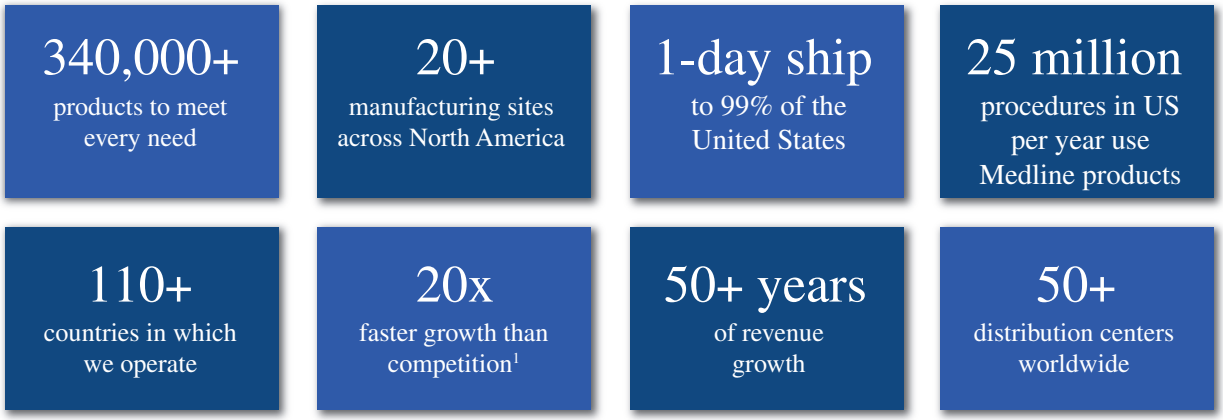
BUSINESS

Mission Statement:

Our mission is to make healthcare run better by providing superior medical supplies to healthcare providers and end users, improving patient care, lowering costs and enhancing the quality of peoples' lives. We do this through our three core operating principles of increasing operational efficiency, reducing supply spending and improving quality of care.

Business Overview

Medline, headquartered in Northfield, Illinois, is the nation's largest supplier of medical-surgical ("med-surg") products to healthcare providers across the continuum of care. We are vertically integrated, combining manufacturing, sales and distribution capabilities at scale to provide med-surg products consumed by the healthcare industry every day. This allows us to deliver a complete solution to our customers, supporting them in improving the overall operating performance of the healthcare delivery system. Our global manufacturing, sourcing and distribution network enables us to partner with healthcare providers around the world, delivering products and solutions that reduce costs, increase supply chain efficiency and improve overall quality of care.



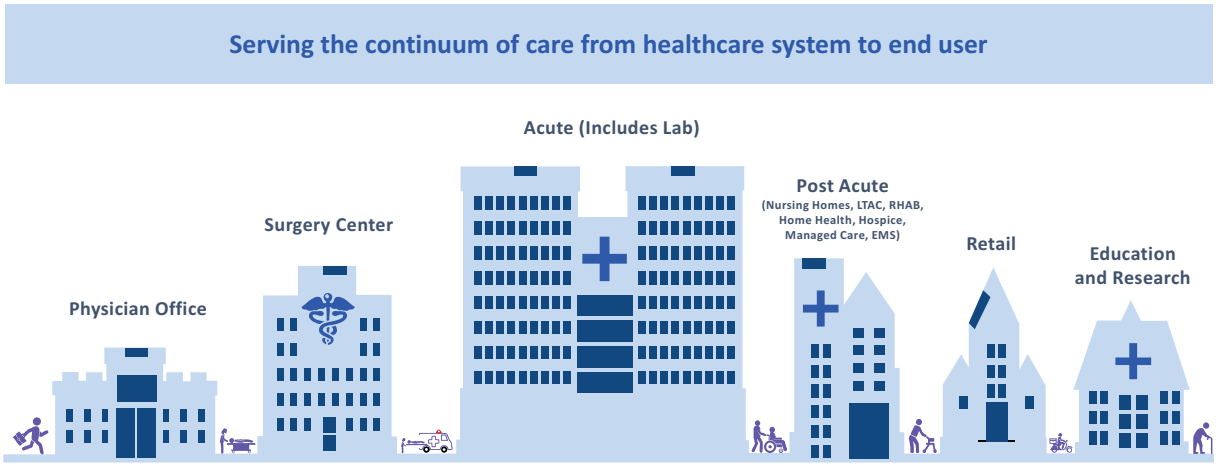
[1] Refers to 2019 and 2020 year-over-year revenue growth as compared to a select group of competitors

History

Medline has an over 50-year legacy of serving customers in the healthcare industry. Originally named Medco, Medline was founded in 1966 by Jim and Jon Mills with approximately 2,000 feet of warehouse space and one loading dock in Evanston, Illinois. In 1968, we opened our first manufacturing facility. In 1997, Charles N. Mills, Andrew J. Mills and James D. Abrams, our current CEO, President and COO, respectively, took over to lead the Company and continue its legacy of family management. Since inception, we have experienced over 50 consecutive years of revenue growth, with a 20% compounded annual growth rate since inception and continuous double digit growth for all but three years. Our growth has been primarily driven by market share gains across the continuum of care and within product categories. In 2020, we generated over $17.5 billion of revenue as the nation's largest manufacturer and distributor of med-surg products. On June 5, 2021, Medline entered into a new chapter of our Company's history and announced that we will receive a majority investment from a partnership comprised of funds managed by Blackstone, Carlyle and Hellman & Friedman. Following the close of the transaction, Medline will remain a privately-held, family-led company, and the Mills family will remain the largest single shareholder.

On September 7, 2021, in connection with the transaction, Medline converted from an Illinois corporation to an Illinois limited partnership. On September 9, 2021, in connection with the transaction, Medline became an indirect subsidiary of Mozart Parent.

The Markets We Serve

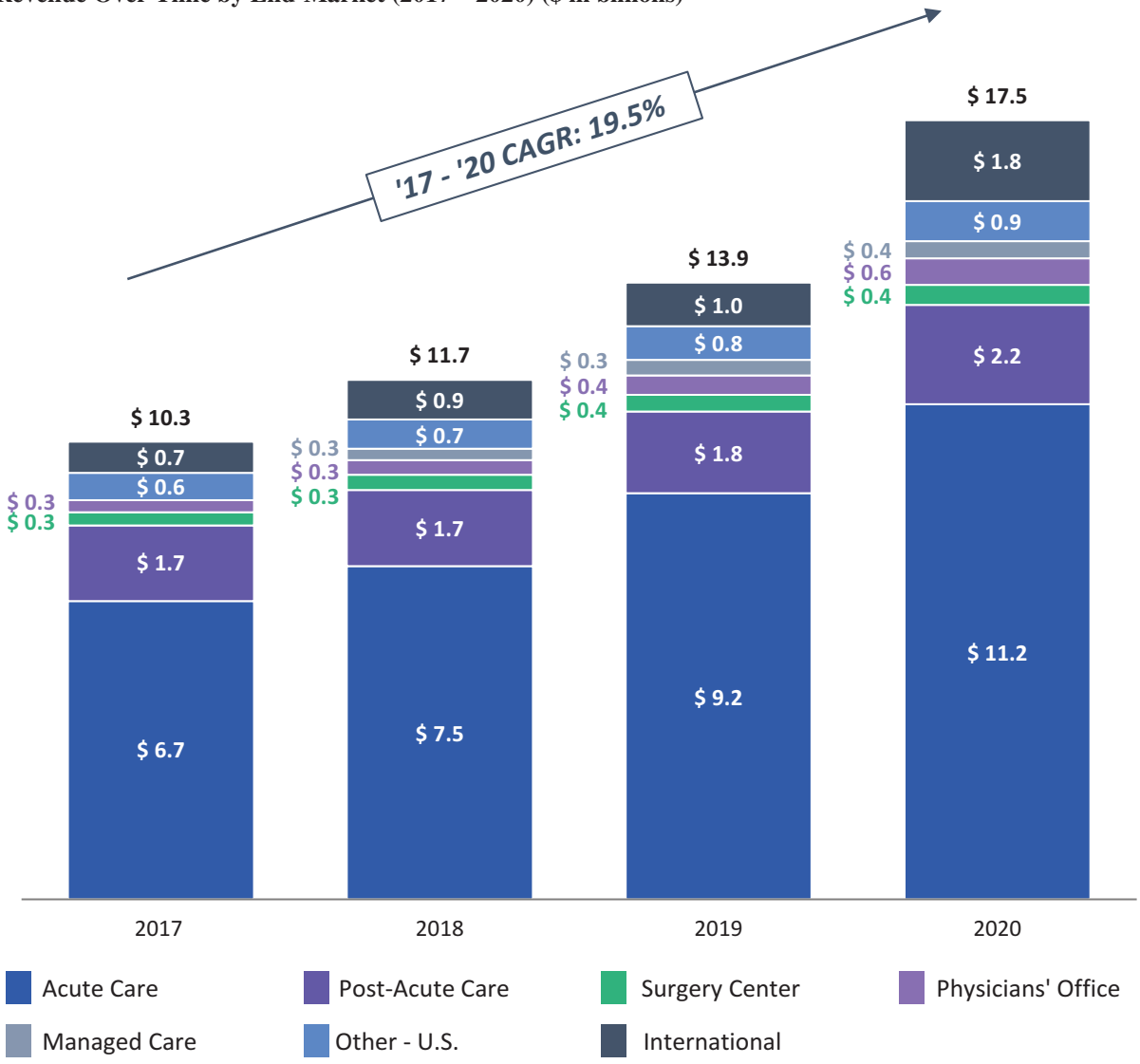


Medline manufactures, sells and distributes med-surg products across the entire continuum of care, representing an attractive and growing addressable market of approximately $142 billion globally, including approximately $67 billion in the United States. Our key end-markets include Acute Care, Post-Acute Care (including Managed Care), Physicians' Offices and Surgery Centers, among others. We have historically and continue to experience significant growth across each of the end-markets in which we operate. The majority of our revenue is derived from the Acute Care end-market, which includes hospitals and IDNs and accounted for approximately 64% of total 2020 revenues, followed by approximately 12% in Post-Acute Care, which includes skilled nursing facilities, home health and hospice.

The breadth, quality and value of our product portfolio, combined with our dedication to customer service, reliability of our 99% fill rates, responsiveness, partnership focus and operational excellence provide significant value for our customers. As evidence of our high customer satisfaction, we have achieved an average net customer retention with prime vendor customers of over 94% for the past five years. We are able to service these customers with our over 2,500 employees dedicated to customer engagement, including a sales force devoted to each end-market in the United States and each region or country internationally.

Medline has broad and deep relationships with a diverse set of blue chip customers. In the United States, we serve over 50,000 customers that range across the entire continuum of care and maintain deep-rooted relationships with our clients, some of which date back over 20 years. We have minimal customer concentration, with no single customer accounting for greater than approximately 3% of 2020 of revenue. Further, we currently sell Medline Brand products to 100% of the top 150 health systems in the United States, and over 45% of those have chosen Medline as their prime vendor.

Revenue Over Time by End-Market (2017 – 2020) ($ in billions)



Products

Since our founding as a med-surg product manufacturer, Medline has focused intently on offering an expanding set of high quality, value priced products to support the critical needs of our customers. Over time, we have recognized the fragmented supply chain in the healthcare industry, and our customers have valued the proposition of a fully integrated distribution model. Our customers look to us as a partner who can provide value through our self-manufactured product portfolio combined with a best-in-class supply chain. Today, 55% of our revenues are from our own Medline Brand products, and 45% are from Distributed Products or third-party products sold through our own distribution network.

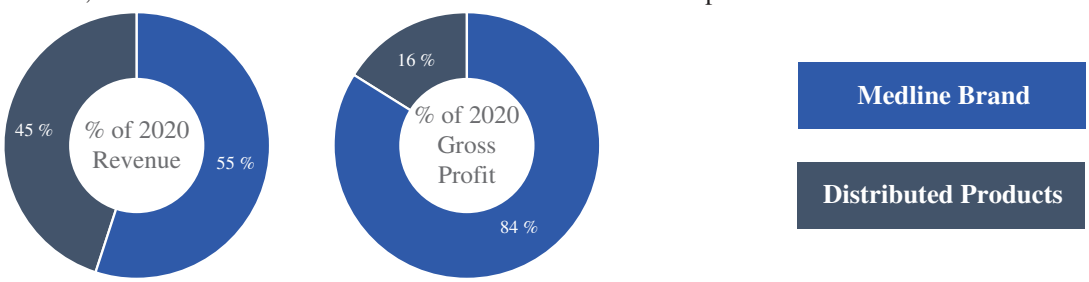
Our combination of products and services makes us uniquely able to address our customers' evolving needs. We operate 27 Medline Brand product divisions that manufacture over 180,000 Medline Brand products. We self-manufacture over 77,000 Medline Brand products, which are produced across over 20 owned and operated manufacturing sites throughout North America. We rely upon our deep-rooted global sourcing relationships to manufacture the remaining portion of Medline Brand products. With more than 160 exclusivity agreements, our relationships with these global contract manufacturers are long-dated, some of which have existed for over 30 years. Our robust Medline Brand product portfolio drives significant value to our customers by offering 5% to

8% cost savings relative to competitors. Medline Brand products hold market-leading positions across many key categories in the healthcare market, enabling consistent conversion rates due to high quality, product performance and customer confidence.

The following chart shows our leadership positions in these key product categories, based on sales volume in 2020:

In addition to our Medline Brand products, we sell and distribute over 150,000 third-party products from key manufacturing brands such as Becton Dickinson / Bard, 3M, Stryker, Baxter, Medtronic and Johnson & Johnson. In total, across our Medline Brand products and our Distributed Products, we offer customers over 340,000 total products across over 300 product categories.

We are highly diversified across all product divisions and categories, with little concentration. The largest Medline Brand product categories include Sterile Procedure Trays, Exam Gloves and Personal Care, which accounted for $1.3 billion, $1.1 billion and $0.7 billion of revenue in 2020, respectively. Medline Brand products yield significantly higher profitability and can generate over 4x higher margins than Distributed Products. In total, Medline Brand products represented 84% of our total gross profit in 2020 versus Distributed Products representing 16%. While Distributed Products are less profitable for us, by offering our customers a complete assortment of med-surg products, we are able to solidify our customer relationships which increases satisfaction and stickiness, and creates the foundation for additional Medline Brand product sales over time.

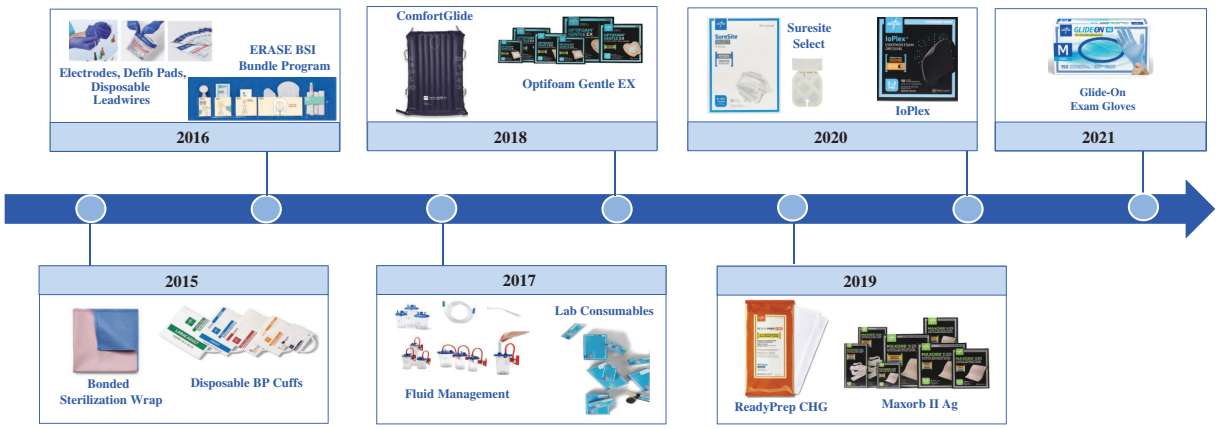


We have a rich culture of entrepreneurship and innovation that drives continued new product development. We ingrain ourselves with our customers and are uniquely positioned in the market as both a manufacturer and distributor, allowing us to identify customer needs and develop products and solutions to address those needs. This position in the market enables us to identify opportunities to provide our clients with value-added product innovations and lower cost solutions through our Medline Brand products.

We benefit from a highly synergistic relationship between our sales force and product divisions. With a high number of touch points and frequent dialogue with customers, our sales force is able to identify customer needs and collaborates with our product divisions to develop solutions to address those needs. In turn, our product divisions rely upon our sales force's access to every corner of healthcare, enabling broad applicability for their products. Coupled together, we have a differentiated ability to bring new products to market to continue to drive business opportunities, as evidenced by over 200 Food and Drug Administration ("FDA") 510K clearances, 20 of which were granted in 2020. We have also received over 1,200 granted patents with over 600 pending applications.

Further, we are able to utilize our highly attractive platform capable of realizing significant synergies to acquire complementary assets that may be less efficient to develop in-house. Evidence of this is our recent acquisition of a significant portion of the Hudson RCI brand of respiratory products from Teleflex, which added the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement our existing respiratory portfolio in order to meet the market needs by bolstering our respiratory product portfolio and increasing domestic and international channel access. We believe this acquisition is exemplary of our ability to recognize opportunities and our culture of quickly adapting to ultimately better serve our customers and the healthcare system.

Select Product Innovations

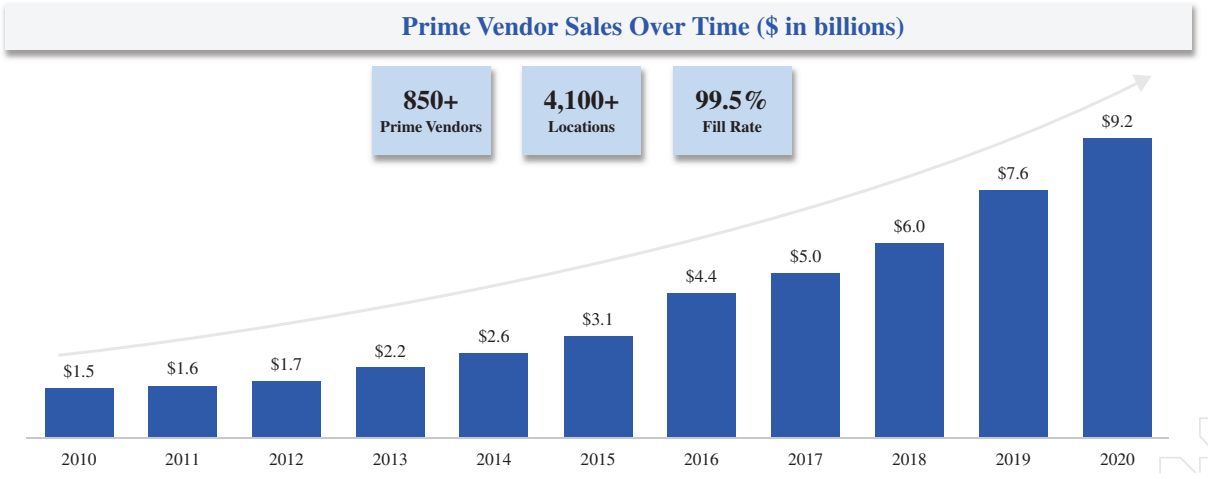


Prime Vendor Contracts

Our most important growth driver has been our ability to win prime vendor contracts with the Acute Care end-market, including hospitals and IDNs. A hospital typically awards a single prime vendor contract to one distributor. The contract is a long-term agreement between the customer and distributor for the distributor to provide the vast majority—often 100%—of the customer's med-surg product needs. This provides essential simplicity and greater cost savings to the Acute Care hospital by centralizing all purchases with a single partner, and provides us with better customer coordination and increased visibility into customer purchasing behavior across our own and third-party brands that we sell, creating opportunities for partnership and growth.

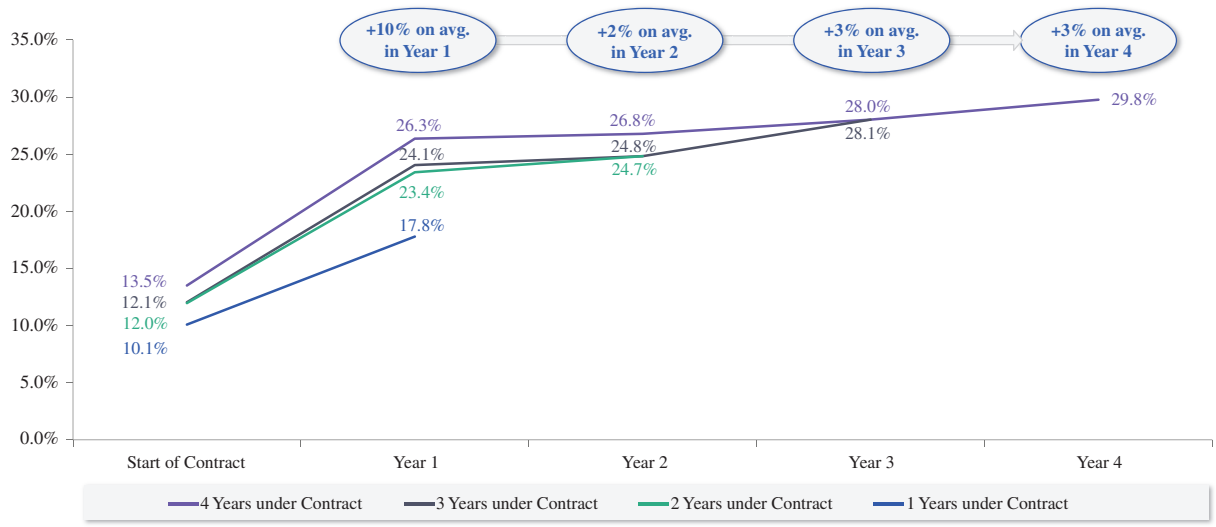
As healthcare systems continue to consolidate, IDNs now own and control many sites of care beyond the acute care setting. These IDNs are increasingly seeking a supply chain partner with reliable manufacturing and distribution capabilities who can serve the entire continuum of care. We have a differentiated ability to contract with customers for their needs across the entire continuum, including the acute care setting along with the alternate sites of care such as physician offices, ambulatory surgery centers, home health, hospice and others. Evidence of our differentiated value is our average of over 60% win rate on requests for proposal since 2018. As the only prime vendor partner with the full capability to serve the entire continuum of care, we are highly differentiated and well positioned to continue to win new business. Importantly, we expect this trend of IDN consolidation to continue, providing a growth opportunity moving forward.

As of December 31, 2020, we had over 850 active prime vendor relationships, generating approximately 52% (approximately $9.2 billion) of our 2020 revenue. With these prime vendor contracts, we distribute both products from other product manufacturers / OEMs and our own Medline Brand products. At the beginning of a new prime vendor relationship, Distributed Products typically represent approximately 90% of sales. Once these contracts are signed, the strength of our vertically integrated model and the quality and pricing of our Medline Brand products encourages customers to increasingly convert from Distributed Products to Medline Brand products. Our compelling value proposition offers customers 5% to 8% of cost savings when they convert to Medline Brand Products, while also providing us with better economics and profitability on our revenue.



Over time, our contracts become more profitable as customers continue to convert from Distributed Products to Medline Brand. In the first year of a prime vendor contract, we have historically been able to shift product mix to Medline Brand by approximately an incremental 10% to achieve approximately 20% Medline Brand mix. In the years thereafter, customers have historically continued to convert to Medline Brand products and increase product mix on average 2% to 3% each year through additional customer service and product innovation efforts. Our customers are also incentivized to increase their Medline Brand portfolio penetration, which, in turn, allows them to decrease their cost of distribution on Distributed Products manufactured by other suppliers. After five years, our typical experience is that Medline Brand represents approximately over 35% of a contract, and a mature run-rate contract can be 45% to over 50% Medline Brand. As customers become more price sensitive and they are increasingly able to realize the value and quality delivered by Medline Brand products, we expect this Medline Brand product mix will accelerate and increase above 35% in less than five years.

Cohort Analysis: Medline Brand concentration over time



Dedicated Salesforce

Sales has been ingrained in our culture since inception. The connectivity to our customers hinges on our best-in-class salesforce. We offer our clients a suite of support with over 2,500 employees dedicated to customer engagement, including customer representatives, specialized clinical resources, supply chain specialists and product specialists. Our salesforce prides themselves on their deep-rooted customer relationships and the value of their longstanding partnerships. We have created an entrepreneurial environment across our salesforce providing them with autonomy to sell products they see best fit for their customers and to work with our product organization to develop new product innovations. Moreover, our unique incentive program for our salesforce is structured to bring the highest quality products to customers while driving higher overall economics for Medline. In the United States, our salesforce specializes by end-market, whereas our international salesforce specializes by region or country. This highly differentiated culture ingrained in our salesforce has led to a strong salesforce retention rate of approximately 90%.

Manufacturing and Sourcing

Our best-in-class manufacturing and global sourcing capabilities allow us to consistently deliver high quality products and continuously bring new products to market. We own and operate over 20 state-of-the-art manufacturing plants in North America, which produce over 77,000 Medline manufactured products addressing a vast majority of our customers' med-surg needs, including surgical dressings, incontinence briefs, face masks, anesthesia and respiratory products. We focus our internal manufacturing capabilities on those products where we can leverage technology and automation to drive high quality and low cost. We are also one of the world's largest manufacturing operations for surgical and minor procedure trays, with over 500,000 kits made every day, where we leverage high velocity processes at two large facilities in Mexico.

For the products that we do not manufacture ourselves, we rely upon key contract manufacturers across the globe. Our relationships with our sourcing partners are very strong, with some relationships dating over 30 years. With the repeat nature of purchases in our business, we have been able to secure over 160 exclusivity agreements with contract manufacturers worldwide. Coupled together, our best-in-class self-manufacturing capabilities and differentiated sourcing relationships ensure the industry-leading quality of our products while enabling us to seek and achieve the most attractive unit economics.

Distribution and Logistics

Our vertically integrated platform uniquely positions us to provide the greatest value to our customers. We have a differentiated distribution network including over 50 distribution centers worldwide (over 45 in the United States alone). Our expanding network of distribution centers are strategically located to ensure one-day delivery to 99% of the United States, which is a key customer purchasing criteria and supports our high customer satisfaction levels. Our over 23 million square feet of medical grade distribution centers are expertly designed to optimize logistics and maximize utilization. We rely upon and continually upgrade the technology in our distribution centers to maximize efficiency. An example of this is the AutoStore system integrated into our distribution centers, which is a space saving, automated storage and goods-to-person picking system. Our technologically advanced distribution centers allow us to continue to increase our cutoff times, expand our product offering and better service our expanding customer base. Additionally, we offer supply chain and inventory management services out of our distribution centers to further enhance customer value. Our high inventory levels and market-leading supply chain capabilities drive best-in-class fill rates of over 99%.

In addition, in the United States, we own and operate a fleet of over 1,250 MedTrans parcel and semi-trailer trucks, further setting us apart from competition and allowing us to control the "last mile" delivery experience required by our customers. Our owned trucking fleet offers superior customer service by allowing continuity with customers until the last minute: customers are able to track shipments and ensure reliability with delivery teams that are highly ingrained with our customers, while allowing us to address specific "ship to" requirements that are outside the capabilities of common carriers, often including multiple sites within the same hospital or IDN system. Our differentiated logistics provide customers with lower cost solutions and are highly valued by our customers as they ensure consolidated, coordinated and streamlined logistics across our customers' systems. The ability to provide differentiated logistics is becoming increasingly imperative as health systems continue to consolidate across end-markets.

Competition

We are first and foremost a medical products manufacturer. Our value proposition is predicated on the value delivered to customers through the strength of our vertically integrated model, the breadth of our Medline Brand product portfolio and the high quality and value delivered by our products. Furthermore, the majority of our profit is derived from Medline Brand products. Our key competitors are other leading medical product manufacturers and OEMs including Becton Dickinson / Bard, 3M, Stryker, Baxter and Medtronic. Similar to us, these competitors manufacture a wide range of med-surg supplies. However, unlike us, many of these competitors are reliant upon third-party distributors—oftentimes Medline's Distributed Products division—to deliver their products to customers. By nature of being a distributor, Medline has direct access to and is the owner of the end customer relationships. We have a differentiated ability to offer a complete solution as a manufacturer and a distributor, offering our customers best-in-class supply chain logistics and driving value through our brand.

Our second group of competitors are distributors of med-surg products including Owens & Minor, Cardinal, McKesson and Henry Schein. Similar to us, these distributors connect the fragmented supplier and provider bases and aggregate inventory from suppliers to deliver products to customers. These distribution competitors are our main source of competition for prime vendor contracts. However, many of these competitors do not benefit from our vertical integration or commercial excellence, and thus are not able to provide the same magnitude of cost savings, high value and holistic solutions that we deliver for our customers. Over the last few years, we have successfully won business from these key competitors while maintaining our industry-leading net customer retention rates with prime vendor customers averaging over 94% for the last five years.

Our Industry

U.S. healthcare expenditures

According to the Centers for Medicare & Medicaid Services, U.S. healthcare expenditures were $3.8 trillion in 2019 and are expected to grow 5.4% annually to $6.2 trillion by 2028, representing 19.7% of GDP. Demographic trends continue to drive this growth, including an aging population and the high prevalence of chronic diseases and co-morbidities. Notably, adults aged 65 and older, whose population is expected to grow the fastest and represent 21% of the population by 2030 compared to 15% in 2016 according to the U.S. Census Bureau, have the highest prevalence of chronic conditions and spend approximately three times more than working adults in annual healthcare spend.

Of total U.S. healthcare spend in 2019, hospital expenditures amounted to $1.2 trillion and physician and clinical services expenditures amounted to $772 billion. Spending in non-acute settings such as physician offices, surgery centers and post-acute centers has continued to increase as volumes continue to shift away from hospitals toward alternate site settings.

Medical-surgical market

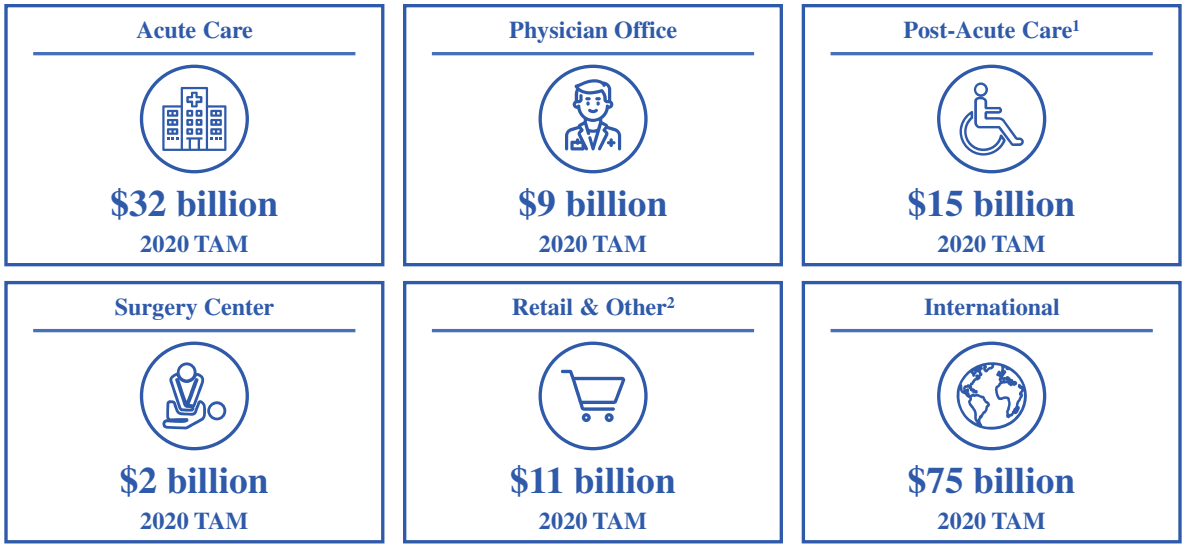
Med-surg products include a variety of essential supplies and equipment used by healthcare providers. In the United States, over 2,000 acute providers, 3,300 post-acute care providers, 195,000 physician groups and 5,700 ambulatory surgery centers utilize med-surg products to provide safe and effective care to patients across the continuum. These products are critical in nature, range in offering and complexity, and are largely single-use, disposable items which must be replenished and replaced regularly. Examples include incontinence briefs and wipes, personal protective equipment ("PPE"), including gowns, masks, headwear and footwear, IV start and dressing change kits, textiles, advanced and traditional wound care, durable medical equipment, surgical drapes and gowns, bathing systems, skin care, sterilization wraps, fluid management kits, urology trays, bladder scanners and general diagnostics.

Med-surg products are primarily manufactured by a fragmented base of over 4,000 OEMs who typically sell a majority of products through distributors. In addition to aggregating inventory from fragmented suppliers and delivering products to end customer providers, select distributors including Medline, also self-manufacture products and sell directly to healthcare providers.

The vast majority of healthcare providers do not keep substantial inventory on hand, which has created an industry expectation for products to be in stock and delivered in short timeframes, such as the next day. Therefore, having scale and a robust geographic footprint with strategically located warehousing and distribution facilities is essential to effectively and efficiently serve customers. The widened global need for PPE and other medical supplies during the height of the COVID-19 pandemic in 2020 further highlighted this, and Medline responded to the crisis by delivering 80% more PPE than any other single U.S. provider, solidifying our status as a critical partner to our customers and opening new customer opportunities across the continuum of care. Furthermore, the ongoing consolidation amongst healthcare providers continues to drive vendor consolidation and a bias toward larger, scaled vendors, in order to more efficiently manage procurement.

Market opportunity

The global med-surg distribution market represented approximately $142 billion of annual spending in 2020 and is expected to produce long-term low single digit growth. The U.S. market represented approximately $67 billion in spending, growing 3% year-on-year between 2017 and 2019, and consists of the Acute Care, Post-Acute Care, Retail & Other, Physician Office and Surgery Center end-markets.



[1] Post-Acute Care includes Managed Care, home health, hospice, skilled nursing facility, home medical equipment dealers and long-term acute-care

[2] Retail & Other includes retail, research, education, standalone laboratory providers and OEMs.

- *Acute Care* – Includes hospitals and health systems and accounted for 46% of the U.S. med-surg market at $32 billion of spending in 2020. The acute care market grew 1% annually from 2017 to 2019. Acute care providers purchase med-surg products directly from distributors.
- *Physician Office* – Approximately 50% are owned by IDNs that increasingly prioritize the ability to service providers throughout the continuum of care. Physician offices represented a $9 billion end-market that grew at a 5% CAGR from 2017 to 2019.
- *Post-Acute Care* – Includes Managed Care, home health, hospice and skilled nursing facilities, and represented $15 billion of spending in 2020. Home-based care and long-term care grew at CAGRs of 8% and 3%, respectively, from between 2017 and 2019.
- *Surgery Center* – Approximately 33% are owned by IDNs, and represented a $2 billion end-market in 2020 that grew at a 5% CAGR from 2017 to 2019.
- *Retail and Other* – Includes research, education, standalone laboratory providers and OEMs, and represented an $11 billion end-market in 2020 that grew at a 7% CAGR from 2017 to 2019.

Overall, stable underlying market growth in the United States is supported by favorable demographic trends, increased patient acuity and overall growth in healthcare expenditures. The Post-Acute Care, Physician Office and Surgery Center end-markets benefit from higher market growth as patient volumes and healthcare expenditures increasingly shift to alternative sites of care. Furthermore, the U.S. is seeing market consolidation among providers, with IDNs increasingly acquisitive in the Post-Acute Care, Physician Office and Surgery Center end-markets.

Outside of the United States, the international med-surg distribution market was approximately $75 billion in 2020.

Our Strategy and Competitive Strengths

In order to realize our mission, we have developed a comprehensive strategic roadmap for our company. Key elements of our strategy and strengths include:

Long track record of growing our high quality, low cost product portfolio to drive value to customers: We have a proven track record of successfully bringing new products to market to provide increased customer value, thereby driving additional growth opportunities. Our unique market position provides us with unparalleled insights into our customers' needs: purchasing trends, pricing dynamics and potential areas of new product innovation based on customer needs. With autonomy over customer relationships, our salesforce is focused on bringing the highest quality products to market and delivering the best customer service experience. Furthermore, our product divisions benefit from our sales teams' direct access to our customers and are encouraged to innovate to meet customers' needs. Together, our culture of innovation and entrepreneurship and our highly-scalable go-to-market strategy provides us with the capabilities to bring products to market within 12 to 18 months from concept to commercial availability. We are continually adding to our product development pipeline to meet our customers' needs.

Leading distribution capabilities to directly serve end-markets across the continuum of care: We currently operate across over 10 different end-markets representing an over $142 billion total addressable market. Our scale has been a major contributor to our success historically, and our ability to enter into new end-markets and expand within existing end-markets will be imperative to our future growth. We currently offer differentiated services across the continuum of care, which is becoming increasingly important as health systems continue to consolidate across different sites of care, including Acute Care, Post-Acute Care, Physician Offices and Surgery Centers. We believe that our differentiated platform across the continuum of care further establishes our competitive advantage to win business, particularly as market consolidation continues and "requests for proposals" for prime vendor contracts are increasingly including multiple points of care and end-markets. In turn, our access to every end-market in healthcare broadens the applicability and addressable market of our products.

Build deep partnerships with our customers as their prime vendor: We have a proven track record of growing our business organically by winning new prime vendor contracts and by growing within existing customers. We believe we will continue to win business and expand our existing customer base through the following winning strategies:

- *Cultivate the Relationship Early:* We are deeply focused on cultivating relationships early, well before a prime vendor contract is signed.
- *Evaluate Customers' Needs:* We pride ourselves on our agility and speed, which enables us to quickly evaluate and respond to customers' needs.
- *Develop Framework of Solutions:* We are more than just a product manufacturer; we are the whole solution. From distribution centers all the way to stocking shelves, we want to be alongside our customers every step of the way. Beyond our extensive list of products, we offer inventory and supply chain management services.
- *Long-Term Commitment:* We strive to be a trusted partner delivering long-term value to customers; our products and solutions lower costs while allowing customers to focus more on what matters: delivering the highest quality of healthcare.

Our customers recognize the quality of our products and value of our platform, enabling us to increase Medline Brand conversion and unlock embedded margin opportunity: Our proven ability to increase mix of our Medline Brand products in our prime vendor relationships results in substantial embedded margin. The quality of our products is our calling card, and it provides a point of entry with non-prime vendor customers. We leverage that initial relationship to win prime vendor business. While product mix in those new prime vendor relationships is typically skewed towards Distributed Products, over time, many customers

recognize the value of our brand and quality of our products and increasingly choose to convert to Medline Brand products. The trusted relationship that we build with our distribution offering allows us to introduce more Medline Brand products, increasing our customers' realized cost savings while also increasing our profitability with that customer. With our unique position in the market as both the distributor and manufacturer, we recognize customers' needs and pricing pressures and are able to utilize those insights to encourage customer conversion to Medline Brand products, thereby unlocking significant embedded margin opportunity.

Rely upon and continue to strengthen our vertically integrated platform to offer customers with the most value: We are not just a provider of products; we are a solutions provider. Our unique vertically integrated platform is a byproduct of over 50 years of investment in our business and experience in the healthcare industry. We have built a network that is highly differentiated and uniquely positions us to provide the greatest value to our customers. The breadth of our footprint enables us to best serve our clients with one-day shipping to 99% of the United States with 99% fill rates, ensuring our customers get the support and service they need. Our value proposition is expansive: we are delivering products and solutions that reduce costs, increase supply chain efficiency and improve the overall quality of care. Our global manufacturing, sourcing and distribution networks enable us to partner with the world's largest and most influential healthcare providers.

Key Credit Strengths

Large, Predictable and Growing Market for Medical-Surgical Products

We operate in the large and growing global med-surg market that is expected to see an increased need for products as a result of higher medical utilization which stems from demographic trends, including an aging population and the increased prevalence of co-morbidities. Med-surg products are mission-critical supplies required for the provision of healthcare in all clinical settings, and demand for them are largely resistant to negative economic impacts and general market cycles. For example, during the Global Financial Crisis, our net sales growth was 13.3% from 2007 to 2008 and 16.6% from 2008 to 2009. The majority of products are single-use and constantly need to be replenished. Annual expenditure on these products was estimated to be $142 billion in 2020, with approximately $67 billion of expenditure from the United States and approximately $75 billion from international markets. The U.S. market is diversified across Acute Care, which accounts for 46% of the market, as well as Physician Offices, Post-Acute Care, Surgery Centers and Retail & Other accounting for the remainder. Market growth ranges from low single digits for the Acute Care end-market to high single digits for Post-Acute Care end-markets such as home-based care.

Market Leader across Multiple Attractive End-Markets and Products, Creating a Uniquely Diversified Solution of Scale

We are the nation's largest med-surg manufacturer and distributor by revenue and are a leader in Acute Care and Post-Acute Care with approximately one-third market share in each channel in the United States. We believe our leadership is directly attributable to our scale and presence across the continuum of care, comprehensive product offering and a focus on customer service. Moreover, we are the number one manufacturer across a variety of products, including sterile procedure trays, exam gloves, traditional wound care, surgical drapes & gowns and more. Through our Medline Brand we provide customers high quality products at lower prices than third parties, creating a mutually beneficial dynamic. These traits enable us to develop deeper and broader relationships than our competitors, many of whom are concentrated in narrow and specific end-markets. We sell our Medline Brand Products to approximately 41% and 80% of our mature customers in the Acute and Post-Acute end-markets, respectively, which is higher than that of our closest competitors.

High Level of Visibility from Stable and Diverse Blue Chip Customer Base with High Annual At-Renewal Retention Rates

Our scale and market leadership have enabled us to build longstanding relationships with some of the largest and most sophisticated healthcare systems in the United States. For example, we are currently the prime vendor

for 45% of the top 20 U.S. News and World Reports Honor Roll Hospitals, and are the provider for custom procedure trays for 70% of those hospitals. As a prime vendor, we closely partner with our customers to contractually supply the majority of products they need, increasing visibility for us and giving us significant opportunity to expand our relationships with them. Today, we are the prime vendor to over 850 customers across over 5,400 locations. To best serve our customers, we maintain a strong focus on operational performance, with high inventory levels, market-leading supply chain capabilities and best-in-class fill rates. This, coupled with our robust customer support, including 2,500 dedicated client engagement, have helped us achieve an average net customer retention rate of over 94% with prime vendor customers over the last five years.

Scaled and Vertically Integrated Platform with Best-in-Class Manufacturing Capabilities and Supply Chain Franchise

We have over 20 state-of-the-art manufacturing centers, over 50 distribution facilities worldwide and are a top 20 overall volume importer into the United States. More than half of our revenue is derived from our Medline Brand products which represent 84% of our gross profit due to our ability to earn higher margins on these products. The scale of our manufacturing and distribution capabilities have secured our leading cost position and contributed to our long-term margin stability, allowing us to achieve an average Adjusted EBITDA margin of 12.4% from 2018 to 2020. We have a leading position in the market and are the number one manufacturer of products in 13 product areas ranging in complexity from exam gloves to sterile procedure trays, as well as the number two manufacturer in five additional categories. The high quality technology and manufacturing in our facilities drive efficiencies and flexibilities to produce products specialized to customer specifications. Our deeply rooted global sourcing partners, including the over 160 who exclusively manufacture for us, help eliminate competing priorities and potential disruptions. Beyond manufacturing, our expansive distribution network globally allows for large coordinated shipments, which better streamlines reception logistics for our customers. Our fleet of over 1,250 MedTrans trucks in the United States enable specialized delivery tracking and lower delivery costs. Our strategically located distribution and transportation facilities allow us to deliver products the next day to 99% of the United States, ensuring we meet our customers' most critical needs at scale.

Track Record of Successfully Bringing Products to Market with Robust Development Pipeline

Our unique partnership approach provides us with valuable insights into our customers' real-time needs. With this insight, we are able to tactically innovate and deliver high quality, self-manufactured products at competitive prices, which is a key differentiator driving our market leadership. This distinct strength is evidenced by our history of successfully launching a large number of products through our 27 Medline Brand product divisions. We also have extensive experience in navigating the regulatory environment, as demonstrated by our success obtaining numerous FDA 510K clearances and granted patents. We intend to continue our track record of bringing high quality products to market through our robust and growing product development pipeline with a focus on numerous product categories.

Demonstrated Long-Term Ability to Generate Cash Flow with Significant Visibility

We have generated a cumulative $5.2 billion of Free Cash Flow since the beginning of 2018. We believe our ability to generate cash flow is supported by our increased market share and penetration across all end-markets we operate in, increasing Medline Brand penetration and strategic one-time investments in distribution and manufacturing to support our long-term growth. We believe this long runway of opportunity to convert customers from third-party brands to Medline Brand products could unlock approximately $2.7 billion of identified additional revenue. Furthermore, we have significant revenue capacity in our existing asset base with an average facility utilization of 68%, giving us ample capacity for growth, and have already made or expect to make by mid-2022 investments in additional distribution capacity, which together we estimate could allow for approximately $8.9 billion of incremental distribution revenue capacity without significant incremental capital expenditures.

Long-Tenured Management Team with a Track Record of High Quality and Consistent Execution

Family owned and run since our inception in 1966, we continue to be led by the Mills family. Our CEO, Charles N. Mills, President, Andrew J. Mills, and COO, James D. Abrams, who have an average tenure of 33 years at Medline, took the helm in 1997 and have grown the business from less than $1 billion of revenue to over $17.5 billion of revenue in 2020. They, in partnership with our broader management team, have been able to achieve this by maintaining a highly entrepreneurial and flat organization that is culturally focused on high performance with laser attention on customer service. The vast majority of our senior management began their careers with us as sales representatives and have built a customer-centric and sales-focused culture that permeates throughout our organization. Moreover, many of our employees have been with us for over 25 years and are integral to our consistent execution. Our combination of cultural continuity, long-term vision and strong leadership has been the cornerstone of our success.

Employees and Human Capital

At Medline, our relentless focus on the customer drives our human capital strategy as we need the best employees to provide the best for our customers. We employ approximately 28,000 employees worldwide with over 18,100 located in the United States. The largest non-U.S. employee populations are in Mexico, India, Canada, France, Japan, China, Australia, Slovakia and Germany. None of our employees in the United States are unionized, though some of our employees in Mexico belong to unions and employees in Germany and France belong to works councils. Employees in Italy, Belgium and Spain are subject to industry collective bargaining agreements. We believe that our positive employee relations and total employee experience drive the continual growth of our workforce.

Medline's tremendous growth and remarkable success would not be possible without the engagement and commitment of our diverse employee base. We have developed a strong foundation that drives our recruitment, retention and development efforts. The following defined Medline Success Factors are at the foundational core of all of our human capital strategies:

- Focus on the customer
- Deliver results
- Sense of urgency
- Sound judgment
- Strong work ethic
- Build effective relationships

Medline is committed to supporting the personal and professional development of our employees, as well as providing competitive benefits and a safe, inclusive workplace. We believe that these measures help us to retain our employees and attract new ones. As part of this commitment, we have, among other things:

- Developed a strong, collaborative workplace community. We believe our employees' ability to communicate and cooperate effectively across functional and departmental teams positively impacts our performance. We engage in various listening strategies including our engagement survey, focus groups, our "Speak Up" and "Open Talk" communication platforms, our increased attention to onboarding and offboarding feedback, pulse surveys on remote work needs, as well as our recent inclusion and diversity listening sessions in the United States and subsequent launch of various diversity employee resource groups. On a global level, we conduct an employee engagement survey generally every two to three years to analyze the progress we have made as a company and to identify areas in which our employees feel there is room for improvement. The results from our employee surveys are used to implement programs and processes designed to further enhance our culture. Over

16,000 employees (in the United States and abroad) participated in our latest employee survey conducted in 2019 by Willis Towers Watson. Highlights include:

- 87% of respondents indicated that they were proud to be Medline employees and 85% of respondents indicated they strongly believed in the goals and objectives of Medline, while 91% indicated that they were willing to put in extra effort beyond what is normally expected to help Medline succeed as a company.
- We consistently score particularly strong with customer focus. For example, 84% of respondents agree that we deliver on our promises to customers and 85% indicated that Medline has a deep understanding of what customers think is important. Likewise, 85% of respondents also indicated that they can do what they need to serve customers. These scores are on par or better than the Willis Towers Watson benchmarks for high performance companies.

- Committed to hiring the best. Our dedicated talent acquisition team strives to hire employees quickly and efficiently that meet the specific needs of our divisions. Through continuous improvement of internal processes, an awareness of market and candidate driven trends and in partnership with vendors and other outside organizations, our talent acquisition team identifies and attracts candidates that have the skills, experience and temperament to help Medline achieve business results. Medline's leadership continues to partner with our Talent Acquisition team with an increased focus on building diverse slates to drive more representation throughout all divisions of Medline.
- Committed to development of our employees and providing greater opportunities than our competitors. Medline is particularly good at identifying talent early in career and developing people quickly. We provide early opportunity and responsibility in many divisions to tap the hunger of those driven to succeed and grow quickly. These on-the-job opportunities are augmented by formal training and development to refine skills and leadership competencies. Our sales representatives participate in a robust comprehensive sales training progam, receiving on average, more than six weeks of training and education per year, resulting in an understanding of selling strategy, customer expectations, product and clinical knowledge. Product manager learning and development offerings are designed to train and retain product managers through all stages of their careers from mandatory onboarding offerings to advanced classes to aid in growth and increasing levels of responsibility. Additionally, Medline believes in the value of diversity and inclusion in our workforce. Our Employee Resource Groups have played a critical role in building awareness around inclusion and diversity topics. We have trained over 1,800 people leaders to avoid bias in their key talent decisions (hires, development, promotions) as part of our efforts to build a supportive and inclusive environment.
- Promoted employee and community well-being. We encourage physical, emotional and financial fitness and offer programs and benefits to help employees lead healthier lives overall. When we identify a need, we pivot quickly to take action. For example, as the pandemic was taking a toll on employee mental health, we quickly launched mindfulness and resiliency programs, implemented a new mental health program in the United States with 24/7 support through Ginger, launched an expanded Employee Assistance Plan pilot in Europe and provided mental health safety/suicide awareness training for HR and people leaders in the United States. We also promote corporate social responsibility and give employees opportunities to give back to their communities. Medline is also giving back through financial support for nonprofit organizations, including over $1 million donated to inclusion and diversity causes in the wake of the killing of George Floyd.
- Supported employee health and safety. In addition to offering competitive health and well-being programs and other benefits to eligible employees, we are committed to providing a safe and secure work environment for all employees. In response to the COVID-19 pandemic, we implemented many policy and procedure changes and new benefits in an effort to protect our employees and customers, and to support appropriate health and safety protocols as summarized below. These protocols meet or exceed health and safety standards required by federal, state and local government agencies, and are

based on guidance from the CDC and other public health authorities. Actions taken in response to the pandemic included:

- Quickly pivoting to provide remote work options for nonfrontline personnel, including support to ensure proper resources, technology, system security, remote work stipends and virtual processes/ training. Most office employee functions have been fully remote since mid-March 2020 and we anticipate returning in the fourth fiscal quarter of 2021;
- Developing new methods to recruit and onboard employees in a remote environment;
- Developing protocols for onsite work to meet CDC and local requirements, as well as best practice for symptom screening, temperature checks, facial coverings, social distancing, capacity limits, staggered shifts, contact tracing, notifications and quarantining;
- Canceling group meetings and trainings, shifted to virtual arrangements to enable business and development to continue;
- Implementing extensive cleaning and sanitation processes to protect employees throughout our facilities;
- Installing numerous hand sanitizer stations and providing face masks for onsite workers;
- Adding a variety of new benefits and compensation options for our frontline employees including additional paid time off, COVID-19 quarantine pay, critical response pay, additional paid time off for vaccination, volunteer leave for our nurses and licensed healthcare professionals and more flexibility with unpaid leave needs;
- Amending benefit plans to enable more flexible and favorable terms in connection with COVID-19 related events and to avail ourselves of lifted requirements with retirement, flexible spending and medical plans;
- Sending care packages to the homes of our employees in 2020 on two occasions with masks and hand sanitizer, when such items were difficult to purchase, to demonstrate appreciation of our employees and their families;
- Organizing onsite vaccination events at various sites;
- Promoting vaccination education, including hosting live question and answer sessions with medical doctors;
- Incentivizing vaccination with additional paid time off for frontline employees in 2021 and health insurance discounts for 2022; and
- Addressing return to office needs, testing options, vaccination mandates for certain positions, and ongoing safety protocols.

Research and Development

We continuously engage in research and development to commercialize new products and enhance the effectiveness, reliability and safety of our existing products. We are focused on increasing our market position by working with our internal product divisions, customers, regulatory teams and global supply chain partners to design and develop a variety of healthcare products, including 510(k) and CE marked medical devices, skin-care cosmetics used in healthcare settings and topical anti-septic drug formulations. Our design and development processes include all phases of product development from ideation, user needs, human factors, product design/ formulation, prototyping and product verification. Our laboratories are ISO 17025 certified and we have extensive in-house testing capabilities which allow us to perform independent design verification testing on new and enhanced products with expedited timelines and highly discounted prices compared to outside laboratories.

Intellectual Property

We rely upon patents, trademarks, copyrights, trade secrets and other intellectual property rights to maintain and improve our competitive position. We have a large portfolio of intellectual property, including trademark registrations protecting our notable brands, including Medline, Curad and Proxima.

We consider the trademarks and know-how which we own to be material to our business. However, we do not consider our business to be materially dependent upon any individual trademark registration or trade secret.

We believe that we have taken all necessary steps to protect our intellectual property rights, but no assurance can be given that we will be able to successfully enforce or protect our rights in the event that they are infringed upon by a third-party.

Government Regulation

Our operations and products are subject to extensive regulation by numerous government agencies, including the U.S. and other international regulatory authorities, and other government agencies inside and outside the United States. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, distribution and post-marketing surveillance of our products. The United States and other countries where we sell regulated healthcare products subject such products to their own approval and other regulatory requirements regarding performance, safety, and quality of our products. We are also subject to healthcare regulation and enforcement by the federal government and the states and foreign governments and authorities in the locations in which we conduct our business. The governmental and regulatory authorities that enforce such laws include, without limitation, the U.S. FDA, the Centers for Medicare and Medicaid Services, other divisions of the HHS, the U.S. Department of Justice and individual U.S. Attorney offices within the Department of Justice, as well as state and local governments. Our business is also affected by patient and data privacy laws, government payer cost containment initiatives, government reimbursement laws and regulations, environmental health and safety laws and regulations, as well as laws and regulations with respect to the sale, transportation, storage, handling and disposal of hazardous or potentially hazardous substances, and safe working conditions. Our business also maintain contracts with governmental agencies and is subject to certain regulatory requirements specific to government contractors.

Government regulation of medical devices

Our medical devices are subject to regulation by numerous government agencies, including the FDA and comparable foreign agencies. The FDA and other U.S. and foreign governmental agencies regulate, among other things, with respect to medical devices: design, development and manufacturing; testing, labeling, content and language of instructions for use and storage; clinical trials; product safety; marketing, sales and distribution; premarket clearance and approval; record keeping procedures; advertising and promotion; recalls and field safety corrective actions; postmarket surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; postmarket approval studies; and product import and export. The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. The FDA and state regulatory authorities have broad inspection and enforcement powers, including the ability to suspend or limit the distribution of products by our distribution centers, seize or order the recall of products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. Foreign regulations subject us to similar foreign enforcement powers.

FDA premarket clearance and approval requirements

Each medical device we seek to commercially distribute in the United States must first receive 510(k) clearance or approval of a PMA application from the FDA, unless specifically exempt. The FDA classifies all

medical devices into one of three classes. Devices deemed to pose lower risk are categorized as either Class I or Class II. Certain of these lower risk devices are subjct to the 510(k) process, while others are exempt. Devices deemed by the FDA to pose the greatest risk, such as life sustaining, life-supporting, selected implantable devices, or devices deemed not substantially equivalent to a previously 510(k) cleared device, are categorized as Class III, generally requiring submission and approval of a PMA.

510(k) clearance process

To obtain 510(k) clearance, we must submit a premarket notification to the FDA demonstrating the proposed device to be substantially equivalent to a predicate device. The standard review process for 510(k)s is between 6 to 9 months, dependent upon the type of 510(k) filing submitted. Although many 510(k) premarket notifications are cleared without clinical data, in some cases, the FDA may require clinical data to support substantial equivalence. In reviewing a premarket notification, the FDA may request additional information, including clinical data, which may significantly prolong the review process and clearance is never assured.

After a device receives 510(k) clearance, any subsequent modification of the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance or could require submission and approval of a PMA application in cases where new indications are sought for which there is no predicate. Non-significant changes are handled via internal documentation by the Company. Each manufacturer must judge the significance of modifications based on algorithms within FDA 510(k) guidance documents. FDA may review any such decision and may disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination, the FDA may require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or PMA approval is obtained. In the future, we may make modifications to our products after they have received FDA clearance or approval and in appropriate circumstances, determine that new clearance or approval is unnecessary. However, the FDA may disagree with our determination and if the FDA requires us to seek 510(k) clearance or submit new PMA applications for any modifications to a previously cleared product, we may be required to cease marketing or recall the modified device until we obtain the required clearance or approval. Under these circumstances, we may also be subject to significant regulatory fines or other penalties.

Post-Marketing Requirements

After a medical device is placed on the market, numerous FDA regulatory requirements apply, including, but not limited to the following: QSRs, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures during the manufacturing process; Establishment Registration, which requires establishments involved in the production and distribution of medical devices, intended for commercial distribution in the United States, to register with the FDA; Medical Device Listing, which requires manufacturers to list the devices they have in commercial distribution with the FDA; Labeling regulations, which prohibit "misbranded" devices from entering the market, as well as prohibit the promotion of products for unapproved or off-label uses and impose other restrictions on labeling; Postmarket surveillance, including MDR requirements which requires manufacturers to report to the FDA if their device may have caused or contributed to a death or serious injury, or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur; and Corrections and Removal Reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the United States Federal Food, Drug, and Cosmetic Act that may present a risk to health.

The FDA enforces these requirements by inspection and market surveillance. Failure to comply with applicable regulatory requirements may result in enforcement action by the FDA, which may include one or more of the following sanctions: untitled letters or warning letters; fines, injunctions and civil penalties; mandatory recall or seizure of our products; administrative detention or banning of our products; operating restrictions, partial suspension or total shutdown of production; refusing our request for 510(k) clearances or PMA approvals

for new product versions or modifications to existing product versions; revocation of 510(k) clearances or PMA approvals previously granted; and criminal prosecution and penalties.

International regulation of medical devices

Sales of medical devices outside the United States are subject to foreign government regulations, which vary substantially from country to country. In order to market our products in other countries, we must comply with applicable regulatory requirements and approvals and safety and quality regulations in each country in which the product is marketed. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA approval and the requirements may differ significantly.

EU Regulation of Medical Devices

The global regulatory environment is increasingly stringent and unpredictable. For example, in the EU, a new Medical Device Regulation, which became effective in May 2021, imposes significant additional premarket and post-market requirements. In addition, several countries that did not have regulatory requirements governing the manufacture and distribution of medical products have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. We expect this global regulatory environment will continue to evolve, which could impact the cost and the time needed to approve medical products, and ultimately, our ability to maintain existing approvals or obtain future approvals for our products. Regulations of the U.S. FDA and other regulatory agencies in and outside the United States impose extensive compliance and monitoring obligations on portions of our business. These agencies review our design and manufacturing practices, labeling, record keeping, and manufacturers' required reports of adverse experiences and other information to identify potential problems with medical products. We are also subject to periodic inspections for compliance with applicable quality system regulations, which govern the methods used in, and the facilities and controls used for, the design, manufacture, packaging, and servicing of finished medical products intended for human use. In addition, the U.S. FDA and other regulatory bodies, both in and outside the United States (including the Federal Trade Commission, the Office of the Inspector General of the Department of Health and Human Services, the U.S. Department of Justice, and various state Attorneys General), monitor the promotion and advertising of our products. Any adverse regulatory action, depending on its magnitude, may limit our ability to effectively market and sell our products, limit our ability to obtain future premarket authorizations or result in a substantial modification to our business practices and operations.

Trade Regulations

The movement of products, services and investment across borders subjects us to extensive trade regulations. A variety of laws and regulations in the countries in which we transact business apply to the sale, shipment and provision of goods, services and technology across borders. These laws and regulations govern, among other things, our import, export and other business activities. We are also subject to the risk that these laws and regulations could change in a way that would expose us to additional costs, penalties or liabilities. Some governments also impose economic sanctions against certain countries, governments, persons and entities, both for unlawful or malign conduct and to discourage or prevent entities from abiding by other countries' laws. In addition to our need to comply with such regulations in connection with our direct activities, we also sell and provide goods, technology and services to agents, representatives and distributors who may export such items to customers and end-users. If we, or the third parties through which we do business, are not in compliance with applicable import, export control or economic sanctions laws and regulations, we may be subject to civil or criminal enforcement action, and varying degrees of liability. Such actions may disrupt or delay sales of our products or services or result in restrictions on our distribution and sales of products or services that may materially impact our business.

Anti-Boycott Laws

Under U.S. laws and regulations, U.S. companies and their subsidiaries and affiliates are prohibited from participating or agreeing to participate in unsanctioned foreign boycotts in connection with certain business activities, including the sale, purchase, transfer, shipping or financing of goods or services within the United States or between the United States and countries outside of the United States. If we, or certain third parties through which we sell or provide goods or services, violate U.S. anti-boycott laws and regulations, we may be subject to civil or criminal enforcement action and varying degrees of liability.

Data Privacy and Security Laws and Regulations

Our business involves the collection, use, storage, disclosure and processing of PII of our employees, customers and other third parties as well as PHI in our capacity as a Covered Entity as defined under HIPAA and in some instances, as a Business Associate as defined under HIPAA on behalf of our customers for certain parts of our business. We are directly or indirectly subject to numerous and evolving federal, state and foreign laws and regulations relating to the collection, use, storage, retention, security, disclosure, transfer, return, destruction and processing of PII and PHI, such as HIPAA, TCPA, the Payment Card Industry Data Security Standards, Section 5 of the Federal Trade Commission Act, the GDPR as well as U.S state privacy laws such as the CCPA, and state data breach notification laws.

HIPAA establishes privacy and security standards that limit our use and disclosure of PHI and requires us to implement administrative, physical and technical safeguards to ensure the confidentiality, integrity and availability of PHI, as well as to notify affected individuals, the U.S. Department of Health and Human Services Office for Civil Rights ("OCR"), and, in breaches involving 500 individuals or more, the media, of breaches of unsecured PHI when we are acting as a Covered Entity. If we are acting as a Business Associate, we must notify our Covered Entity clients of breaches of unsecured PHI and security incidents. HIPAA contain substantial restrictions and requirements with respect to the use and disclosure of certain PHI. If we were to be found to have breached our obligations under HIPAA, we could be subject to enforcement actions by OCR and state health regulators and lawsuits, including class action law suits, by private plaintiffs. In addition, OCR performs compliance audits in order to proactively enforce the HIPAA privacy and security standards. OCR has the discretion to impose penalties and may require companies to enter into resolution agreements and corrective action plans which impose ongoing compliance requirements. OCR enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition to enforcement by OCR, state Attorneys General are authorized to bring civil actions under either HIPAA or relevant state laws seeking either injunctions or damages in response to violations that threaten the privacy of state residents.

In addition to HIPAA, we must adhere to state patient confidentiality laws that are not pre-empted by HIPAA, including those that are more stringent than HIPAA requirements. Numerous other state, federal and foreign laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of patient health information. In addition, Congress and some states are considering new laws and regulations that further protect the privacy and security of medical records or medical information. With the recent increase in publicity regarding data breaches resulting in improper dissemination of consumer information, all states have passed laws regulating the actions that a business must take if it experiences a data breach, such as prompt disclosure to affected customers. The FTC and states' Attorneys General have also brought enforcement actions and prosecuted some data breach cases as unfair and/or deceptive acts or practices under the FTC Act. Further, the CPRA, the Virginia Consumer Data Protection Act and the Colorado Privacy Act become effective on January 1, 2023, and other states may soon pass their own data privacy laws. While the current state privacy laws generally contain certain exemptions for data subject to HIPAA, there is no guarantee that future laws will contain similar exemptions.

Similarly, many foreign laws and regulations, including in countries in which we currently operate, govern the collection, storage, use, processing, disclosure, protection, transmission, retention and disposal of PII. For

example, GDPR imposes strict requirements for controllers and processors in any country with respect to the PII of EU and UK residents, including, for example, limitations on data processing, sharing and retention, requirements of consents and notices to data subjects, rights of data subjects in their PII and strict requirements for how data may be transferred to so called "third countries", including the United States. Ensuring compliance with GDPR is an ongoing commitment that involves substantial costs, and despite our efforts, data protection authorities or others (including individual consumers) may assert that our business practices fail to comply with its requirements. If our operations are found to violate GDPR requirements, we may incur substantial fines and other penalties, including bans on processing and transferring PII, required changes to our business practices, and reputational harm, any of which could have an adverse effect on our business. Serious breaches of GDPR can result in regulatory fines of up to 4.0% of our annual worldwide revenues or up to €20 million, whichever is higher. Such penalties are in addition to any other civil litigation claims. Laws and regulations relating to privacy and data protection are continually evolving and subject to potentially differing interpretations by various courts and regulators. The effects of the new privacy laws are potentially far-reaching, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses, and it remains unclear how various provisions will be interpreted and enforced by the courts and regulators.

In addition to our product offerings, we also provide electronic medical devices and other digital tools which can connect to each other and to other technology. Many of the laws referenced above also contain requirements to have appropriate techincal and organizational security controls and measures in place for such technologies and techincal infrastructure. We must manage the information security as well as privacy risks of these connected systems to ensure secure and effective exchange and use of exchanged information. Perceived or actual security vulnerabilities in our products or services, or the perceived or actual failure by us or our customers who use our products or services to comply with applicable legal or contractual data privacy and security requirements, may not only cause us significant reputational harm, but may also lead to claims against us by our customers and/or governmental agencies and involve substantial fines, penalties and other liabilities and expenses and costs for remediation.

Although we take reasonable efforts to comply with all applicable laws and regulations and have invested and continue to invest human and technology resources into data privacy compliance efforts, there can be no assurance that we will not be subject to regulatory or individual legal action, including fines, in the event of a security incident or other claim that a consumer's privacy rights have been violated. We could be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that adversely affect our business, financial condition and results of operations.

Regulations Governing Reimbursement

Certain of our businesses involve the marketing and sale of, and third-party payment for, med-surg products that are subject to extensive state, federal and foreign governmental laws and regulations. U.S. laws and regulations are imposed primarily in connection with federally funded healthcare programs, such as the Medicare and Medicaid programs, as well as the government's interest in regulating the quality and cost of healthcare. Other governments also impose regulations in connection with their healthcare reimbursement programs and the delivery of healthcare items and services.

Our med-surg products are purchased principally by hospitals or physicians that typically bill various third-party payers, including federally-funded healthcare programs private insurance plans and managed care plans, for the healthcare services provided to their patients. We also directly submit claims and other information to federally-funded healthcare programs for certain DMEPOS or DME, through our Managed Care division. U.S. federal healthcare laws apply when we or customers submit claims for items or services that are reimbursed under federally-funded healthcare programs, including laws related to kickbacks, false claims, self-referrals and healthcare fraud. There are often similar state false claims, anti-kickback and anti-self-referral laws that apply to products or services covered by state Medicaid and other healthcare programs and private third-party payers.

Key federal fraud and abuse laws include the federal Anti-Kickback Statue ("AKS"), Stark Law, False Claims Act, and Civil Monetary Penalties Law ("CMP Law"). The AKS prohibits, among other things, any person or entity from knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any good, facility, item or service reimbursable, in whole or in part, by Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value, including cash, improper discounts and free or reduced price items and services. Among other things, the AKS has been interpreted to apply to arrangements between pharmaceutical, biotechnology and medical device manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not meet the requirements of a statutory or regulatory exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the AKS. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare program-covered business, the AKS has been violated. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil monetary penalties up to $104,330 for each violation, plus up to three times the remuneration involved, and may result in criminal fines of up to $100,000 and imprisonment of up to ten years, or exclusion from Medicare, Medicaid or other governmental programs. Further, a claim including items or services resulting from a violation of the federal AKS also constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

Federal law also includes a provision commonly known as the "Stark Law," which prohibits a physician from referring Medicare or Medicaid patients to an entity providing "designated health services," which includes DME, if the physician or immediate family member of the physician, has an ownership or investment interest or compensation arrangement with such entity that does not comply with the requirements of a Stark exception. Violation of the Stark Law could result in denial of payment, disgorgement of reimbursements received under a non-compliant arrangement, civil penalties, and exclusion from Medicare, Medicaid or other governmental programs.

The federal false claims and civil monetary penalties laws, including the civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment to or approval by the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes "any request or demand" for money or property presented to the U.S. government. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the U.S. government. Violations of the False Claims Act can result in very significant monetary penalties and treble damages. The federal government is using the False Claims Act and the accompanying threat of significant liability, in its investigation and prosecution of pharmaceutical, biotechnology and medical device companies throughout the country. Manufacturers can be held liable under these laws if they are deemed to "cause" the submission of false or fraudulent claims by for example, in connection with the promotion of products for unapproved or off-label uses and other sales and marketing practices. The government has obtained multi-million and multi-billion dollar settlements under the False Claims Act in addition to individual criminal convictions under applicable criminal statutes. When an entity is determined to have violated the federal civil False Claims Act, the government may impose civil fines and penalties ranging from $11,665 to $23,331 for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs. In addition, companies found liable under the False Claims Act have been forced to implement extensive corrective action plans, and have often become subject to consent decrees or corporate

integrity agreements, severely restricting the manner in which they conduct their business and imposing ongoing reporting and disclosure obligations. Most states have adopted similar state false claims laws, and these state laws have their own penalties, which may be in addition to federal False Claims Act penalties,

The federal CMP Law imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal healthcare program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

The fraud and abuse laws and regulations have been subject to heightened enforcement activity over the past few years, and significant enforcement activity has been the result of qui tam "relators" who serve as whistleblowers by filing complaints in the name of the United States (and if applicable, particular states) under applicable false claims laws, and who may receive up to 30% of total government recoveries. Penalties under fraud and abuse laws may be severe, and could result in significant civil and criminal penalties and costs, including the loss of licenses and the ability to participate in federal and state healthcare programs, and could have a material adverse effect on our business, results of operations and financial condition. Also, these measures may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require us to make changes in our operations or incur substantial defense and settlement expenses. Given the significant size of actual and potential settlements, it is expected that governmental authorities will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws. Even unsuccessful challenges by regulatory authorities or private relators could result in reputational harm and the incurring of substantial costs.

In addition, as a manufacturer of U.S. FDA-cleared devices reimbursable by federal healthcare programs, we are subject to the Physician Payments Sunshine Act (the "Sunshine Act"), which requires us to annually report certain payments and other transfers of value we make to U.S.-licensed physicians (and certain other healthcare professionals) or U.S. teaching hospitals. The Sunshine Act pre-empts similar state reporting laws, although we or our subsidiaries may be required to report under certain state transparency laws that address circumstances not covered by the Sunshine Act, and some of these state laws, as well as the federal law, can be ambiguous. We are also subject to foreign regulations requiring transparency of certain interactions between suppliers and their customers. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties.

While we believe that we are substantially compliant with applicable fraud and abuse laws and regulations, and have adequate compliance programs and controls in place to ensure substantial compliance, we cannot predict whether changes in applicable law, or interpretation of laws, or changes in our services or marketing practices in response to changes in applicable law or interpretation of laws, or failure to comply with applicable law, could have a material adverse effect on our business, results of operations and financial condition.

Implementation of legislative or regulatory reforms to reimbursement systems, or adverse decisions relating to our products by administrators of these systems in coverage or reimbursement, could significantly reduce reimbursement or result in the denial of coverage, which could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them.

Environmental Health and Safety Requirements

We are subject to various environmental health and safety ("EHS") requirements both within and outside the United States. Like other companies in our industry, our manufacturing and other operations involve air emissions, wastewater and stormwater discharges, and the storage, use and management of hazardous and other sensitive materials, and the disposal of hazardous waste. We are also subject to requirements relating to safe working conditions and laboratory practices. Our operations involve the use of substances regulated under EHS requirements, primarily in our manufacturing and sterilization processes. We believe we have implemented policies, practices and procedures that enable us to comply with applicable EHS requirements. However, EHS

requirements may be detailed and complex, and we sometimes have been cited for violations of such requirements and may be cited for violations in the future. In addition, many such requirements are becoming increasingly stringent, and we are sometimes required to make changes to our operations for continued compliance, which can require substantial capital investments as well as increases in operating costs.

For example, we, as well as others in our industry, rely on EtO to sterilize certain medical products that we manufacture. In light of evolving science regarding risks relared to EtO exposure, regulatory actions have been taken by some jurisdictions to reduce EtO emissions, and we have made substantial improvements to our two primary EtO sterilization facilities to meet such requirements and otherwise manage EtO emissions.

Operating, Security and Licensure Standards

We are subject to certain operational, security, and licensure requirements, including the federal Drug Supply Chain Security Act ("DSCSA") in the United States, which mandates an industry-wide, national serialization system for pharmaceutical packaging with a ten-year phase-in process. By November 2018, all manufacturers and re-packagers were required to mark each prescription drug package with a unique serialized code. The DSCSA also establishes certain requirements for the licensing and operation of prescription drug wholesalers and third-party logistics providers ("3PLs"), and includes the eventual creation of national wholesaler and 3PL licenses in cases where states do not license such entities. In addition, with respect to our DME business, we are subject to certain state licensure laws (including state pharmacy laws), and also certain accreditation standards, including to qualify for reimbursement from Medicare and other third-party payers.

We are also subject to FDA's unique device identification system requirements, which require "labelers" to include unique device identifiers ("UDIs"), with a content and format prescribed by the FDA and issued under a system operated by an FDA-accredited issuing agency, on the labels and packages of medical devices, and to directly mark certain devices with UDIs. The UDI regulations also require labelers to submit certain information concerning UDI-labeled devices to the FDA.

Certain of our businesses are also required to register for permits and/or licenses with various state boards of pharmacy, state health departments and/or comparable state agencies as well as comparable foreign agencies, and certain accrediting bodies, depending on the type of operations and location of product distribution, manufacturing or sale. These businesses include those that distribute, manufacture and/or repackage medical products, or own pharmacy operations.

Antitrust and Consumer Protection

The federal government of the United States, most U.S. states and many foreign countries have antitrust laws that prohibit certain types of conduct deemed to be anti-competitive, as well as consumer protection laws that seek to protect consumers from improper business practices. At the U.S. federal level, the Federal Trade Commission oversees enforcement of these types of laws, and states have similar government agencies. Violations of antitrust or consumer protection laws may result in various sanctions, including criminal and civil penalties. Private plaintiffs may also bring civil lawsuits against us in the United States for alleged antitrust law violations, including claims for treble damages. EU law also regulates competition and provides for detailed rules protecting consumers.

International Transactions

U.S. and foreign import and export laws and regulations require us to abide by certain standards relating to the importation and exportation of products, including but not limited to the absence of forced labor in our supply chain. We also are subject to certain laws and regulations concerning the conduct of our foreign operations, including the U.S. Foreign Corrupt Practices Act, U.S. export control laws, the U.K. Bribery Act, German anti-corruption laws and other anti-bribery laws and laws pertaining to the accuracy of our internal books and records, as well as other types of foreign requirements similar to those imposed in the United States.

While we believe that we are substantially compliant with the foregoing laws and regulations promulgated thereunder and possess all material permits and licenses required for the conduct of our business, there can be no assurance that regulations that impact our business or customers' practices will not have a material adverse effect on our business, results of operations and financial condition.

Legal Proceedings

We are currently the subject of tort lawsuits alleging current or future personal injury by purported exposure to emissions and releases of EtO from our facility in Waukegan, Illinois, as described above in the Risk Factor titled "Legal proceedings could adversely impact our business, results of operations and financial condition." This litigation includes a putative medical monitoring class action filed in the United States District Court for the Northern District of Illinois and individual suits in Illinois state court on behalf of 86 claimants alleging that the Company's emissions caused cancer and other serious ailments among some residents in the area. We deny the allegations and are vigorously defending against the claims. However, one or more adverse judgments could result in significant liability for us and have a material adverse effect on our business, results of operations and financial condition.

In litigation, including those described above, plaintiffs may seek various remedies, including without limitation declaratory and/or injunctive relief; compensatory or punitive damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs and/or other relief. Settlement demands may seek significant monetary and other remedies, or otherwise be on terms that we do not consider reasonable under the circumstances. It is likely that we will be subject to other claims in addition to those described above by similar groups of plaintiffs in the future relating to any of our current or former facilities or activities. In addition, awards against and settlements by our competitors or publicity associated with our current litigation could incentivize parties to bring additional claims against us.

In addition to the claims described above, from time to time, we have been and may in the future be subject to claims and legal actions arising in the ordinary course of business. We intend to vigorously defend ourselves against our outstanding litigation and do not currently believe that the outcome of any such litigation will have a material adverse effect on our business, results of operations and financial condition.

Facilities

Our corporate headquarters are located in Northfield, Illinois, where we own approximately 720,000 square feet of space.

We also own or lease 82 other locations in the United States, including 21 manufacturing facilities and 47 distribution centers, and 58 locations internationally, including 8 manufacturing facilities and 24 distribution centers.

We believe that our facilities are sufficient for our current needs and that, should it be needed, additional facilities will be available to accommodate the expansion of our business.

MANAGEMENT

Set forth below is certain information regarding our executive officers and the managers of the general partner of Mozart Parent, the indirect parent company of the Issuer that will oversee the management of our business, that are expected to be in place following the consummation of the Acquisition, including their ages as of June 26, 2021. We may appoint additional managers of the general partner of Mozart Parent in connection with or following the consummation of the Transactions.

Name	Age	Position(s)
Charles N. Mills	59	Chief Executive Officer, Manager
Andrew J. Mills	60	President, Manager
James D. Abrams	59	Chief Operating Officer, Manager
Michael Drazin	47	Chief Financial Officer
Alex Liberman	57	General Counsel
Jim Pigott	50	Executive Vice President
Jim Boyle	50	Executive Vice President
Joseph Baratta	50	Manager
Jacob Best	37	Manager
William H. McMullan	42	Manager
Alex Moskowitz	42	Manager
Anushka Sunder	35	Manager
Allen Thorpe	50	Manager
Steve Wise	48	Manager

Charles N. Mills has served as our Chief Executive Officer since 1997. He joined Medline in 1986 as a sales representative and has since held various positions within the company, including sales management, Vice President of Marketing and Vice President of Manufacturing. Prior to joining Medline, Mr. Mills was a sales representative with IBM. Mr. Mills received both his B.S. in Mechanical Engineering and his M.B.A. from Cornell University. He also serves as a Director of Northwestern Memorial Hospital.

Andrew J. Mills has served as our President since 1997. He joined Medline as a sales representative in 1986. He then worked in Medline's OR product division and went on to manage the Company's marketing department before assuming his current position. Mr. Mills holds 11 granted patents and has three pending. Before joining Medline, he worked in brand management for Procter and Gamble. Mr. Mills received his B.S. from Tulane University and his M.B.A. from the Kellogg School of Management at Northwestern University. He currently serves as a trustee of the Rush University Medical Center board and was recognized by Modern Healthcare in 2020 as one of the 100 most influential people in healthcare.

James D. Abrams has served as our Chief Operating Officer since 1997. He joined Medline in 1992 as a sales representative and has since held various management positions within the company. Prior to joining Medline, Mr. Abrams worked for the law firm Kirkland & Ellis LLP. Mr. Abrams received his B.A. from the University of Michigan and his J.D. from the University of Chicago.

Michael Drazin joined Medline in 2018 as Chief Financial Officer. Prior to joining Medline, Mr. Drazin served as Vice President, Global FP&A and Investor Relations at Illinois Tool Works Inc. from 2016 to 2018. From 2014 to 2018, he served as Vice President, Global Financial Planning & Analysis at Illinois Tool Works Inc. From 2008 to 2014, he served as Group Controller at Illinois Tool Works Inc. Prior to Illinois Tool Works Inc., he served as Group Controller at Click Commerce, Inc., Chief Financial Officer at Presutti Laboratories, Controller at CloudShield Technologies, Inc., Chief Financial Officer at Silicon Valley Internet Capital and Experienced Senior at Arthur Anderson LLP. Mr. Drazin received his B.S. from Gies College of Business at the University of Illinois at Urbana-Champaign and his M.B.A. from the Kellogg School of Management at Northwestern University.

Alex Liberman joined Medline in 1999 as General Counsel. Prior to joining Medline, Mr. Liberman worked as a partner at Hedund Hanley & John from 1997 to 1998, where we was previously a Senior Associate from 1992 to 1996. Before Hedund Hanley & John, he was an associate at Sidley Austin. Mr. Liberman received his B.A. from the University of Iowa and his J.D. from the University of Michigan.

Jim Pigott has served as our Divisional Group President since 2011. He joined Medline in 1992 as a Sales Representative and has since held various management positions including Division President and President of Medline Asia. Mr. Pigott received his B.A. from the University of Michigan.

Jim Boyle has served as our Executive Vice President of Sales since 2019. Mr. Boyle joined Medline in 1996 as a sales representative in San Antonio Texas. During his career at the company, he has held roles as a Sales Trainer, Senior Account Manager, Division Vice President, Senior Vice president and Executive Vice President of the Acute Care segment. Prior to joining Medline, Mr. Boyle worked for Briggs Weaver as a Sales Representative. Mr. Boyle received his B.S. in Industrial Distribution from Texas A&M University.

Joseph Baratta is the Global Head of Private Equity at Blackstone and a member of Blackstone's board of directors. Mr. Baratta joined Blackstone in 1998 and in 2001 he moved to London to help establish Blackstone's corporate private equity business in Europe. Mr. Baratta has served on the boards of many past Blackstone portfolio companies and currently serves as a member or observer on the boards of First Eagle Investment Management, SESAC, Merlin Entertainments Group and Ancestry. Before joining Blackstone, Mr. Baratta was with Tinicum Incorporated and McCown De Leeuw & Company. Mr. Baratta also worked at Morgan Stanley in its mergers and acquisitions department. Mr. Baratta graduated magna cum laude from Georgetown University.

Jacob Best is a Director at H&F. Mr. Best joined H&F in 2009, and re-joined the firm in 2016. He is a Director of Snap One and is active in the firm's investment in PointClickCare. Mr. Best was formerly a Director of Associated Materials, Goodman Global and Ellucian, and was active in the firm's investments in Change Healthcare and Verisure. Prior to re-joining H&F, Mr. Best worked as the Chief of Staff at Change Healthcare (formerly Emdeon) and the Head of Medical Networks at Grand Rounds. Prior to H&F, Jacob worked at Bain & Company in New York. Mr. Best received his B.A. from the University of Virginia and his M.B.A. from the Stanford University Graduate School of Business, where he was an Arjay Miller scholar.

William H. McMullan is a Managing Director at Carlyle, where he focuses on buyouts, privatizations, and strategic minority investments in the healthcare sector. Since joining Carlyle in 2007, Mr. McMullan has been involved in a number of Carlyle's investments globally. He is currently a member of the board of directors of Curia, a contract research and drug manufacturing organization, MedRisk, a physical therapy-focused workers' compensation solutions company, Millicent Pharma Limited, a pharmaceutical company, Rede D'Or São Luiz S.A., a hospital provider in Brazil, Sedgwick Inc., a global multiline claims management firm, and WellDyneRx, LLC, an independent pharmacy benefit manager. Prior to joining Carlyle, Mr. McMullan worked at J.W. Childs Associates, a Boston-based private equity firm, and prior to that, at UBS Group AG, a Swiss multinational investment bank. Mr. McMullan earned a bachelor's degree in economics, with a minor in computer science, from Duke University and received his master's in business administration from Harvard Business School.

Alex Moskowitz is a Senior Vice President in the Direct Investments Group on GIC's private equity team. Before joining GIC in 2008, Mr. Moskowitz was an associate at CIVC Partners, a private equity fund in Chicago, and an investment banking analyst at William Blair & Company. He has board responsibilities for several GIC portfolio companies, including Ancestry, CHG Healthcare, and HUB International. Mr. Moskowitz received an M.B.A. from the Stanford Graduate School of Business and a B.A., magna cum laude, from the University of Pennsylvania, where he was a Benjamin Franklin Scholar.

Anushka Sunder is a Managing Director in the Private Equity Group of Blackstone, and she focuses primarily on Blackstone's private equity investments in healthcare and technology. Ms. Sunder joined Blackstone in 2013 and serves on the Board of Directors of Precision Medicine Group, HealthEdge, Blue Yonder, CARD, Optiv and TeamHealth. She has also been actively involved in the execution of Blackstone's

investments in Signature Aviation, NCR, and InComm. She is co-chair of the Blackstone Women's Initiative task force and on the Blackstone Charitable Foundation Leadership Council. Before joining Blackstone, Ms. Sunder was at TPG Capital and Goldman Sachs in the Financial Institutions Group. Ms. Sunder received her B.A. from Harvard College, where she graduated magna cum laude and Phi Beta Kappa, and her M.B.A. from Harvard Business School.

Allen Thorpe is a Partner at H&F. Mr. Thorpe joined H&F in 1999 and is a member of the Investment Committee. He leads the firm's New York office and leads its investing activities in the Healthcare and Financial Services sectors. In Healthcare, Mr. Thorpe is a Director of PPD, Cordis and MultiPlan (MPLN) and was previously the Chairman of Sheridan Healthcare and a Director of Change Healthcare (CHNG) and Mitchell International. In Financial Services, Mr. Thorpe is a Director of Edelman Financial Engines. He was previously the Lead Director of LPL Financial (LPLA), on the Advisory Board of GCM Grosvenor (GCMG), and a Director of investment management firms Artisan Partners (APAM), Mondrian Investment Partners and Gartmore Investment Management. Mr. Thorpe was also a Director of software companies Vertafore and Activant and was involved in the firm's investments in media companies Axel Springer and ProSiebenSat1. Prior to H&F, Mr. Thorpe was a Vice President with Pacific Equity Partners and a Manager at Bain & Company. Additionally, Mr. Thorpe serves on the Board of Trustees for the NYU Langone Health, the Advisory Council of the Stanford Center on Longevity, the Leadership Council of Robin Hood and is Chair of the Board of Zeta Charter Schools. Previously he was a Lecturer at Stanford University. Mr. Thorpe received his B.A. from Stanford University and his M.B.A. from Harvard Business School, where he was a Baker Scholar.

Steve Wise is a Managing Director and Global Head of Healthcare at Carlyle and is based in New York. Since Mr. Wise joined Carlyle in 2006, Carlyle's Healthcare team has invested approximately $15 billion of equity in health care companies around the world. He serves as a member of the board of directors of CorroHealth, a business service provider for healthcare companies, Curia, a contract research and drug manufacturing organization MedRisk, a physical therapy-focused workers' compensation solutions company, Millicent Pharma Limited, a pharmaceutical company, Ortho-Clinical Diagnostics, a global provider of in vitro diagnostic solutions for screening, diagnosing, monitoring and confirming diseases, PPD, Inc., a global contract research organization, Rede D'Or São Luiz S.A., a hospital provider in Brazil, Sedgwick Inc., a global multiline claims management firm, TriNetX, Inc., a global health research network optimizing clinical research, Unchained Labs, LLC, a global life science tools company, and WellDyneRx, LLC, an independent pharmacy benefit manager. Mr. Wise serves on the advisory board for the Massachusetts General Hospital Center for Global Health and the Leadership Council of the Harvard School of Public Health. Prior to joining Carlyle, Mr. Wise worked with JLL Partners, a New York-based private equity firm, where he focused on health care-related investments. Previously, he worked with J.W. Childs Associates, a Boston-based private equity firm, and prior to that, in the leveraged finance group of Credit Suisse. Mr. Wise earned a bachelor's degree in economics and finance from Bucknell University and received his master's in business administration from Harvard Business School.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Services Agreements

In connection with the closing of the Acquisition, Mozart Parent expects to enter into services agreements with each of Blackstone Management Partners L.L.C. and Blackstone Capital Partners VIII L.P. (collectively, "BX Management"), Carlyle Investment Management L.L.C. ("Carlyle Management") and Hellman & Friedman LP ("H&F Management", together with BX Management and Carlyle Management, the "Sponsor Management Entities"). Under the services agreements, Mozart Parent will pay or reimburse the Sponsor Management Entities and their affiliates for out-of-pocket costs and expenses incurred on behalf of or in connection with the monitoring and evaluation of the operations of Mozart Parent. Mozart Parent will also indemnify each of the Sponsor Management Entities and certain of its related persons against, among other things, losses and liabilities incurred in connection with or as a result of the services provided to Mozart Parent or its affiliates pursuant to the applicable services agreement.

Governance Documents

In connection with the closing of the Acquisition, Mozart Parent will enter into an amended and restated limited partnership agreement (the "A&R LPA") with its general partner, Mozart GP, LLC ("Mozart Parent GP"), the Sponsor Purchasers and the Existing Investors, and Mozart Parent GP will enter into an amended and restated limited liability company agreement (the "A&R LLCA", together with the A&R LPA, the "Governance Documents"), by and among certain of the Sponsor Purchasers, certain equityholders of certain Sponsor Purchasers and Existing Investors. The Governance Documents will govern the ownership of units in Mozart Parent and Mozart Parent GP, the transfer of units in Mozart Parent and Mozart Parent GP (including tag-along rights and drag-along rights) and other corporate governance provisions. The Governance Documents are also expected to include provisions relating to preemptive rights, "demand" registration rights and customary "piggyback" registration rights of units of Mozart Parent. The Governance Documents will also provide that Mozart Parent and Mozart Parent GP will pay certain expenses relating to such registrations and Mozart Parent will indemnify the registration rights holders against (or make contributions in respect of) certain liabilities which may arise under the Securities Act.

Arrangements with Management

In connection with the closing of the Acquisition, we may enter into agreements with certain members of our management pursuant to which such members agree to make an equity investment in Mozart Parent. We also expect to adopt an equity incentive plan following the closing of the Acquisition in which certain members of management and other employees will participate. We may also enter into new employment agreements with certain members of our management, although no such agreements are currently anticipated.

Master Lease

The following is a summary of the material provisions of our Master Lease. Certain of the terms of the Master Lease described below have not been finalized and could change in the definitive documentation. The U.S. real properties of the CMBS Borrower which will be collateral for the CMBS Loan (collectively, the "CMBS Properties") are leased to Medline Parent (the "Master Tenant"), which is an affiliated entity of the CMBS Borrower, pursuant to one or more master lease agreements between the CMBS Borrower and the Master Tenant (collectively, the "Master Lease"). The obligations of Master Tenant may be required to be guaranteed by Mozart Parent or another creditworthy entity.

The Master Lease will have a term of fifteen (15) years (subject to certain extension rights). The base rent payable under the Master Lease will be set at an initial fair market rent, with annual increases equal to 2%. The base rent payable under the Master Lease will be adjusted in connection with the release of any CMBS Property from the Master Lease. The Master Lease will be a triple net lease and the Master Tenant will be obligated to pay all taxes, insurance premiums, utility costs, any ground rents under any ground leases, repair and maintenance expenses and costs for capital improvements.

The Master Lease will be subordinate to the mortgage securing the CMBS Loan (the "CMBS Mortgage") and will be subject to a subordination, nondisturbance and attornment agreement (the "Master Lease SNDA") with the lender under the CMBS Mortgage (the "CMBS Lender"). Pursuant to the terms of the Master Lease SNDA, the CMBS Lender will not disturb the Master Tenant's possession of the CMBS Properties, and the CMBS Lender may not terminate the Master Tenant in connection with the exercise of any of the CMBS Lender's rights (including the right of foreclosure) under the CMBS Loan Documents so long as the Master Tenant is not then in default under the Master Lease.

Procedures with Respect to Review and Approval of Related Person Transactions

From time to time, we may do business with certain companies affiliated with the Sponsors. The board of directors of Mozart Parent ("Mozart Parent Board") will not adopt a formal written policy for the review and approval of transactions with related persons. However, the Mozart Parent Board will review and approve transactions with related persons as appropriate.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of the material provisions of our New Senior Secured Credit Facilities and the CMBS Financing. It does not include all terms of our New Senior Secured Credit Facilities or the CMBS Financing in their entirety. Certain of the terms of the New Senior Secured Credit Facilities described below are subject to continuing negotiation and could change in the definitive documentation and the terms of the CMBS Financing have not yet been finalized.

New Senior Secured Credit Facilities

General

In connection with the Acquisition, we expect to enter into a credit agreement (the "Credit Agreement") that will govern the New Senior Secured Credit Facilities with Bank of America, N.A. as administrative agent, collateral agent, swing line lender and an L/C issuer.

The New Senior Secured Credit Facilities will provide for (i) the New Dollar Term Loan Facility in an aggregate principal amount of $6,000.0 million, (ii) the New Euro Term Loan Facility in an aggregate principal amount of the Euro equivalent of $1,000.0 million and (iii) the New Revolving Credit Facility in an aggregate principal amount of $1,000.0 million.

The Issuer (which is referred to throughout this section as the "Borrower") is the borrower under the New Senior Secured Credit Facilities. The New Revolving Credit Facility includes sub-facilities for letters of credit and for short-term borrowings referred to as swing line borrowings. In addition, our Credit Agreement will provide that we will have the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments in an aggregate principal amount of up to (a) the greater of (1) $2,375.0 million and (2) an amount equal to 100% of our trailing consolidated EBITDA for the most recently ended period of four consecutive fiscal quarters for which financial statements are internally available, on a pro forma basis, plus (b) additional amounts not to exceed available capacity under a specified general debt basket, plus (c) an amount equal to all voluntary prepayments, repurchases and redemptions of the term loans under our Credit Agreement and certain other debt secured by liens on the collateral and permanent revolving credit commitment reductions under our Credit Agreement, in each case prior to or simultaneous with the date of any such incurrence (to the extent not funded with the proceeds of long-term debt other than revolving loans), plus (d) an additional unlimited amount so long as we (I) in the case of incremental indebtedness that is secured by the collateral on a pari passu basis with the New Senior Secured Credit Facilities, do not exceed a specified pro forma first lien net leverage ratio (or, so long as we do not exceed the pro forma first lien net leverage ratio immediately prior to such incurrence or any related transactions), (II) in the case of incremental indebtedness that is secured on the collateral on a junior basis with respect to the New Senior Secured Credit Facilities, either do not exceed a specified pro forma secured net leverage ratio or we satisfy a specified pro forma interest coverage ratio (or, so long as we do not exceed the pro forma secured net leverage ratio or we satisfy such interest coverage ratio, as applicable, immediately prior to such incurrence or any related transactions) and (III) in the case of unsecured incremental indebtedness (or indebtedness secured by assets that do not constitute collateral securing the New Senior Secured Credit Facilities), either do not exceed a specified pro forma total net leverage ratio or we satisfy a specified pro forma interest coverage ratio (or, so long as we do not exceed the pro forma total net leverage ratio or we satisfy such interest coverage ratio, as applicable, immediately prior to such incurrence or any related transactions). The lenders under the New Senior Secured Credit Facilities will not be under any obligation to provide any such incremental loans or commitments, and any such addition of or increase in loans will be subject to certain customary conditions precedent and other provisions.

Interest rate and fees

Borrowings under the New Dollar Term Loan Facility and the New Revolving Credit Facility are expected to bear interest, at the Borrower's option, at a rate per annum equal to an applicable margin over either (a) a base

rate determined by reference to the highest of (1) the "Prime Rate" in the United States as published in The Wall Street Journal, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one month interest period plus 1.00% or (b) a LIBO rate determined by reference to the applicable page for the LIBOR rate for the interest period relevant to such borrowing, subject in the case of both the New Term Loan Facility and the New Revolving Credit Facility, to an interest rate floor to be agreed. Borrowings under the New Euro Term Loan Facility are expected to bear interest at a rate per annum equal to an applicable margin over a LIBO rate for Euro deposits determined by reference to the applicable page for the LIBO rate for Euro deposits for the interest period relevant to such borrowing, subject to an interest rate floor to be agreed.

Prepayments

It is expected that the New Senior Secured Credit Facilities will contain customary mandatory prepayment requirements, including with respect to excess cash flow, asset sale proceeds and proceeds from certain incurrences of indebtedness.

It is expected that we may voluntarily repay outstanding loans under the New Senior Secured Credit Facilities at any time without premium or penalty, other than customary breakage costs with respect to LIBO rate loans; provided, however, that we expect that any voluntary prepayment, refinancing or repricing of the term loans under the New Dollar Term Loan Facility or the New Euro Term Loan Facility, as applicable, in connection with certain repricing transactions that occur prior to the six-month anniversary of the closing of the New Senior Secured Credit Facilities shall be subject to a prepayment premium of 1.00% of the principal amount of the term loans so prepaid, refinanced or repriced.

Amortization and maturity

The term loans under the New Dollar Term Loan Facility are expected to amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the original principal amount of such term loans, with the balance being payable on the date that is seven years after the closing of the New Senior Secured Credit Facilities. The term loans under the New Euro Term Loan Facility are expected to not have any amortization, with the balance payable on the date that is seven years after the closing of the New Senior Secured Credit Facilities. The New Revolving Credit Facility will mature five years after the closing of the New Senior Secured Credit Facilities.

Guarantee and security

All of our obligations under the New Senior Secured Credit Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the New Senior Secured Credit Facilities or any of its affiliates and certain other persons will be unconditionally guaranteed by Holdings, the Borrower (with respect to hedge agreements and cash management arrangements not entered into by the Borrower) and each of our existing and subsequently acquired or organized direct or indirect material wholly-owned domestic restricted subsidiaries (other than the Alternative RE Borrower and its subsidiaries, including the CMBS Borrower), with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in material adverse tax consequences.

All obligations under the New Senior Secured Credit Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the New Senior Secured Credit Facilities or any of its affiliates and certain other persons, and the guarantees of such obligations, will be secured, subject to permitted liens and other exceptions, by: (i) a perfected first-priority pledge of all the equity interests of the Borrower and each wholly-owned material restricted subsidiary of the Borrower (other than the Alternative RE Borrower and its subsidiaries, including the CMBS Borrower) that is directly held by the Borrower or a subsidiary guarantor (limited, with respect to equity interests, to 65% of the voting power issued by first-tier foreign subsidiaries, CFCs or FSHCOs, as defined under the Credit Agreement except that in certain instances, until the completion of

certain post-closing entity restructurings, all of the equity interests issued by a first-tier foreign subsidiary will be pledged) and (ii) perfected first-priority security interests in substantially all tangible and intangible personal property of the Borrower and the subsidiary guarantors (excluding motor vehicles and fee owned real property).

Certain covenants and events of default

The New Senior Secured Credit Facilities are expected to contain a number of covenants that, among other things, will restrict, subject to certain exceptions, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- pay dividends and distributions or repurchase capital stock;
- prepay, redeem or repurchase certain subordinated indebtedness;
- make investments, loans and advances;
- enter into certain transactions with affiliates;
- enter into agreements that prohibit our ability and the ability of our subsidiary guarantors to incur liens on assets; and
- enter into amendments to certain subordinated indebtedness in a manner materially adverse to the lenders under the New Senior Secured Credit Facilities.

The New Senior Secured Credit Facilities are expected to contain a springing financial covenant requiring compliance with a maximum ratio of consolidated first lien net indebtedness to consolidated EBITDA, applicable solely to the New Revolving Credit Facility. The financial covenant will be tested on the last day of any fiscal quarter (commencing with the second full fiscal quarter to occur after the closing of the New Senior Secured Credit Facilities) only if the aggregate principal amount of borrowings (excluding (i) for the first four full fiscal quarters following the closing of the New Senior Secured Credit Facilities, revolving borrowings to fund certain costs and fees at such closing and (ii) outstanding letters of credit (whether or not cash collateralized) under the New Revolving Credit Facility, exceeds 35% of the total amount of commitments under the New Revolving Credit Facility on such day.

The New Senior Secured Credit Facilities will also limit Holdings' activities to being a passive holding company and will also contain certain customary affirmative covenants and events of default for facilities of this type, including relating to a change of control. If an event of default occurs, the lenders under the New Senior Secured Credit Facilities will be entitled to take various actions, including the acceleration of amounts due under the New Senior Secured Credit Facilities and all actions permitted to be taken by secured creditors under applicable law.

CMBS Financing

CMBS Loan

General

It is expected that the CMBS Loan will be evidenced by componentized promissory notes (the "CMBS Notes"), in the aggregate original principal amount of $2,230.0 million, made by the CMBS Borrower in favor of the CMBS Lender. The CMBS Notes will be secured by, among other things, first mortgage or deed of trust liens on the CMBS Borrower's fee or leasehold interests in 49 properties located in 30 states. It is expected that the

CMBS Loan will bear interest at a floating rate, and have an initial maturity date occurring on or about the payment date in November 2023 (the "Initial Maturity Date"), subject to three successive one-year extension options. All obligations of the CMBS Borrower will be joint and several. The CMBS Borrower will enter into a contribution agreement requiring any CMBS Borrower that fails to pay its proportionate share of the CMBS Loan to compensate any CMBS Borrower that paid, together with interest, more than its proportionate share of the CMBS Loan.

Principal and Interest

It is expected that the CMBS Loan will be interest-only. Interest-only payments on the outstanding principal balance of the CMBS Loan will be required to be made by the CMBS Borrower on each payment date, expected to commence with the payment date occurring in November 2021, until and including the Initial Maturity Date, and as such date as may be extended (any such date, the "Extended Maturity Date"). The CMBS Borrower will be obligated to pay to the CMBS Lender on each payment date the amount of interest that accrues on each component of the CMBS Loan. Additionally, it is expected that on the closing date of the Acquisition, an interest-only payment on the outstanding principal balance of the CMBS Loan for the initial CMBS Loan interest accrual period will be made by the CMBS Borrower. The entire principal balance of the CMBS Loan, all accrued and unpaid interest and all other amounts due under the CMBS Loan will be due and payable by the CMBS Borrower on the Initial Maturity Date or, if the CMBS Loan is extended by the CMBS Borrower, the Extended Maturity Date, as applicable, or such other date on which the outstanding principal balance of the CMBS Loan becomes due and payable, whether at such stated maturity date, by declaration of acceleration, or otherwise (such date, the "Maturity Date").

Prepayment

It is expected that the CMBS Borrower may, at its option, voluntarily prepay the CMBS Loan in whole or in part at any time and from time to time (subject to certain conditions, including payment of spread maintenance if such prepayment occurs prior to the 12th monthly payment date). Notwithstanding the foregoing, at any time and from time to time after the closing date of the Acquisition, the CMBS Borrower may prepay a portion of the CMBS Loan in an aggregate amount up to 30% of the original principal balance of the CMBS Loan, without being obligated to pay a spread maintenance premium or other prepayment penalty, premium or charge.

Guarantees

It is expected that Mozart Parent will deliver to the CMBS Lender a non-recourse carveout guaranty (the "CMBS Carveout Guaranty") under the CMBS Loan, provided that Mozart Parent's recourse liability for certain bankruptcy-related events will not exceed 15% of the then outstanding balance of the CMBS Loan at the time of such event, plus (without any duplication) all reasonable out-of-pocket costs and expenses (including court costs and reasonable third-party attorneys' fees) incurred by the CMBS Lender in the enforcement of the CMBS Carveout Guaranty or the preservation of the CMBS Lender's rights under the CMBS Carveout Guaranty. In no event will Mozart Parent otherwise be required to make additional capital contributions or make any loans to the CMBS Borrower in connection with the CMBS Carveout Guaranty.

It is also expected that Mozart Parent will deliver to CMBS Lender (i) a guarantee of the payment of certain up front capital expenditures in connection with certain properties which are not fully developed (the amount of such up front capital expenditures is estimated to not exceed $94.0 million and (ii) a guarantee of the payment of certain unfunded obligations with respect to outstanding free rent, tenant improvement allowance and leasing commissions.

Release of Properties

It is expected that at any time the CMBS Borrower may obtain the release of a property from the lien of the mortgage and all documents delivered in connection with the CMBS Loan (the "CMBS Loan Documents") (each

such property, a "Release Property") and the release of the CMBS Borrower's obligations under the CMBS Loan Documents with respect to such Release Property being released (other than those expressly stated to survive) upon the satisfaction of certain conditions set forth in the CMBS Loan Documents (including a prepayment of the loan in the amount of the release price applicable to such Release Property).

Alternative RE Term Loan Facility

General

In the event that we do not consummate the CMBS Loan or receive at least $2,200 million of gross proceeds from such CMBS Loan by the time of the consummation of the Acquisition, we expect to enter into a credit agreement that will govern the Alternative RE Term Loan Facility with a financial institution to be appointed by the Alternative RE Borrower as administrative agent and collateral agent.

The Alternative RE Borrower will be the Borrower under the Alternative RE Term Loan Facility.

Interest rate and fees

Borrowings under the Alternative RE Term Loan Facility are expected to bear interest, at the Alternative RE Borrower's option, at a rate per annum equal to an applicable margin over either (a) a base rate determined by reference to the highest of (1) the "Prime Rate" in the United States as published in The Wall Street Journal, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one month interest period plus 1.00% or (b) a LIBO rate determined by reference to the applicable page for the LIBOR rate for the interest period relevant to such borrowing, subject to an interest rate floor to be agreed.

Prepayments

It is expected that the Alternative RE Term Loan Facility will contain a mandatory prepayment requirement with respect to proceeds from incurrences of indebtedness secured by the U.S. domestic real property assets of the Alternative RE Borrower and its subsidiaries.

It is expected that the Alternative RE Borrower may voluntarily repay outstanding loans under the Alternative RE Term Loan Facility at any time without premium or penalty, other than customary breakage costs with respect to LIBO rate loans.

Amortization and maturity

The term loans under the Alternative RE Term Loan Facility are expected to not have any amortization, with the balance payable on the date that is two years after the closing of the Alternative RE Term Loan Facility.

Guarantee and security

All of our obligations under the Alternative RE Term Loan Facility and certain hedge agreements and cash management arrangements provided by any lender party to the Alternative RE Term Loan Facility or any of its affiliates and certain other persons will be unconditionally guaranteed by the Borrower, the Alternative RE Borrower (with respect to hedge agreements and cash management arrangements not entered into by the Alternative RE Borrower) and each of our existing and subsequently acquired or organized direct or indirect material wholly-owned domestic restricted subsidiaries (including the Alternative RE Borrower and its subsidiaries, including the CMBS Borrower), with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in material adverse tax consequences.

All obligations under the Alternative RE Term Loan Facility and certain hedge agreements and cash management arrangements provided by any lender party to the Alternative RE Term Loan Facility or any of its affiliates and certain other persons, and the guarantees of such obligations, will be secured, subject to permitted liens and other exceptions, by: (i) a perfected first-priority pledge of all the equity interests of each wholly-owned material restricted subsidiary of the Borrower (including the Alternative RE Borrower and its subsidiaries, including the CMBS Borrower) that is directly held by the Borrower or a subsidiary guarantor (limited, with respect to equity interests, to 65% of the voting power issued by first-tier foreign subsidiaries, CFCs or FSHCOs, as defined under the Credit Agreement except that in certain instances, until the completion of certain post-closing entity restructurings, all of the equity interests issued by a first-tier foreign subsidiary will be pledged) and (ii) perfected first-priority security interests in substantially all tangible and intangible personal property of the Alternative RE Borrower and the subsidiary guarantors (including fee owned real property).

Certain covenants and events of default

The Alternative RE Term Loan Facility is expected to contain a number of covenants that, among other things, will restrict, subject to certain exceptions, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- pay dividends and distributions or repurchase capital stock;
- prepay, redeem or repurchase certain subordinated indebtedness;
- make investments, loans and advances;
- enter into certain transactions with affiliates;
- enter into agreements that prohibit our ability and the ability of our restricted subsidiaries to incur liens on assets; and
- enter into amendments to certain subordinated indebtedness in a manner materially adverse to the lenders under the Alternative RE Term Loan Facility.

The Alternative RE Term Loan Facility will also contain certain customary affirmative covenants and events of default for facilities of this type, including relating to a change of control. If an event of default occurs, the lenders under the Alternative RE Term Loan Facility will be entitled to take various actions, including the acceleration of amounts due under the Alternative RE Term Loan Facility and all actions permitted to be taken by secured creditors under applicable law.

DESCRIPTION OF SECURED NOTES

General

Certain terms used in this description are defined under the subheading "—Certain definitions." In this description, (1) the term ***"Issuer"*** refers to (i) prior to the consummation of the Acquisition, Mozart Debt Merger Sub Inc., a Delaware corporation, and not to any of its Subsidiaries or Affiliates and (ii) following the consummation of the Acquisition, Medline Borrower, LP, a Delaware limited partnership, and not any of its Subsidiaries or Affiliates; (2) the term ***"Co-Issuer"*** refers to Medline Co-Issuer, Inc., a Delaware corporation that will be a subsidiary of the Issuer following the consummation of the Acquisition, and not any of its Subsidiaries or Affiliates; (3) the term ***"Issuers"*** refers to (i) prior to the consummation of the Acquisition, the Issuer and (ii) following the consummation of the Acquisition, the Issuer and the Co-Issuer, collectively, and (4) the term "***Holdings***" refers to Medline Intermediate, LP, a Delaware limited partnership (and its successors in interest), and the direct parent company of the Issuer following the Transactions, and not to any of its Subsidiaries; and (5) the terms ***"we," "our"*** and ***"us"*** each refer to the Issuer and its consolidated Subsidiaries.

The Issuers will issue $3,770.0 million aggregate principal amount of % senior secured notes due 2029 (the ***"Secured Notes"***) under an indenture (the ***"Secured Indenture"***) to be dated as of the Issue Date among the Issuers, the Guarantors and Wilmington Trust, National Association, as trustee (in such capacity, the ***"Trustee"***) and collateral agent (in such capacity, the "***Notes Collateral Agent***"). The Secured Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuers will not be required to, nor do they currently intend to, offer to exchange the Secured Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Secured Notes for resale under the Securities Act. The Secured Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act. Accordingly, the terms of the Secured Notes include only those stated in the Secured Indenture. The Issuers do not intend to list the Secured Notes on any securities exchange.

The Issuers will also issue $4,000.0 million aggregate principal amount of % senior notes due 2029 (the ***"Unsecured Notes"***) under an indenture (the ***"Unsecured Indenture"***) to be dated as of the Issue Date among the Issuers, the Guarantors and Wilmington Trust, National Association, as trustee, registrar and paying agent. The Unsecured Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuers will not be required to, nor do they currently intend to, offer to exchange the Unsecured Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Unsecured Notes for resale under the Securities Act. The Unsecured Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act. Accordingly, the terms of the Unsecured Notes include only those stated in the Unsecured Indenture. The Issuers do not intend to list the Unsecured Notes on any securities exchange.

If the closing of this offering of the Secured Notes occurs prior to the Acquisition Date, then, pending the satisfaction of the Escrow Conditions, the gross proceeds of the offering of the Secured Notes will be placed in a segregated escrow account (the ***"Escrow Account")***. If the Escrow Conditions are not satisfied on or prior to the Outside Date (as defined below) (or such earlier date as the Issuer notifies the Escrow Agent (as defined below) in writing that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or the Issuer notifies the Escrow Agent in writing that the Acquisition Agreement has been terminated), the Secured Notes offered hereby will be subject to a Special Mandatory Redemption at a redemption price of 100% of the issue price of the Secured Notes offered hereby, plus accrued and unpaid interest to, but not including, the Special Mandatory Redemption Date (as defined below). See "—Escrow of Gross Proceeds; Mandatory Redemption." The funds in the Escrow Account will be released and applied to pay for any such redemption and any unpaid fees or expenses of the Escrow Agent and the Trustee, with any excess amounts to be released to the Issuer. The gross proceeds of the offering of the Unsecured Notes will also be placed in a segregated escrow account pending the satisfaction of the Escrow Conditions if the closing of the offering of the Unsecured Notes occurs prior to the Acquisition Date. See "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

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

Brief Description of the Secured Notes

Prior to the Escrow Release Date (if the Escrow Conditions are not satisfied on or prior to the Issue Date), the Secured Notes will be senior secured obligations of the Issuer secured only by a first priority security interest in the Escrow Account and all amounts on deposit therein. From and after the Completion Date, the Secured Notes will be:

- general senior obligations of the Issuers;
- equal in right of payment with any existing and future Senior Indebtedness of the Issuers;
- senior in right of payment to any future Indebtedness of the Issuers that is expressly subordinated in right of payment to the Secured Notes;
- secured on a first-priority basis by the Collateral owned by the Issuers, subject to certain Liens permitted under the Secured Indenture;
- equal in priority as to the Collateral owned by the Issuers with respect to any other Pari Passu Obligations of the Issuers;
- effectively senior to all existing and future unsecured Indebtedness of the Issuers, to the extent of the value of the Collateral owned by the Issuers;
- effectively subordinated to any existing or future Indebtedness of the Issuers that is secured by Liens on assets that do not constitute a part of the Collateral to the extent of the value of such assets; and
- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of the Issuer's Subsidiaries that do not guarantee the Secured Notes.

Guarantees

Prior to the Escrow Release Date (if the Escrow Conditions are not satisfied on or prior to the Issue Date), the Secured Notes will be guaranteed only by Holdings. From and after the Completion Date, Holdings and certain of the Issuer's Restricted Subsidiaries (as detailed below) will guarantee the Secured Notes. The Issuer's existing or future Foreign Subsidiaries, existing or future FSHCO Subsidiaries, any future Securitization Subsidiaries or any future Captive Insurance Subsidiaries are not expected to guarantee the Secured Notes, other than certain Domestic Subsidiaries that are direct or indirect Subsidiaries of a Foreign Subsidiary.

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

As further described in "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," in the future, certain additional Restricted Subsidiaries of the Issuer that guarantee certain

Indebtedness of the Issuers or any Subsidiary Guarantor will guarantee the Secured Notes, subject to certain exceptions and subject to release and discharge as described in this "Description of Secured Notes."

Each of the Guarantees will be:

- a general senior obligation of such Guarantor;
- equal in right of payment with any existing and future Senior Indebtedness of such Guarantor;
- senior in right of payment to any future Indebtedness of such Guarantor that is expressly subordinated in right of payment to the Guarantee of such Guarantor;
- secured on a first-priority basis by the Collateral owned by such Guarantor, subject to certain Liens permitted under the Secured Indenture;
- equal in priority as to the Collateral owned by such Guarantor with respect to any other Pari Passu Obligations of such Guarantor;
- effectively senior to all existing and future unsecured Indebtedness of such Guarantor, to the extent of the value of the Collateral owned by such Guarantor;
- effectively subordinated to any existing or future Indebtedness of such Guarantor that is secured by Liens on assets that do not constitute a part of the Collateral to the extent of the value of such assets; and
- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of such Guarantor's Subsidiaries that do not guarantee the Secured Notes (other than the Issuers).

As of June 26, 2021, on a pro forma basis after giving effect to the Transactions:

- the Issuer and the Guarantors would have had approximately $14,772 million in total indebtedness outstanding (excluding approximately $18 million of issued and undrawn letters of credit), none of which would have been subordinated and of which approximately $10,770 million would have been senior secured indebtedness, consisting of $7,000 million of borrowings under the New Term Loan Facilities and approximately $3,770 million of the Secured Notes;
- the Issuer would have had approximately $982 million of availability to incur additional secured indebtedness under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder); and
- the CMBS Borrower Subsidiaries would have had approximately $2,230 million of secured indebtedness outstanding under the CMBS Loan (and/or the Alternative RE Borrower would have had up to $2,200 million of borrowings outstanding under the Alternative RE Term Loan Facility borrowed in lieu thereof).

From and after the Completion Date, all of the Issuer's Subsidiaries (other than the CMBS Borrower Subsidiaries) are expected to be "Restricted Subsidiaries" unless designated as Unrestricted Subsidiaries in accordance with the Secured Indenture. Under certain circumstances, we will be permitted to designate certain of our existing and future subsidiaries as "Unrestricted Subsidiaries." As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the Initial CMBS Financing through CMBS Loans in full), our Unrestricted Subsidiaries (which we initially expect to be only the CMBS Borrower Subsidiaries) represented approximately 7.8% of our total assets and 11.3% of our total liabilities and had no revenue other than the payments under the Master Lease (as defined under "Certain Relationships and Related Party Transactions—Master Lease"). Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Secured Indenture and will not guarantee the Secured Notes.

As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the Initial CMBS Financing through CMBS Loans in full), after

intercompany eliminations, our non-guarantor Subsidiaries represented approximately 11.3% of our revenues, 14.3% of our Adjusted EBITDA, 13.9% of our total assets and 13.0% of our total liabilities. In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any of our non-guarantor Subsidiaries, such non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or a Guarantor. As a result, all of the existing and future liabilities of our non-guarantor Subsidiaries, including any claims of trade creditors, will be structurally senior to the Secured Notes and the Guarantees. The Secured Indenture does not limit the amount of liabilities that are not considered Indebtedness which may be incurred by the Issuer or its Restricted Subsidiaries, including the non-guarantor Subsidiaries. As of the Completion Date, Holdings and each Restricted Subsidiary of the Issuer that guarantees the Senior Secured Credit Facilities will guarantee the Secured Notes.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance 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. If a Guarantee was 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 our Indebtedness and the Notes—Federal and state fraudulent transfer laws permit a court, under certain circumstances, to void the notes and the guarantees, and the liens securing the secured notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the secured notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens and, if that occurs, you may not receive any payments on the notes."

Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Secured 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.

Each Guarantor may consolidate with, amalgamate or merge with or into or wind up into, or consummate a Division as a Dividing Person, or sell all or substantially all its assets to the Issuer or another Guarantor without limitation or any other Person upon the terms and conditions set forth in the Secured Indenture. See "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets."

Each Guarantee by a Guarantor will provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) in the case of a Subsidiary Guarantor, any sale, exchange, issuance, disposition or transfer (by merger, amalgamation, consolidation, dividend, distribution or otherwise) of (i) the Capital Stock of such Subsidiary Guarantor, after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all the assets of such Subsidiary Guarantor, in each case if such sale, exchange, issuance, disposition or transfer is made in compliance with or is not prohibited by the applicable provisions of the Secured Indenture (including any amendments thereof);

(2) the release or discharge of the guarantee by, or direct obligation of, such Guarantor of Indebtedness under the Senior Secured Credit Facilities, or the release or discharge of such other guarantee or direct obligation that resulted in the creation of such Guarantee, except a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision, and that if any such Guarantee is so reinstated, such Guarantee shall also be reinstated to the extent that such Guarantor would then be required to provide a Guarantee pursuant to the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries");

(3) in the case of a Subsidiary Guarantor, the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of the Secured Indenture or the occurrence of any event following which the Subsidiary Guarantor is no longer a Restricted Subsidiary in compliance with the applicable provisions of the Secured Indenture;

(4) upon the merger, amalgamation, consolidation or Division of any Guarantor with and into the Issuer, the Co-Issuer or another Guarantor or upon the liquidation or winding up of such Guarantor, in each case, in compliance with or in a manner not prohibited by the applicable provisions of the Secured Indenture;

(5) the occurrence of a Covenant Suspension Event;

(6) as described under "—Amendment, Supplement and Waiver" or in accordance with the provisions of the Pari Passu Intercreditor Agreement;

(7) the exercise by the Issuers of their legal defeasance option or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the discharge of the Issuers' obligations under the Secured Indenture in accordance with the terms of the Secured Indenture; or

(8) in the case of Holdings, if Holdings ceases to be the direct parent of the Issuer as a result of a transaction or designation permitted pursuant to the definition of "Holdings".

Notwithstanding clause (5) above, if, after any Covenant Suspension Event, a Reversion Date shall occur, then the Suspension Period with respect to such Covenant Suspension Event shall terminate and all actions reasonably necessary to provide that the Secured Notes shall have been unconditionally guaranteed by each Guarantor (to the extent such guarantee is required by the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries") shall be taken within 90 days after such Reversion Date or as soon as reasonably practicable thereafter.

Upon any occurrence giving rise to a release of a Guarantee, as specified above, the Trustee, subject to receipt of an Officer's Certificate from the Issuer and at the Issuers' expense, will execute such documents reasonably requested by the Issuer in order to evidence or effect such release, discharge and termination in respect of such Guarantee. None of the Issuers, the Trustee or any Guarantor will be required to make a notation on the notes to reflect any such release, discharge or termination. The Trustee shall not be liable for any such release undertaken in reliance upon any such Officer's Certificate.

Principal, Maturity and Interest

The Issuers will issue an aggregate principal amount of $3,770.0 million of Secured Notes on the Issue Date. The Secured 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" and "—Liens," the Issuers may issue additional Secured Notes (***"Additional Secured Notes"***) from time to time after this offering under the Secured Indenture. The Secured Notes offered hereby and any Additional Secured Notes subsequently issued under the Secured Indenture will be treated as a single class for all purposes under the Secured Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*, *however*, that a separate CUSIP or ISIN will be issued for the Additional Secured Notes, unless the Secured Notes and the Additional Secured Notes are treated as fungible for U.S. federal income tax purposes. Unless the context requires otherwise, references to ***"Secured Notes"*** for all purposes of the Secured Indenture and this "Description of Secured Notes" include any Additional Secured Notes that are actually issued.

The Secured Notes will be issued in minimum denominations of $2,000 and any integral multiples of $1,000 in excess thereof.

Interest on the Secured Notes will accrue at the rate of % per annum. Interest on the Secured Notes will be payable semi-annually in arrears on each and commencing on , 2022 to the Holders of Secured Notes of record on the immediately preceding and (whether or not a Business Day), respectively. Interest on the Secured 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. If the Issuers delivers global notes to the Trustee for cancellation on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Secured Note is registered at the close of business on such record date in accordance with the applicable procedures of The Depository Trust Company (***"DTC"***), and no additional interest will be payable to Holders whose Secured Notes will be subject to redemption by the Issuers. Interest on the Secured Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payment of Principal, Premium and Interest

Cash payments of principal of, premium, if any, and interest on, the Secured Notes will be payable at the office or agency of the Issuers maintained for such purpose (the "***paying agent***") or, at the option of the Issuers, cash payment of interest on the Secured Notes may be made through the paying agent by check mailed to the Holders of the Secured Notes at their respective addresses set forth in the register of Holders; *provided,* that (a) all cash payments of principal, premium, if any, and interest with respect to the Secured Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made through the paying agent by wire transfer of immediately available funds to the accounts specified by the registered Holder or Holders thereof and (b) all cash payments of principal, premium, if any, and interest with respect to certificated Secured Notes may, at the option of the Issuers, be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the applicable Holder elects payment by wire transfer by giving written notice to the Trustee or the paying agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). Until otherwise designated by the Issuers, the Issuers' office or agency will be the office of the Trustee maintained for such purpose.

Paying Agent, Registrar and Transfer Agent for the Secured Notes

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

The Issuer will also maintain one or more registrars and transfer agents for the Secured Notes. The initial registrar and transfer agent will be the Trustee. The registrar will maintain a register reflecting ownership of the Secured Notes outstanding from time to time. The paying agent will make payments on, and the transfer agent will facilitate transfer of, the Secured Notes on behalf of the Issuer.

The Issuer may change the paying agent, the registrar or the transfer agent without prior notice to the Holders. the Issuer or any of its Subsidiaries may act as a paying agent, registrar or transfer agent.

Transfer and Exchange

A Holder may transfer or exchange Secured Notes in accordance with the Secured Indenture. The registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Secured Notes. Holders will be required to pay all taxes due on transfer. The Issuer and the transfer agent will not be required to transfer or exchange any Secured Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Alternate Offer or an Asset Sale Offer. Also, the Issuer and the transfer agent will not be required to transfer or exchange any Secured Note for a period of 15 days before the delivery of a notice of redemption of Secured Notes to be redeemed or between record date and payment date. The registered Holder of a Secured Note will be treated as the owner of the Secured Note for all purposes.

Security for the Secured Notes

Collateral Generally

On the Completion Date, upon consummation of the Acquisition, the Secured Notes and the Guarantees thereof will be secured on a *pari passu* basis with the obligations under the Senior Secured Credit Facilities and, if incurred, the Alternative RE Term Loan Facility by perfected first-priority security interests in the same assets and property that constitute the Collateral that secure the Senior Secured Credit Facility Obligations. The Pari Passu Secured Parties other than the Holders, the Trustee and the Notes Collateral Agent have rights and remedies with respect to the Collateral that, if exercised, could also adversely affect the value of the Collateral benefiting the Holders, particularly the rights described below under "Pari Passu Intercreditor Agreement."

The Issuer and the Guarantors are and will be able to incur additional Indebtedness in the future which could share in the Collateral, including Additional Pari Passu Obligations and Obligations secured by Permitted Liens. With respect to the Issuer and the Guarantors, the amount of such additional Obligations will be limited by the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens." Under certain circumstances, the amount of any such additional Obligations could be significant.

By their acceptance of the Notes, the Holders are deemed to have approved the Security Documents and authorized and directed the Notes Collateral Agent to enter into and perform its obligations under the Security Documents, binding the Holders to the terms thereof.

Certain Limitations on the Collateral

The Collateral securing the Secured Notes will not include any of the following assets (the "***Excluded Assets***"):

(1) any property or assets owned by any Foreign Subsidiary (unless such Subsidiary becomes a Guarantor), any Unrestricted Subsidiary (unless such Subsidiary becomes a Guarantor at the option of the Issuer) or any Subsidiary which is not a Grantor;

(2) any lease, license, contract, agreement or other general intangible or any property subject to a purchase money security interest, Financing Lease Obligation or similar arrangement, in each case permitted or otherwise not prohibited under the Secured Indenture, to the extent that a grant of a security interest therein would violate or invalidate such lease, license, contract, agreement or other general intangible, Financing Lease Obligations or purchase money arrangement or create a right of termination in favor of any other party thereto (other than a Grantor) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition;

(3) any interest in real property;

(4) any interest in leased real property (including any requirement to deliver landlord waivers, estoppels and collateral access letters);

(5) motor vehicles, aircrafts, airframes, aircrafts engines or helicopters and other assets subject to certificates of title;

(6) margin stock and Equity Interests of any Person other than the Issuer and each wholly owned Subsidiary of the Issuer that is a Restricted Subsidiary (that is also not an Excluded Subsidiary (as defined in the Senior Secured Credit Facilities) (other than any Restricted Subsidiary that is an Excluded Subsidiary solely pursuant to clause (f) or (j)(y) of the definition thereof in the Senior Secured Credit Facilities));

(7) any intent-to-use trademark application prior to the filing and acceptance of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, that granting a security interest in such trademark application prior to such filing would impair the enforceability or validity, or result in the voiding, of such trademark application (or any registration that may issue therefrom) under applicable federal law;

(8) any property or assets to the extent a security interest therein would result in material adverse tax consequences to Holdings, the Issuer, any direct or indirect parent entity or owners of the Issuer or any of the Issuer's direct or indirect Subsidiaries, in each case, as reasonably determined by the Issuer in consultation with the Bank Collateral Agent;

(9) any governmental licenses or state or local franchises, charters and authorizations, to the extent a security in any such license, franchise, charter or authorization is prohibited or restricted thereby, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition or restriction;

(10) any assets to the extent pledges and security interests therein are prohibited or restricted by applicable law whether on the Completion Date or thereafter (including any requirement to obtain the consent of any governmental authority or third party (other than the Issuers or any Guarantor));

(11) all commercial tort claims;

(12) any deposit accounts, securities accounts or any similar accounts (including securities entitlements) and any other accounts used solely as payroll and other employee wage and benefit accounts, tax accounts (including, without limitation, sales tax accounts) and any tax benefits accounts, escrow accounts, fiduciary or trust accounts and any funds and other property held in or maintained in any such accounts;

(13) letter of credit rights, except to the extent constituting a supporting obligation for other Collateral as to which perfection of the security interest in such other Collateral may be accomplished by the filing of a Uniform Commercial Code financing statement (it being understood that no actions shall be required to perfect a security interest in letter of credit rights, other than the filing of a Uniform Commercial Code financing statement);

(14) cash and Cash Equivalents (other than cash and Cash Equivalents constituting proceeds of Collateral);

(15) any particular assets if the burden, cost or consequence of creating or perfecting such pledges or security interests in such assets is excessive in relation to the benefits to be obtained therefrom by the Holders under the Secured Notes, the Secured Indenture and the Security Documents as reasonably determined by the Issuer;

(16) voting Equity Interests in any Foreign Subsidiary, CFC or any FSHCO Subsidiary, in each case, representing more than 65% of the voting power of all outstanding Equity Interests of such Foreign Subsidiary, CFC or FSHCO Subsidiary;

(17) [reserved];

(18) so long as the Senior Secured Credit Facilities remain outstanding, any asset that is not pledged to secure obligations arising in respect of the Senior Secured Credit Facilities (whether pursuant to the terms of the Senior Secured Credit Facilities (and any related document) as a result of any determination made thereunder, or by amendment, waiver or otherwise);

(19) so long as a Senior ABL Credit Agreement is outstanding, any asset that would otherwise constitute ABL Priority Collateral that is not then subject to a Lien securing the Senior ABL Revolving Credit Obligations at such time; and

(20) proceeds from any and all of the foregoing assets described in clauses (1) through (19) above to the extent such proceeds would otherwise be excluded pursuant to clauses (1) through (19) above;

provided, *however*, that Excluded Assets shall not include any assets that are pledged to secure obligations arising in respect of the Senior Secured Credit Facilities (whether pursuant to the terms of the credit agreement governing the Senior Secured Credit Facilities (and any related documents) or any amendment or otherwise).

The security interests in the Collateral securing the Secured Notes (other than as set forth in the following proviso) will not be required to be in place on the Completion Date and will not be perfected on such date, but will be required to be put in place no later than 90 days after the Completion Date (or such later date as the Bank Collateral Agent may agree with respect to similar obligations in respect of the Senior Secured Credit Facilities) or as promptly as reasonably practicable thereafter; *provided*, *however*, the perfection of the security interests (1) in the certificated Equity Interests of the Issuer and, to the extent received by the Issuer after use of its commercially reasonable efforts to obtain such certificates, the Issuer's wholly-owned Domestic Subsidiaries will be required to be delivered on the Completion Date and (2) in other assets with respect to which a Lien may be perfected by the filing of a UCC financing statement (or equivalent), which UCC financing statement (or equivalent) will be required to be filed as of the Completion Date.

In addition:

(a) Liens required to be granted from time to time pursuant to the Secured Indenture shall be subject to exceptions and limitations set forth in the Security Documents;

(b) control agreements or other control or similar arrangements shall not be required with respect to Cash Equivalents, deposit accounts, securities accounts, commodities accounts or other assets requiring perfection by control agreements;

(c) no actions in any non-U.S. jurisdiction or required by the laws of any non-U.S. jurisdiction shall be required to be taken (and the Notes Collateral Agent shall not be permitted to take any actions under such laws of any such non-U.S. jurisdiction) to create any security interests in assets located or titled outside of the United States (including any foreign intellectual property) or to perfect any security interests in any such assets (it being understood that there shall be no Security Document (or other security agreements or pledge agreements) governed under the laws of any non-U.S. jurisdiction); and

(d) except to the extent that perfection and priority may be achieved by the filing of a financing statement under the Uniform Commercial Code with respect to the Issuer or a Guarantor, there will be no requirements as to perfection or priority with respect to any assets or property described in clauses (b) or (c) of this paragraph.

After-Acquired Collateral

From and after the Completion Date, and subject to certain limitations and exceptions, if the Issuer or any Guarantor acquires any property or rights which are of a type constituting Collateral under any Security Document (excluding, for the avoidance of doubt, any Excluded Assets or assets not required to be Collateral pursuant to the Secured Indenture or the Security Documents), it will be required to execute and deliver such security instruments, financing statements and such certificates as are required under the Secured Indenture or any Security Document to vest in the Notes Collateral Agent a perfected security interest (subject to Permitted Liens) in such after-acquired collateral and to take such actions to add such after-acquired collateral to the Collateral, and thereupon all provisions of the Secured Indenture and the Security Documents relating to the Collateral shall be deemed to relate to such after-acquired collateral to the same extent and with the same force and effect. For the avoidance of doubt, opinions of counsel will not be required in connection with the addition of new Guarantors or in connection with such Guarantors entering into the Security Documents or to vest in the Notes Collateral Agent a perfected security interest in after-acquired collateral owned by such Guarantors.

Further Assurances

On or following the Completion Date and subject to the Pari Passu Intercreditor Agreement, the Issuer and the Guarantors shall execute any and all further documents, financing statements (including continuation

statements and amendments to financing statements), agreements and instruments, and take all further action that may be required under applicable law in order to grant, preserve, maintain, protect and perfect (or continue the perfection of) the validity and priority of the security interests created or intended to be created by the Security Documents in the Collateral. In addition, from time to time, the Issuer and each Guarantor will reasonably promptly secure the obligations under the Secured Indenture and the Security Documents by pledging or creating, or causing to be pledged or created, perfected security interests with respect to the Collateral. Such security interests and Liens will be created under the Security Documents and other security agreements and other instruments and documents.

Liens with Respect to the Collateral

On the Completion Date, the Issuer, the Guarantors and the Notes Collateral Agent will enter into the Security Documents establishing the terms of the security interests with respect to the Collateral. These security interests will secure the payment and performance when due of all of the Secured Notes Obligations of the Issuers and the Guarantors. Regardless of whether we enter into the CMBS Loan, our real properties (including the U.S. real properties of the CMBS Borrower and its subsidiaries that will be collateral for the CMBS Loan) will not be included in the Collateral that secures the Notes.

Pari Passu Intercreditor Agreement

The Notes Collateral Agent, the Bank Collateral Agent and the agent under the Alternative RE Term Loan Facility, if any, will enter into an intercreditor agreement (as the same may be amended from time to time, the "***Pari Passu Intercreditor Agreement***") with respect to the Collateral, which may be amended from time to time without the consent of the Holders to add other parties holding Pari Passu Obligations permitted to be incurred under the Secured Indenture, the Senior Secured Credit Facilities and the Pari Passu Intercreditor Agreement.

Under the Pari Passu Intercreditor Agreement, only the "***Controlling Collateral Agent***" will have the right to act or refrain from acting with respect to any Shared Collateral. The Controlling Collateral Agent will initially be the Bank Collateral Agent and will remain the Bank Collateral Agent until the earlier of (1) the Discharge of Pari Passu Obligations that are Senior Secured Credit Facility Obligations and (2) the Non-Controlling Collateral Agent Enforcement Date (such earlier date, the "***Controlling Collateral Agent Change Date***"). After the Controlling Collateral Agent Change Date, the Controlling Collateral Agent will be the Collateral Agent (other than the Bank Collateral Agent) of the Series of Pari Passu Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Pari Passu Obligations (excluding the Series of Senior Secured Credit Facility Obligations) with respect to such Shared Collateral (the "***Major Non-Controlling Collateral Agent***").

With respect to any Shared Collateral, no Non-Controlling Collateral Agent or other Non-Controlling Secured Party shall, or shall instruct the Controlling Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

The "***Non-Controlling Collateral Agent Enforcement Date***" means, with respect to any Non-Controlling Collateral Agent, the date that is 120 days (throughout which 120-day period such Non-Controlling Collateral Agent was the Major Non-Controlling Collateral Agent) after the occurrence of both (a) an event of default, as defined in the indenture or other debt facility for the applicable Series of Pari Passu Obligations, and (b) the Controlling Collateral Agent and each other Collateral Agent's receipt of written notice from such Non-Controlling Collateral Agent certifying that (i) such Non-Controlling Collateral Agent is the Major Non-Controlling Collateral Agent and that an event of default, as defined in the indenture or other debt facility

for that Series of Pari Passu Obligations has occurred and is continuing and (ii) the Pari Passu Obligations of that Series are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the indenture or debt facility for that Series of Pari Passu Obligations; *provided* that the Non-Controlling Collateral Agent Enforcement Date will be stayed and will not occur and will be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Controlling Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or any portion thereof or (2) at any time the Issuer or the Guarantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

The Controlling Collateral Agent will initially be the Bank Collateral Agent and the Notes Collateral Agent will have no rights to take any action under the Pari Passu Intercreditor Agreement with respect to the Shared Collateral unless and until it becomes the Controlling Collateral Agent.

Notwithstanding the equal priority of the Liens with respect to the Shared Collateral, the Controlling Collateral Agent may deal with the Shared Collateral as if the Controlling Collateral Agent had a senior Lien on such Collateral. No Non-Controlling Collateral Agent or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Controlling Collateral Agent or any Controlling Secured Party or any other exercise by the Controlling Collateral Agent or any Controlling Secured Party of any rights and remedies relating to the Shared Collateral. Each of the Pari Passu Secured Parties also will agree that it will not (and will waive any right to) contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the Pari Passu Secured Parties in all or any part of the Collateral, or the provisions of the Pari Passu Intercreditor Agreement.

If an Event of Default or an event of default under any document governing a Series of Pari Passu Obligations has occurred and is continuing and the Controlling Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made with respect to any Shared Collateral in any insolvency or liquidation proceeding of the Issuer or any Guarantor (including any adequate protection payments) or any Pari Passu Secured Party receives any payment pursuant to any intercreditor agreement (other than the Pari Passu Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Shared Collateral by any Collateral Agent or any Pari Passu Secured Party and proceeds of any such distribution or payment (subject, in the case of any such distribution, payments or proceeds, to the paragraph immediately following) to which the Pari Passu Obligations are entitled under such other intercreditor agreement shall be applied:

(A) FIRST, in payment of all amounts owing to each Collateral Agent (in its capacity as such); and

(B) SECOND, subject to the provisions of the Pari Passu Intercreditor Agreement, among the Pari Passu Obligations to the payment in full of the Pari Passu Obligations on a ratable basis, with such proceeds to be applied to the Pari Passu Obligations of a given Series in accordance with the terms of the applicable Pari Passu Documents for such Series; provided that following the commencement of any insolvency or liquidation proceeding of the Issuer or any Guarantor, solely as among the holders of Pari Passu Obligations and solely for purposes of this clause SECOND and not the indenture or other debt facility for the applicable Series of Pari Passu Obligations, in the event the value of the Shared Collateral is not sufficient for the entire amount of Post-Petition Interest on the Pari Passu Obligations to be allowed under Section 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other applicable bankruptcy law in such insolvency or liquidation proceeding, the amount of Pari Passu Obligations of each Series of Pari Passu Obligations shall include only the maximum amount of Post-Petition Interest on the Pari Passu Obligations allowable under Section 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other applicable bankruptcy law in such insolvency or liquidation proceeding. “Post-Petition

Interest" for purposes of the Pari Passu Intercreditor Agreement means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any insolvency or liquidation proceeding, whether or not allowed or allowable as a claim in any such insolvency or liquidation proceeding; and

(C) THIRD, after the discharge of all Pari Passu Obligations, to the Grantors or their successors or assigns, as their interests may appear, or to whosoever may be lawfully entitled to receive the same.

It is the intention of the Pari Passu Secured Parties of each Series that the holders of Pari Passu Obligations of such Series (and not the Pari Passu Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the Pari Passu Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of Pari Passu Obligations), (y) any of the Pari Passu Obligations of such Series do not have an enforceable security interest in any of the Collateral securing any other Series of Pari Passu Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of Pari Passu Obligations) on a basis ranking prior to the security interest of such Series of Pari Passu Obligations but junior to the security interest of any other Series of Pari Passu Obligations or (ii) the existence of any Collateral for any other Series of Pari Passu Obligations that is not Shared Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of Pari Passu Obligations, an "***Impairment***" of such Series). In the event of any Impairment with respect to any Series of Pari Passu Obligations, the results of such Impairment shall be borne solely by the holders of such Series of Pari Passu Obligations, and the rights of the holders of such Series of Pari Passu Obligations (including, without limitation, the right to receive distributions in respect of such Series of Pari Passu Obligations permitted by the Pari Passu Intercreditor Agreement) set forth in the Pari Passu Intercreditor Agreement shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such Pari Passu Obligations subject to such Impairment. Additionally, in the event the Pari Passu Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such Pari Passu Obligations or the Pari Passu Documents governing such Pari Passu Obligations shall refer to such obligations or such documents as so modified.

None of the Pari Passu Secured Parties may institute in any suit, bankruptcy, insolvency or other proceeding any claim against the Controlling Collateral Agent or any other Pari Passu Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral. In addition, none of the Pari Passu Secured Parties may seek to have any Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral. If any Pari Passu Secured Party obtains possession of any Shared Collateral or realizes any proceeds or payment in respect thereof pursuant to any Pari Passu Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each of the Pari Passu Obligations, then it must hold such Shared Collateral, proceeds or payment in trust for the other Pari Passu Secured Parties and promptly transfer such Shared Collateral, proceeds or payment to the Controlling Collateral Agent to be distributed in accordance with the Pari Passu Intercreditor Agreement.

Under the Pari Passu Intercreditor Agreement, if at any time the Controlling Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Liens in favor of the other Collateral Agents for the benefit of the Trustee, the Notes Collateral Agent and the Holders of the Secured Notes and each other Series of Pari Passu Secured Parties upon such Shared Collateral will automatically be released and discharged. However, any proceeds of any Shared Collateral realized therefrom will be applied as described in the Pari Passu Intercreditor Agreement.

The Pari Passu Intercreditor Agreement will provide that the provisions of it are intended to be and shall be enforceable under Section 510(a) of the Bankruptcy Code or under any equivalent provision of any other applicable Bankruptcy Law.

Certain Limitations Applicable in Bankruptcy Proceedings

If the Issuer or any Guarantor becomes subject to any bankruptcy case, the Pari Passu Intercreditor Agreement will provide that if the Issuer or any Guarantor shall, as debtor(s)-in-possession, move for approval of financing ("***DIP Financing***") to be provided by one or more lenders (the "***DIP Lenders***") under Section 364 of the Bankruptcy Code and/or the use of cash collateral under Section 363 of the Bankruptcy Code (in each case, or under any equivalent provision of any other applicable bankruptcy law), each Pari Passu Secured Party will agree not to object to any such financing or to the Liens on the Shared Collateral securing the same (the "***DIP Financing Liens***") and/or to any use of cash collateral that constitutes Shared Collateral, unless the Controlling Collateral Agent or any Controlling Secured Party with respect to such Shared Collateral opposes or objects to such DIP Financing or such DIP Financing Liens and/or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Pari Passu Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such Shared Collateral granted to secure the Pari Passu Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the Pari Passu Intercreditor Agreement), in each case so long as:

(A) the Pari Passu Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other Pari Passu Secured Parties (other than any Liens of the Pari Passu Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the bankruptcy case;

(B) the Pari Passu Secured Parties of each Series are granted Liens on any additional collateral pledged to any Pari Passu Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-a-vis the Pari Passu Secured Parties (other than any Liens of the Pari Passu Secured Parties constituting DIP Financing Liens) as set forth in the Pari Passu Intercreditor Agreement;

(C) if any amount of such DIP Financing and/or cash collateral is applied to repay any of the Pari Passu Obligations, such amount is applied pursuant to the Pari Passu Intercreditor Agreement; and

(D) if any Pari Passu Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing and/or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the Pari Passu Intercreditor Agreement;

provided that the Pari Passu Secured Parties of each Series will have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the Pari Passu Secured Parties of such Series or its representative that do not constitute Shared Collateral; and *provided*, *further*, that the Pari Passu Secured Parties receiving adequate protection shall not object to any other Pari Passu Secured Party receiving adequate protection comparable to any adequate protection granted to such Pari Passu Secured Parties in connection with a DIP Financing or use of cash collateral.

The Pari Passu Secured Parties acknowledge that the Pari Passu Obligations of any Series may, subject to the limitations set forth in the other Pari Passu Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the priority of claims and application of proceeds set forth in the Pari Passu Intercreditor Agreement or the other provisions thereof defining the relative rights of the Pari Passu Secured Parties of any Series.

ABL/Fixed Asset Intercreditor Agreement

If the Issuer or any of the Guarantors were to incur Senior ABL Revolving Credit Obligations, the Bank Collateral Agent, the Notes Collateral Agent, the agent under the Alternative RE Term Loan Facility, if any, the Controlling Collateral Agent under the Pari Passu Intercreditor Agreement, each acting in such capacity, and the applicable Senior ABL Credit Agreement Collateral Agent (collectively, the "***Applicable Collateral Agents***") will enter into an intercreditor agreement (as the same may be amended from time to time, the "***ABL/Fixed Asset Intercreditor Agreement***"). Such ABL/Fixed Asset Intercreditor Agreement would be entered into without the consent of the Holders. The ABL/Fixed Asset Intercreditor Agreement may be amended from time to time without the consent of the Holders to add other parties holding Senior ABL Revolving Credit Obligations, Junior Lien Obligations and Pari Passu Obligations permitted to be incurred under the then extant relevant agreements, or their respective representatives.

The ABL/Fixed Asset Intercreditor Agreement will set forth the relative priority of the Liens securing Pari Passu Obligations and, if applicable, certain future Junior Lien Obligations (the "***Non-ABL Obligations***"), on the one hand, compared to the Liens securing the Senior ABL Revolving Credit Obligations (collectively, all such Non-ABL Obligations and Senior ABL Revolving Credit Obligations, the "***Applicable Obligations***"), on the other hand. Although the holders of Non-ABL Obligations and Senior ABL Revolving Credit Obligations will not be parties to the ABL/Fixed Asset Intercreditor Agreement, by their acceptance of the instruments evidencing such Obligations, each authorizes their Applicable Collateral Agent to enter into the ABL/Fixed Asset Intercreditor Agreement and each agrees to be bound thereby. The ABL/Fixed Asset Intercreditor Agreement will allocate the benefits of any Collateral between the holders of the Senior ABL Revolving Credit Obligations on the one hand and the holders of the Non-ABL Obligations on the other hand.

The ABL/Fixed Asset Intercreditor Agreement will provide, among other things:

Lien Priority. Notwithstanding the time, order or method of grant, creation, attachment or perfection of any Liens securing any Senior ABL Revolving Credit Obligations (the "***ABL Liens***"), the Liens securing any Non-ABL Obligations (the "***Non-ABL Liens***"), the defects or deficiencies in any such Liens or other circumstances whatsoever, (1) the ABL Liens on the ABL Priority Collateral securing such Senior ABL Revolving Credit Obligations will rank senior to any Non-ABL Liens on the ABL Priority Collateral securing such Non-ABL Obligations, and (2) the Non-ABL Liens on the Fixed Asset Priority Collateral securing such Non-ABL Obligations will rank senior to any ABL Liens on the Fixed Asset Priority Collateral securing such Senior ABL Revolving Credit Obligations.

Prohibition on Contesting Liens and Obligations. No Applicable Collateral Agent with respect to, and no holder of, any class of Applicable Obligations may contest or support any other person in contesting the validity, perfection, priority or enforceability of the Liens of any other Applicable Collateral Agent with respect to, or holder of, any other class of Applicable Obligations.

Exercise of Remedies and Release of Liens with respect to the ABL Priority Collateral. Prior to the discharge of the Senior ABL Revolving Credit Obligations, the Senior ABL Credit Agreement Collateral Agent will have the sole power to exercise remedies against the ABL Priority Collateral (subject to the right of each Collateral Agent for any series of Pari Passu Obligations to take limited protective measures with respect to the Non-ABL Liens and to take certain actions that would be permitted to be taken by unsecured creditors not otherwise prohibited by the ABL/Fixed Asset Intercreditor Agreement) and to foreclose upon and dispose of the ABL Priority Collateral. Upon any sale of any ABL Priority Collateral in connection with any exercise of remedies with respect to such ABL Priority Collateral that results in the release of the Liens of the Senior ABL Credit Agreement Collateral Agent on such item of ABL Priority Collateral, the Liens of each other class of Applicable Obligations on such item of ABL Priority Collateral will be automatically released.

Exercise of Remedies and Release of Liens with respect to the Fixed Asset Priority Collateral. Prior to the discharge of the Non-ABL Obligations, the Controlling Collateral Agent (or any person authorized by it) will have the sole power to exercise remedies against the Fixed Asset Priority Collateral (subject to the right of the

Senior ABL Credit Agreement Collateral Agent to take limited protective measures with respect to the ABL Liens and to take certain actions that would be permitted to be taken by unsecured creditors not otherwise prohibited by the ABL/Fixed Asset Intercreditor Agreement) and to foreclose upon and dispose of the Fixed Asset Priority Collateral. Upon any sale of any Fixed Asset Priority Collateral in connection with any exercise of remedies with respect to such Fixed Asset Priority Collateral that results in the release of the Liens of such Controlling Collateral Agent on such item of Fixed Asset Priority Collateral, the Liens of each other class of Applicable Obligations on such item of Fixed Asset Priority Collateral will be automatically released.

Application of Proceeds and Turn-Over Provisions. In connection with any enforcement action with respect to the Collateral or in respect of any insolvency or liquidation proceeding, (x)(1) all proceeds of ABL Priority Collateral will first be applied to the repayment of all Senior ABL Revolving Credit Obligations in accordance with the Senior ABL Credit Agreement, before being applied to any Non-ABL Obligations; and (2) after the discharge of Senior ABL Revolving Credit Obligations, if any Non-ABL Obligations remain outstanding, all proceeds of ABL Priority Collateral will be applied to the repayment of any outstanding Non-ABL Obligations in accordance with the terms of the Pari Passu Intercreditor Agreement and any other applicable intercreditor agreement; and (y)(1) all proceeds of Fixed Asset Priority Collateral shall be applied to Non-ABL Obligations in accordance with the terms of the Pari Passu Intercreditor Agreement and any other applicable intercreditor agreement, before being applied to the Senior ABL Revolving Credit Obligations; and (2) after the discharge of Non-ABL Obligations, if any Senior ABL Revolving Credit Obligations remain outstanding, all proceeds of Fixed Asset Priority Collateral will be applied to the repayment of any outstanding Senior ABL Revolving Credit Obligations in accordance with the Senior ABL Credit Agreement. If any holder of any Applicable Obligations or if any Applicable Collateral Agent receives any proceeds of Collateral in contravention of the foregoing, such proceeds will be turned over to the Applicable Collateral Agent entitled to receive such proceeds pursuant to the prior sentence, for application in accordance with the prior sentence.

Amendment and Refinancings. The Senior ABL Revolving Credit Obligations and the Non-ABL Obligations may be amended or refinanced subject to continuing rights of the holders of such refinancing Indebtedness under the ABL/Fixed Asset Intercreditor Agreement, the Pari Passu Intercreditor Agreement and any other applicable intercreditor agreement.

Tracing of Proceeds. Each Applicable Collateral Agent will agree, that prior to any issuance of notice of an exercise of remedies by any other Applicable Collateral Agent (unless a bankruptcy or insolvency event of default then exists), any proceeds of Collateral, whether or not deposited under control agreements, which are used by the Issuer, the Co-Issuer or any Guarantor to acquire other property which is Collateral shall not (solely as between the Collateral Agents) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired.

In addition, the ABL/Fixed Asset Intercreditor Agreement will provide that if the Issuer or any Guarantor is subject to a case under the Bankruptcy Code or any other bankruptcy law:

(A) if the Senior ABL Credit Agreement Collateral Agent desires to permit the Issuer or any Guarantor to obtain DIP Financing secured by a lien on ABL Priority Collateral to be provided by one or more lenders under Section 364 of the Bankruptcy Code and/or the use of cash collateral constituting ABL Priority Collateral under Section 363 of the Bankruptcy Code (or, in each case, under any equivalent provision of any other applicable bankruptcy law), then the Controlling Collateral Agent and the holders of Non-ABL Obligations agree not to object to any such financing or to the Liens on the ABL Priority Collateral securing the same or to any use of such cash collateral that constitutes ABL Priority Collateral, unless the Senior ABL Credit Agreement Collateral Agent shall then oppose or object to such financing or such liens or use of such cash collateral that constitutes ABL Priority Collateral, or to request adequate protection (except as otherwise permitted under the ABL/Fixed Asset Intercreditor Agreement) or any other relief in connection therewith (and (i) to the extent that such DIP Financing liens are senior to the Liens on any such ABL Priority Collateral for the benefit of the Senior ABL Priority Secured Parties, each Pari Passu Secured Party and Junior Lien Secured Party will subordinate

its Liens with respect to such ABL Priority Collateral on the same terms as the Liens of the Pari Passu Secured Parties (other than any Liens of any Senior ABL Priority Secured Party constituting DIP financing liens) are subordinated thereto, and (ii) to the extent that such DIP Financing liens rank pari passu with the Liens on any such ABL Priority Collateral granted to secure the Senior ABL Revolving Credit Obligations of the Senior ABL Priority Secured Parties, each Pari Passu Secured Party and Junior Lien Secured Party will confirm the priorities with respect to such ABL Priority Collateral as set forth in the ABL/ Fixed Asset Intercreditor Agreement), in each case so long as:

(1) the Pari Passu Secured Parties and Junior Lien Secured Parties retain the benefit of their Liens on all such ABL Priority Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding (other than any Liens constituting DIP Financing Liens) as existed prior to the commencement of such insolvency or liquidation proceeding;

(2) the Pari Passu Secured Parties and Junior Lien Secured Parties are granted junior Liens on any additional ABL Priority Collateral pledged to any Senior ABL Priority Secured Party as adequate protection or otherwise in connection with such DIP financing or use of such cash collateral;

(3) if any amount of such DIP Financing or cash collateral is applied to repay any of the Senior ABL Revolving Credit Obligations, such amount is applied pursuant to the ABL/Fixed Asset Intercreditor Agreement; and

(4) if any Senior ABL Priority Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the ABL/Fixed Asset Intercreditor Agreement;

(B) the Controlling Collateral Agent and the holders of Non-ABL Obligations will not object to and will not otherwise contest (i) any motion for relief from the automatic stay in Section 362 of the Bankruptcy Code or under any equivalent provision of any other applicable bankruptcy law or from any injunction against foreclosure or enforcement in respect of the Senior ABL Revolving Credit Obligations made by the Senior ABL Credit Agreement Collateral Agent or any holder of such Senior ABL Revolving Credit Obligations, (ii) any lawful exercise by any holder of Senior ABL Revolving Credit Obligations of the right to credit under Section 363(k) of the Bankruptcy Code or under any equivalent provision of any other applicable bankruptcy to bid Senior ABL Revolving Credit Obligations in any sale in foreclosure of collateral securing such Senior ABL Revolving Credit Obligations; (iii) any other request for judicial relief made in any court by any holder of Senior ABL Revolving Credit Obligations relating to the lawful enforcement of any Lien on the ABL Priority Collateral; (iv) any sale or other disposition of any ABL Priority Collateral (or any portion thereof) under Section 363 of the Bankruptcy Code or any other provision of the Bankruptcy Code or under any equivalent provision of any other applicable bankruptcy law if the Senior ABL Credit Agreement Collateral Agent or the holders of Senior ABL Revolving Credit Obligations shall have consented to such sale or disposition of the ABL Priority Collateral; and (v) any order relating to a sale of assets constituting ABL Priority Collateral for which the Senior ABL Credit Agreement Collateral Agent has consented which provides that, to the extent the sale is to be free and clear of Liens, the Liens securing the Senior ABL Revolving Credit Obligations and the Non-ABL Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens securing such Obligations on the assets being sold, in accordance with the ABL/Fixed Asset Intercreditor Agreement;

(C) the Controlling Collateral Agent and the holders of Non-ABL Obligations will not seek relief from the automatic stay in Section 362 of the Bankruptcy Code or under any equivalent provision of any other applicable bankruptcy law or any other stay in any insolvency or liquidation proceeding with respect to the ABL Priority Collateral without the prior consent of the Senior ABL Credit Agreement Collateral Agent or oppose any request by the Senior ABL Credit Agreement Collateral Agent for relief from such stay with respect to the ABL Priority Collateral Agent and the holders of Non-ABL Obligations will not object to and will not otherwise contest (or support any other person contesting) (a) any request

by the Senior ABL Credit Agreement Collateral Agent or the holders of Senior ABL Revolving Credit Obligations for adequate protection with respect to the ABL Priority Collateral or (b) any objection by the Senior ABL Credit Agreement Collateral Agent or the holders of Senior ABL Revolving Credit Obligations to any motion, relief, action or proceeding based on the Senior ABL Credit Agreement Collateral Agent or the holders of Senior ABL Revolving Credit Obligations claiming a lack of adequate protection with respect to the ABL Priority Collateral. Notwithstanding the foregoing, in any insolvency or liquidation proceeding, (i) if the holders of Senior ABL Revolving Credit Obligations (or any subset thereof) are granted adequate protection with respect to ABL Priority Collateral in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of the Bankruptcy Code or under any equivalent provision of any other applicable Bankruptcy Law, then each Collateral Agent for any series of Pari Passu Obligations may seek or request adequate protection in the form of a replacement Lien on such additional collateral, so long as such Lien is subordinated to the Liens on the ABL Priority Collateral securing the Senior ABL Revolving Credit Obligations and such DIP Financing (and all Obligations relating thereto), on the same basis as the other Liens on ABL Priority Collateral securing the Non-ABL Obligations are subordinated to the Liens on ABL Priority Collateral securing the Senior ABL Revolving Credit Obligations under the ABL/Fixed Asset Intercreditor Agreement and (ii) in the event a Collateral Agent for any series of Pari Passu Obligations seeks or requests adequate protection and such adequate protection is granted in the form of additional collateral, then the Controlling Collateral Agent and the holders of Non-ABL Obligations agree that the holders of the Senior ABL Revolving Credit Obligations shall also be granted a Lien on such additional collateral as security for the Senior ABL Revolving Credit Obligations and any such DIP Financing and that any Lien on such additional collateral that constitutes ABL Priority Collateral securing the Non-ABL Obligations shall be subordinated to the Liens on such collateral securing the Senior ABL Revolving Credit Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens on ABL Priority Collateral granted to the holders of Senior ABL Revolving Credit Obligations as adequate protection on the same basis as the Non-ABL Liens are so subordinated to the Liens securing the Senior ABL Revolving Credit Obligations under the ABL/Fixed Asset Intercreditor Agreement; and

(D) no non-Senior ABL Credit Agreement Collateral Agent nor any other Pari Passu Secured Party or Junior Lien Secured Party shall (i) oppose or seek to challenge any claim by the Senior ABL Credit Agreement Collateral Agent or any holder of Senior ABL Revolving Credit Obligations for allowance of Senior ABL Revolving Credit Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Senior ABL Credit Agreement Collateral Agent's Lien on the ABL Priority Collateral, without regard to the existence of the Lien of the Pari Passu Secured Parties and Junior Lien Secured Parties on the ABL Priority Collateral or (ii) until the discharge of Senior ABL Revolving Credit Obligations has occurred, assert or enforce any claim under Section 506(c) of the Bankruptcy Code or under any equivalent provision of any other applicable Bankruptcy Law senior or on parity with the Liens on the ABL Priority Collateral securing the Senior ABL Revolving Credit Obligations for costs or expenses of preserving or disposing of any Collateral.

The ABL/Fixed Asset Intercreditor Agreement will provide that the provisions of it are intended to be and shall be enforceable under Section 510(a) of the Bankruptcy Code or under any equivalent provision of any other applicable Bankruptcy Law.

The ABL/Fixed Asset Intercreditor Agreement will also contain similar reciprocal restrictions on the Senior ABL Credit Agreement Collateral Agent and the holders of Senior ABL Revolving Credit Obligations applicable during an insolvency or liquidation proceeding.

The ABL/Fixed Asset Intercreditor Agreement will also provide for customary access and use of the Fixed Asset Priority Collateral for purposes of exercising remedies with respect to the ABL Priority Collateral, and that the Senior ABL Revolving Credit Obligations and the Non-ABL Obligations shall be deemed separate classes of secured obligations.

Junior Lien Intercreditor Agreement

If the Issuer or any of the Guarantors were to incur Indebtedness secured by the Collateral with a Junior Lien Priority relative to the Secured Notes, the Bank Collateral Agent, the Notes Collateral Agent and the applicable Junior Lien Collateral Agent will enter into an intercreditor agreement (as the same may be amended from time to time, the "***Junior Lien Intercreditor Agreement***"). Such Junior Lien Intercreditor Agreement would be entered into without the consent of the Holders. The Junior Lien Intercreditor Agreement may be amended from time to time without the consent of the Holders to add other parties holding Junior Lien Obligations and Pari Passu Obligations permitted to be incurred under the then extant relevant agreements, or their respective representatives.

Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to the Junior Lien Collateral Agent or any Junior Lien Secured Parties on the Collateral or of any Liens granted to any Pari Passu Secured Parties on the Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the Uniform Commercial Code, any applicable law, any Junior Lien Documents or any Pari Passu Documents or any other circumstance whatsoever, the Junior Lien Collateral Agent and each other Junior Lien Representative, in each case on behalf of itself and each Junior Lien Secured Party under its Junior Lien Documents, will agree that any Lien on the Collateral securing or purporting to secure any Pari Passu Obligations now or hereafter held by or on behalf of any Pari Passu Secured Parties or any Pari Passu Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Collateral securing or purporting to secure any Junior Lien Obligations.

Pursuant to the terms of the Junior Lien Intercreditor Agreement, except as provided below, prior to the Discharge of Pari Passu Obligations, the Controlling Collateral Agent or any person authorized by it will have the exclusive right to exercise any right or remedy with respect to the Collateral and will also have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto.

The Junior Lien Collateral Agent, for itself and on behalf of each Junior Lien Secured Party, will agree pursuant to the Junior Lien Intercreditor Agreement that it will not (and will waive any right to) take any action to, contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the validity, extent, perfection, priority or enforceability of a Lien securing, or the allowability of any claim asserted with respect to, any Pari Passu Obligations held (or purported to be held) by or on behalf of the Controlling Collateral Agent or any of the Pari Passu Secured Parties or any agent or trustee therefor in any Collateral or other collateral securing both the Pari Passu Obligations and any Junior Lien Obligations. The Junior Lien Intercreditor Agreement will provide for a reciprocal restriction on the ability of any Collateral Agent to contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing, or the allowability of any claim asserted with respect to, any Junior Lien Obligations held (or purported to be held) by or on behalf of the Junior Lien Collateral Agent or any of the Junior Lien Secured Parties in the Collateral securing the Junior Lien Obligations.

The Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies or in any bankruptcy proceeding will be applied to the Pari Passu Obligations prior to application to any Junior Lien Obligations in such order as specified in the relevant Pari Passu Documents until the Discharge of Pari Passu Obligations has occurred.

In addition, so long as the Discharge of Pari Passu Obligations has not occurred, none of the Grantors shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Junior Lien Obligations unless it has granted, or concurrently therewith grants, a Lien on such asset or property of such Grantor to secure the Pari Passu Obligations. If the Junior Lien Collateral Agent or any Junior Lien Secured Party

holds or acquires any Lien on any assets or property of the Issuer or any Subsidiary securing any Junior Lien Obligations that are not also subject to the first-priority Liens securing Pari Passu Obligations under the Pari Passu Documents, the Junior Lien Collateral Agent or such Junior Lien Secured Party (i) will be obligated to notify the Controlling Collateral Agent promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the Collateral Agents as security for the Pari Passu Obligations, must assign such Lien to the Collateral Agents as security for the Pari Passu Obligations (but may retain a junior lien on such assets or property subject to the terms of the Junior Lien Intercreditor Agreement) and (ii) until such assignment or such grant of a similar Lien to the Collateral Agents, will be deemed to also hold and have held such Lien for the benefit of the Collateral Agents as security for the Pari Passu Obligations. Any amounts received by or distributed to any Junior Lien Secured Party pursuant to or as a result of any Lien granted in contravention of the foregoing shall be subject to the turnover and related provisions of the Junior Lien Intercreditor Agreement.

If any Pari Passu Secured Party is required in any insolvency or liquidation proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of the Issuer or any Guarantor (or any trustee, receiver or similar person therefor), because the payment of such amount was declared to be, or otherwise avoided as, fraudulent or preferential in any respect or for any other reason, any amount (a "***Recovery***"), whether received as proceeds of security, enforcement of any right of setoff, recoupment or otherwise, then the Pari Passu Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Pari Passu Secured Parties shall be entitled to a future Discharge of Pari Passu Obligations with respect to all such recovered amounts. If the Junior Lien Intercreditor Agreement shall have been terminated prior to such Recovery, the Junior Lien Intercreditor Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties thereto. The Junior Lien Collateral Agent, for itself and on behalf of each Junior Lien Secured Party will agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with the Junior Lien Intercreditor Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in the Junior Lien Intercreditor Agreement.

The Junior Lien Intercreditor Agreement will provide that so long as the Discharge of Pari Passu Obligations has not occurred, whether or not any insolvency or liquidation proceeding has been commenced by or against the Issuer or any Guarantor, (i) neither the Junior Lien Collateral Agent nor any Junior Lien Secured Party will (x) exercise or seek to exercise any rights or remedies (including setoff or recoupment) with respect to any collateral securing both the Pari Passu Obligations and any Junior Lien Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Collateral or any other collateral by the Controlling Collateral Agent or any Pari Passu Secured Party in respect of the Pari Passu Obligations, the exercise of any right by the Controlling Collateral Agent or any Pari Passu Secured Party (or any agent or sub-agent on their behalf) in respect of the Pari Passu Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Controlling Collateral Agent or any Pari Passu Secured Party either is a party or may have rights as a third-party beneficiary, or any other exercise by any such party of any rights and remedies relating to such collateral or any other collateral under the Pari Passu Security Documents or otherwise in respect of Pari Passu Obligations, or (z) object to any forbearance by the Pari Passu Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to such collateral or any other collateral in respect of Pari Passu Obligations and (ii) except as otherwise provided in the Junior Lien Intercreditor Agreement, the Controlling Collateral Agent and the Pari Passu Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff, recoupment, and the right to credit bid their debt), and make determinations regarding the release, disposition or restrictions with respect to such collateral without any consultation with or the consent of the Junior Lien Collateral Agent or any Junior Lien Secured Party; *provided*, *however*, that (a) in any insolvency or liquidation proceeding, any Junior Lien Representative

may file a claim, proof of claim or statement of interest with respect to the Junior Lien Obligations in a manner consistent with the terms of the Junior Lien Intercreditor Agreement, (b) any Junior Lien Representative may take any action (not adverse to the prior Liens on the Collateral securing the Pari Passu Obligations or the rights of the Controlling Collateral Agent or the Pari Passu Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Collateral, (c) to the extent not otherwise inconsistent with or prohibited by the Junior Lien Intercreditor Agreement, any Junior Lien Representative and the Junior Lien Secured Parties may exercise their rights and remedies as unsecured creditors, as provided in the Junior Lien Intercreditor Agreement, (d) any Junior Lien Representative may exercise the rights and remedies provided for in the Junior Lien Intercreditor Agreement with respect to seeking adequate protection in an insolvency or liquidation proceeding, and (e) any Junior Lien Representative and the Junior Lien Secured Parties may file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Lien Secured Parties, including any claims secured by the Collateral, in each case in accordance with the terms of the Junior Lien Intercreditor Agreement. In exercising rights and remedies with respect to any collateral securing both the Pari Passu Obligations and any Junior Lien Obligations, the Controlling Collateral Agent and the Pari Passu Secured Parties may enforce the provisions of the Pari Passu Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code of any applicable jurisdiction and of a secured creditor under bankruptcy laws of any applicable jurisdiction.

In the event of a sale, transfer or other disposition of any specified item of Collateral (including all or substantially all of the Equity Interests of any Subsidiary of the Issuer), the Liens granted to the Junior Lien Representatives and the Junior Lien Secured Parties upon such Collateral to secure Junior Lien Obligations shall terminate and be released, automatically and without any further action, concurrently with the termination and release of all Liens granted upon such Collateral to secure Pari Passu Obligations.

The Junior Lien Intercreditor Agreement will provide that the Pari Passu Documents may be amended, restated, supplemented or otherwise modified in accordance with their terms, and the Indebtedness under the Pari Passu Documents may be refinanced, in each case, without the consent of any Junior Lien Secured Party.

Without the prior written consent of the Controlling Collateral Agent, no Junior Lien Document may be amended, restated, supplemented or otherwise modified, or entered into, and no Indebtedness under the Junior Lien Document may be refinanced, to the extent such amendment, restatement, supplement or modification or refinancing, or the terms of such new Junior Lien Document, would (i) contravene the provisions of the Junior Lien Intercreditor Agreement, (ii) change to earlier dates any scheduled dates for payment of principal (including the final maturity date) or of interest on Indebtedness under such Junior Lien Document or (iii) reduce the capacity to incur Indebtedness for borrowed money constituting Pari Passu Obligations to an amount less than the aggregate principal amount of term loans or outstanding notes and aggregate principal amount of revolving commitments, in each case, under the Pari Passu Documents on the day of any such amendment, restatement, supplement, modification or refinancing.

The Junior Lien Intercreditor Agreement will provide that the provisions of it are intended to be and shall be enforceable under Section 510(a) of the Bankruptcy Code or under any equivalent provision of any other applicable Bankruptcy Law.

Certain Matters in Connection with Liquidation and Insolvency Proceedings

Debtor-in-Possession Financings

The Junior Lien Collateral Agent and each other Junior Lien Secured Party will agree, among other things, that if the Issuer or any Guarantor is subject to any insolvency or liquidation proceeding and the Controlling Collateral Agent or any other Pari Passu Secured Party desires to permit (or not object to) the use of cash collateral under Section 363 of the Bankruptcy Code or any other similar provision of the Bankruptcy Code or

other applicable bankruptcy law and/or to permit the Issuer or any Guarantor to obtain DIP Financing under Section 364 of the Bankruptcy Code or any other similar provision of the Bankruptcy Code or other applicable bankruptcy law to be secured by any collateral securing both the Pari Passu Obligations and any Junior Lien Obligations, then each Junior Lien Representative, on behalf of itself and each applicable Junior Lien Secured Party, will not object to such use of cash collateral and/or DIP Financing and will not request adequate protection or any other relief in connection therewith (except to the extent permitted by the Junior Lien Intercreditor Agreement) and, to the extent the Liens securing the Pari Passu Obligations are subordinated to or *pari passu* with such DIP Financing, will subordinate its Liens in the Collateral and any other collateral to such DIP Financing (and all obligations relating thereto), any adequate protection Liens granted to the Pari Passu Secured Parties, and any "carve out" for professional and United States Trustee fees agreed to by the Controlling Collateral Agent, on the same basis as they are subordinated to the Pari Passu Obligations pursuant to the Junior Lien Intercreditor Agreement. The Junior Lien Collateral Agent, for itself and on behalf of each Junior Lien Secured Party, will agree that notice received two Business Days prior to the entry of an order approving such usage of cash or other collateral and/or approving such DIP Financing shall be adequate notice.

Relief from Automatic Stay; Bankruptcy Sales

No Junior Lien Secured Party may (x) seek relief from the automatic stay with respect to any Collateral without the prior written consent of the Controlling Collateral Agent, or object to any motion for relief from the automatic stay with respect to the Collateral made by the Controlling Collateral Agent, (y) object to any lawful exercise by any holder of Pari Passu Obligations of the right to credit bid such claims under Section 363(k) of the Bankruptcy Code or any other similar provision of the Bankruptcy Code or other applicable bankruptcy law, or to any sale or other disposition of any Collateral that the Controlling Collateral Agent has consented to, *provided* that in the case of such a sale, the parties' respective Liens will attach to the proceeds of such sale on the same basis of priority as such Liens existed on the Collateral pursuant to the Junior Lien Intercreditor Agreement or (z) object to any claim of any holder of Pari Passu Obligations for post-petition interest, fees, costs, expenses or other charges under Section 506(b) of the Bankruptcy Code or otherwise (for this purpose ignoring all claims and Liens held by the Junior Lien Secured Parties on the Collateral).

Adequate Protection

Each Junior Lien Representative, for itself and on behalf of each applicable Junior Lien Secured Party, will agree that none of them shall object to (a) any request by the Controlling Collateral Agent or the Pari Passu Secured Parties for adequate protection in any form, (b) any objection by the Controlling Collateral Agent or the Pari Passu Secured Parties to any motion, relief, action, or proceeding based on the Controlling Collateral Agent's or the Pari Passu Secured Parties' claiming a lack of adequate protection, or (c) the allowance and/or payment of interest, fees, expenses, or other amounts of the Controlling Collateral Agent or the Pari Passu Secured Parties as adequate protection or otherwise under Section 506(b) or 506(c) of the Bankruptcy Code or any similar provision of the Bankruptcy Code or any other bankruptcy law. If the Pari Passu Secured Parties (or any subset thereof) are granted adequate protection in the form of a Lien on additional or replacement collateral and/or a superpriority administrative expense claim in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code, as applicable, or any similar provision of the Bankruptcy Code or any other bankruptcy law, then each Junior Lien Representative, for itself and on behalf of the applicable Junior Lien Secured Parties, may seek or request adequate protection in the form of (as applicable) a Lien on such additional or replacement collateral and/or a superpriority administrative expense claim, which Lien and/or superpriority administrative expense claim (as applicable) will be subordinated to the Liens securing and providing adequate protection for, and claims with respect to the Pari Passu Obligations and such DIP Financing (and all obligations relating thereto), on the same basis as the other Liens securing and claims with respect to the Junior Lien Obligations are so subordinated to the Liens securing and claims with respect to the Pari Passu Obligations under the Junior Lien Intercreditor Agreement and (ii) in the event any Junior Lien Representatives, for themselves and on behalf of the applicable Junior Lien Secured Parties, seek or request adequate protection and such adequate protection is granted in the form of (as applicable) a Lien on additional or

replacement collateral and/or a superpriority administrative expense claim, then such Junior Lien Representatives, for themselves and on behalf of the applicable Junior Lien Secured Parties, agree that the Pari Passu Representatives shall also be granted (as applicable) a senior Lien on such additional or replacement collateral as security and adequate protection for the Pari Passu Obligations and/or a senior superpriority administrative expense claim, and that any Lien on such additional or replacement collateral securing or providing adequate protection for the Junior Lien Obligations and/or superpriority administrative expense claim shall be subordinated to the Liens on such collateral securing and claims with respect to the Pari Passu Obligations and any such DIP Financing (and all obligations relating thereto) and any other Liens and claims granted to the Pari Passu Secured Parties as adequate protection on the same basis as the other Liens securing and claims with respect to the Junior Lien Obligations are so subordinated to such Liens securing and claims with respect to Pari Passu Obligations under the Junior Lien Intercreditor Agreement. To the extent that the Pari Passu Secured Parties are granted adequate protection in the form of payments in the amount of current post-petition fees and expenses, and/or other cash payments, then the Junior Lien Representatives shall not be prohibited from seeking adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses, and/or other cash payments (as applicable), subject to the right of the Pari Passu Secured Parties to object to the reasonableness of the amounts of fees and expenses or other cash payments so sought by the Junior Lien Secured Parties.

Plans of Reorganization

No Junior Lien Representative or any other Junior Lien Secured Party (whether in the capacity of a secured or unsecured creditor) may directly or indirectly propose, support or vote in favor of any plan of reorganization or similar dispositive restructuring plan that is inconsistent with the priorities or other provisions of the Junior Lien Intercreditor Agreement, other than with the prior written consent of the Controlling Collateral Agent or to the extent any such plan is proposed or supported by the class of holders of Pari Passu Obligations required under Section 1126(c) of the Bankruptcy Code.

Each Junior Lien Representative, for itself and on behalf of each applicable Junior Lien Secured Party, will acknowledge and agree that (a) the grants of Liens securing the Pari Passu Obligations and the Junior Lien Obligations constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Collateral, the Junior Lien Obligations are fundamentally different from the Pari Passu Obligations and must be separately classified in any plan of reorganization or similar dispositive restructuring plan proposed, confirmed or adopted in any insolvency or liquidation proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Pari Passu Secured Parties and the Junior Lien Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims) under a plan of reorganization or similar dispositive restructuring plan, then each Junior Lien Representative, for itself and on behalf of the applicable Junior Lien Secured Parties, will acknowledge and agree that all distributions from the Collateral shall be made as if there were separate classes of senior and junior secured claims against the Issuer and the Guarantors in respect of the Collateral (with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Junior Lien Secured Parties), the Pari Passu Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in such insolvency or liquidation proceeding) before any distribution is made from the Collateral in respect of the Junior Lien Obligations, with each Junior Lien Representative, for itself and on behalf of each applicable Junior Lien Secured Party, acknowledging and agreeing to turn over to the Controlling Collateral Agent amounts otherwise received or receivable by them from the Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Junior Lien Secured Parties.

Release of Collateral

The release of property and other assets constituting Collateral from the Liens securing the Secured Notes and the Pari Passu Notes Obligations shall occur automatically and without further action by the Notes Collateral Agent, the Trustee or the Holders under any one or more of the following circumstances:

(1) to enable the Issuer and/or one or more Guarantors to consummate the sale, transfer or other disposition (including by the termination of capital leases or the repossession of the leased property in a capital lease by the lessor) of such property or assets (to a Person other than a Person required to grant a Lien on such property or asset to the Notes Collateral Agent under the Security Documents) to the extent consummated in accordance with, or not prohibited by, the covenant described under "Repurchase at the Option of Holders—Asset Sales";

(2) in the case of a Guarantor that is released from its Guarantee with respect to the Secured Notes pursuant to the terms of the Secured Indenture, the release of the Equity Interests in, and property and assets of, such Guarantor;

(3) all Collateral upon the occurrence of an Investment Grade Event;

(4) the release of Excess Proceeds that remain unexpended after the conclusion of an Asset Sale Offer conducted in accordance with the Secured Indenture;

(5) (x) if all other liens on such Collateral securing Pari Passu Obligations are released or will be released simultaneously therewith and (y) in the case of ABL Priority Collateral securing Senior ABL Revolving Credit Obligations then outstanding, if the liens on such ABL Priority Collateral are released by the Senior ABL Credit Agreement Collateral Agent or otherwise pursuant to the Senior ABL Credit Agreement (other than any release by, or as a result of, payment of the Senior ABL Revolving Credit Obligations);

(6) if the release of such Lien is approved, authorized or ratified by the Required Holders;

(7) to the extent such property or asset constitutes or becomes an Excluded Asset; or

(8) as described under "Amendment, Supplement and Waiver" below.

The Liens on the Collateral securing the Secured Notes and the Guarantees also will be released automatically and without further action by the Notes Collateral Agent, the Trustee or the Holders (i) upon payment in full of the principal of, together with accrued and unpaid interest on, the Secured Notes and all other Obligations under the Secured Indenture, the Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest, are paid, (ii) upon a legal defeasance or covenant defeasance under the Secured Indenture as described below under "Legal Defeasance and Covenant Defeasance" or a discharge of the Secured Indenture as described under "Satisfaction and Discharge" or (iii) pursuant to the Security Documents or the Pari Passu Intercreditor Agreement described above.

Notwithstanding clause (3) above, if, after any Investment Grade Event, both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Secured Notes below an Investment Grade Rating, the Issuer and the Guarantors shall use commercially reasonable efforts to take all actions reasonably necessary to provide to the Notes Collateral Agent for its benefit and the benefit of the Trustee and the Holders of the Secured Notes valid, perfected, first priority security interests (subject to Permitted Liens) in the Collateral within ninety (90) days after such Reversion Date or as soon as reasonably practicable thereafter.

With respect to any release of Collateral, upon receipt of an Officer's Certificate in compliance with the Secured Indenture, the Trustee or the Notes Collateral Agent, as applicable, shall execute, deliver or acknowledge (at the Issuers' expense) any instruments or releases reasonably requested by the Issuers to evidence the release of any Collateral permitted to be released pursuant to the Secured Indenture or the Pari Passu Security Documents related thereto or the Pari Passu Intercreditor Agreement. Neither the Trustee nor the Notes Collateral Agent shall be liable for any such release undertaken in reliance upon any such Officer's Certificate.

Sufficiency of Collateral

The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would also be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By their nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or in an orderly manner. In addition, as discussed further below, the Holders of the Secured Notes will not be entitled to receive post-petition interest or applicable fees, costs, expenses, or charges to the extent the amount of the obligations due under the Secured Notes exceeds the value of the Collateral (after taking into account all other first- priority debt that is also secured by the Collateral), or any "adequate protection" on account of any undersecured portion of the Secured Notes.

Certain Bankruptcy Limitations

The right of the Notes Collateral Agent to foreclose upon, repossess and dispose of the Collateral upon the occurrence of an Event of Default would be significantly impaired by any bankruptcy law in the event that any bankruptcy case or other insolvency or liquidation proceeding were to be commenced by or against the Issuer or any Guarantor prior to the Notes Collateral Agent's having repossessed and disposed of the Collateral (and in some cases, even after). Upon the commencement of a case for relief under the U.S. Bankruptcy Code, a secured creditor such as the Notes Collateral Agent is prohibited from foreclosing upon or repossessing its security from a debtor in a bankruptcy case, or from disposing of previously repossessed security without prior bankruptcy court approval (which may not be given under the circumstances).

In view of the broad equitable powers of a U.S. bankruptcy court and the lack of a precise definition of the meaning of "adequate protection," it is impossible to predict whether or when payments under the Secured Notes could be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when the Notes Collateral Agent could or would repossess or dispose of the Collateral, the value of the Collateral at any time during a bankruptcy case or whether or to what extent Holders of the Secured Notes would be compensated for any delay in payment or loss of value of the Collateral. The U.S. Bankruptcy Code permits the payment and/or accrual of post-petition interest, expenses, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case only to the extent the value of such creditor's interest in the Collateral is determined by the bankruptcy court to exceed the outstanding aggregate principal amount of the obligations secured by the Collateral.

Furthermore, in the event a domestic or foreign bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Secured Notes, the Holders of the Secured Notes would hold secured claims only to the extent of the value of the Collateral to which the Holders of the Secured Notes are entitled, and unsecured "deficiency" claims with respect to such shortfall, which deficiency claims would not need to be adequately protected during a bankruptcy case.

Escrow of Gross Proceeds; Special Mandatory Redemption

If the Issue Date occurs prior to the Acquisition Date, concurrently with the closing of the offering of the Secured Notes on the Issue Date, the Issuer will enter into an escrow agreement (the ***"Escrow Agreement"***) with the Trustee and Wilmington Trust, National Association, as escrow agent (in such capacity, the ***"Escrow Agent"***), pursuant to which the Issuer will deposit (or cause to be deposited) the gross proceeds of the offering of the Secured Notes into the Escrow Account. The Issuer will grant to the Trustee, for its benefit and the benefit of the Holders of the Secured Notes, a first priority security interest in the Escrow Account and all amounts on deposit therein to secure the Obligations under the Secured Notes. The ability of the Holders of the Secured Notes to realize upon such funds or securities held in the applicable Escrow Account may be subject to certain bankruptcy law limitations in the event of a bankruptcy of the Issuer.

The Issuer will only be entitled to direct the Escrow Agent to release the funds held in the Escrow Account in accordance with the terms of the Escrow Agreement. Pursuant to the Escrow Agreement, the Escrow Agent will release funds held in the Escrow Account (the ***"Release"***) to, or at the order of, the Issuer (the date of such release being referred to as the ***"Escrow Release Date"***) upon delivery by the Issuer to the Escrow Agent and the Trustee of an Officer's Certificate addressed to the Escrow Agent and the Trustee on or prior to March 5, 2022 (the ***"Outside Date"***), certifying that the following conditions (collectively, the ***"Escrow Conditions"***) will be met substantially concurrently with or promptly following the Release on the Escrow Release Date:

(i) (A) the funds held in the Escrow Account will be used to consummate, or in connection with the consummation or financing of, the Acquisition, (B) the Acquisition will be consummated substantially concurrently with the release of the funds from the Escrow Account and (C) the conditions precedent to borrowing under the Senior Secured Credit Facilities shall have been, or substantially concurrently shall be, satisfied or waived in all material respects; and

(ii) each of the Issuer's domestic Wholly Owned Subsidiaries that are Restricted Subsidiaries that guarantees obligations under the Senior Secured Credit Facilities on the Escrow Release Date shall become a Guarantor of the Secured Notes.

In the event that (a) the Escrow Agent has not received the Officer's Certificate described above on or prior to the Outside Date, (b) the Issuer shall notify the Escrow Agent in writing that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or (c) the Issuer shall notify the Escrow Agent in writing that the Acquisition Agreement has been terminated (each such event described in clauses (a), (b) and (c) above being a ***"Mandatory Redemption Event"***), the Issuer will redeem the Secured Notes (the ***"Special Mandatory Redemption"***) at a price (the ***"Special Mandatory Redemption Price"***) equal to 100.0% of the issue price of the Secured Notes plus accrued and unpaid interest from the Issue Date, or from the most recent date to which interest has been paid or provided for, to, but not including, the date of such redemption (the ***"Special Mandatory Redemption Date"***), which shall be the third Business Day following the Mandatory Redemption Event (or such date as may be required by the applicable procedures of DTC).

On or prior to the Special Mandatory Redemption Date, funds will be liquidated and released from the Escrow Account in order to consummate the Special Mandatory Redemption.

The Escrow Account is not expected to include cash to fund any accrued and unpaid interest owing to Holders of the Secured Notes, which is included in the Special Mandatory Redemption Price. In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the funds held in the Escrow Account, one or more of the Investors will be required to fund the accrued and unpaid interest owing to the Holders of the Secured Notes plus other amounts needed to discharge the Secured Indenture, pursuant to a commitment provided by them. Alternatively, in lieu of a commitment provided by the Investors, the Escrow Agreement may, at the option of the Issuer, provide that on the Issue Date and on the date that is three Business Days prior to each monthly anniversary of the Issue Date (in each case, unless the Escrow Release Date or Outside Date has occurred), the Issuers will deposit (or cause to be deposited) to the Escrow Account an amount of U.S. dollars equal to one month of interest on the Secured Notes (as calculated in accordance with the terms of the Secured Indenture). The Escrow Agreement will provide that on the date that is three Business Days prior to the Outside Date (unless the Escrow Release Date has occurred), the Issuers will deposit (or cause to be deposited) to the Escrow Account an amount of U.S. dollars sufficient to pay all regularly scheduled interest that would accrue on the Secured Notes to, but excluding, the third Business Day following the Outside Date plus other amounts, if any, needed to discharge the Secured Indenture.

If at any time the Escrow Account contains funds having an aggregate value in excess of the Special Mandatory Redemption Price as determined by the Issuer, such excess cash may be released to or at the direction of the Issuer.

By its acceptance of the Secured Notes, each Holder shall be deemed to authorize and direct the Trustee to enter into and perform its obligations under, if any, the Escrow Agreement.

Activities Prior to the Release

Prior to the Escrow Release Date, the primary activities of the Issuer will be restricted to obtaining financing for the Acquisition (including issuing the Secured Notes and the Unsecured Notes), issuing capital stock to, and receiving capital contributions from, Holdings or any other direct or indirect parent entity or owner, performing its obligations in respect of the Secured Notes and the Unsecured Notes under the Secured Indenture and the Unsecured Indenture, the Escrow Agreement and the escrow agreement relating to the Unsecured Notes and the purchase agreement with the Initial Purchasers, performing its obligations under any other document relating to financing for the Acquisition, performing any obligations under the Acquisition Agreement and redeeming or repaying the Secured Notes, the Unsecured Notes and any other financing for the Acquisition, if applicable, and conducting such other activities as are necessary or appropriate in connection with the Transactions or to carry out the activities described above.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described under "—Escrow of Gross Proceeds; Mandatory Redemption," the Issuer will not be required to make any mandatory redemption or sinking fund payment with respect to the Secured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Secured Notes as described under the caption "—Repurchase at the Option of Holders." As market conditions warrant, we and our direct and indirect equity holders, including the Investors, their respective Affiliates and members of our management, may from time to time seek to purchase our outstanding debt securities or loans, including the Secured Notes, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, including the Secured Indenture, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our credit facilities, or through other sources. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series. In addition, any such purchases made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which amounts may be material, and in related adverse tax consequences to us.

Optional Redemption

Except as set forth below, the Issuer will not be entitled to redeem the Secured Notes at its option prior to , 2024. Prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem the Secured Notes, in whole or in part, upon notice as described under "—Selection and Notice," at a redemption price equal to 100% of the principal amount of the Secured Notes redeemed plus the Applicable Premium as of, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption (the ***"Redemption Date"***), subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date.

On and after , 2024, the Issuer may, at its option, at any time and from time to time, redeem the Secured Notes, in whole or in part, upon notice as described under "—Selection and Notice," at the redemption prices (expressed as percentages of principal amount of the Secured Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, thereon to, but excluding, 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 falling prior to or on the Redemption Date, if redeemed during the twelve-month period beginning on of each of the years indicated below:

Year	Redemption Price
2024	%
2025	%
2026 and thereafter	100.000%

In addition, prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem an aggregate principal amount of Secured Notes not to exceed the amount of the Net Cash Proceeds received by the Issuer from one or more Equity Offerings or a capital contribution to the Issuer made with the Net Cash Proceeds of one or more Equity Offerings, upon notice as described under "—Selection and Notice," at a redemption price equal to (i) % of the aggregate principal amount of the Secured Notes redeemed, plus (ii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date; *provided* that (1) the amount redeemed shall not exceed 40% of the aggregate principal amount of the Secured Notes issued under the Secured Indenture (including any Additional Secured Notes); (2) at least the lesser of (x) 50% of the aggregate principal amount of the Secured Notes originally issued under the Secured Indenture on the Issue Date and (y) $500.0 million aggregate principal amount of the Secured Notes remains outstanding immediately after the occurrence of each such redemption (unless, in either case, all Secured Notes are redeemed or repurchased or to be redeemed or repurchased substantially concurrently); and (3) each such redemption occurs within 270 days of the date of closing of the applicable Equity Offering.

In addition, at any time on or prior to , 2024, the Issuer may, at its option and on one or more occasions, redeem up to 10% of the aggregate principal amount of the Secured Notes issued under the Secured Indenture (including any Additional Secured Notes) during each calendar year commencing with the calendar year in which the Issue Date occurs, upon notice as described under "—Selection and Notice," at a redemption price equal to 103% of the principal amount of the Secured Notes being redeemed, plus accrued and unpaid interest, if any, to, but excluding, 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 falling prior to or on the Redemption Date; *provided* that in any given calendar year, any amount not utilized pursuant to this paragraph in any calendar year may be carried forward to subsequent calendar years.

Notwithstanding the foregoing, in connection with any tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer for the Secured Notes, if Holders of not less than 90% in aggregate principal amount of the then outstanding Secured Notes validly tender and do not validly withdraw such Secured Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Secured Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 60 days following such purchase date, to redeem all Secured Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such offer (which may be less than par and excluding any early tender or incentive fee in such offer) plus, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date. In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Secured Notes have validly tendered and not validly withdrawn Secured Notes in a tender offer,

Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, Secured Notes owned by an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, or any Debt Fund Affiliate, shall be deemed to be outstanding for the purposes of such tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable.

Notice of any redemption or offer to purchase, whether in connection with an Equity Offering, Change of Control, Alternate Offer, Asset Sale Offer or other transaction or event or otherwise, may, at the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, be given prior to the completion or occurrence thereof, and any such redemption, offer to purchase or notice may, at the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, be subject to one or more conditions precedent (including conditions precedent applicable to different amounts of Secured Notes redeemed), including, but not limited to, completion or occurrence of the related Equity Offering, Change of Control, Asset Sale or other transaction or event, as the case may be. The Issuer may redeem Secured Notes pursuant to one or more of the relevant provisions in the Secured Indenture, and a single notice of redemption may be delivered with respect to redemptions made pursuant to different provisions. Any such notice may provide that redemptions made pursuant to different provisions may have different Redemption Dates or may specify the order in which redemptions taking place on the same Redemption Date are deemed to occur. In addition, if such redemption or offer to purchase is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, the redemption or repurchase date may be delayed until such time (including more than 60 days after the date the notice of redemption or offer to purchase was sent) as any or all such conditions shall be satisfied (or waived by the Issuer (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) in its sole discretion), 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 (or waived by the Issuer (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) in its sole discretion) by the redemption or purchase date, or by the redemption or purchase date so delayed, or that such notice or offer may be rescinded at any time in the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) sole discretion. In addition, the Issuer may provide in such notice or offer to purchase that payment of the redemption or purchase price and performance of the Issuer's obligations with respect to such redemption or offer to purchase may be performed by another Person.

The Issuers, Holdings, their direct and indirect equityholders, including the Investors, any of its Subsidiaries and their respective Affiliates and members of our management may acquire the Secured Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise.

Selection and Notice

If the Issuer is redeeming or purchasing less than all of the Secured Notes issued under the Secured Indenture at any time, selection of the Secured Notes to be redeemed or purchased will be made in accordance with applicable procedures of DTC; *provided* that no Secured Notes in denominations of $2,000 or less can be redeemed or purchased in part.

Notices of redemption or purchase shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 days (except as set forth in the sixth paragraph under "—Optional Redemption" or in connection with a special mandatory redemption described under "—Escrow of Gross Proceeds; Mandatory Redemption") but not more than 60 days (except as set forth in the sixth paragraph under "—Optional Redemption") before the redemption date to each Holder 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 or a satisfaction and discharge of the Secured Indenture with respect to the Secured Notes. The Issuer may provide in any redemption or purchase notice that payment of the redemption price and the performance of the Issuer's obligations with respect to such redemption or purchase may be performed by another Person. If any Secured Note is to be redeemed in

part only, any notice of redemption that relates to such Secured Note shall state the portion of the principal amount thereof that has been or is to be redeemed.

With respect to Secured Notes represented by certificated notes, the Issuer will issue a new Secured Note in a principal amount equal to the unredeemed portion of the original Secured Note in the name of the Holder upon cancellation of the original Note; *provided* that new Secured Notes will only be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Secured Notes called for redemption or purchase become due on the date fixed for redemption or purchase, unless such redemption or purchase is conditioned on the happening of a future event. On and after the Redemption Date or purchase date, unless the Issuer defaults in the payment of the redemption or purchase price, interest ceases to accrue on the Secured Notes called for redemption or purchase.

Repurchase at the Option of Holders

Change of Control Triggering Event

The Secured Indenture will provide that if a Change of Control Triggering Event occurs after the Completion Date, unless the Issuer has previously or concurrently sent a redemption notice with respect to all the outstanding Secured Notes as described under "—Optional Redemption," the Issuers will make an offer to purchase all of the Secured 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, but excluding, the date of purchase, subject to the right of Holders of the Secured Notes of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the purchase date. Within 60 days following any Change of Control Triggering Event, the Issuers will send (or cause to be sent) notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder of Secured 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 Triggering Event," and that all Secured Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(2) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 60 days from the date such notice is sent (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 Triggering Event as described below;

(3) that any Secured Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuer defaults in the payment of the Change of Control Payment, all Secured 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 Secured Notes purchased pursuant to a Change of Control Offer will be required to surrender such Secured Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Secured Notes completed or otherwise in accordance with the procedures of DTC, 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 whose Secured Notes are being purchased only in part will be issued new Secured Notes and such new Secured Notes will be equal in principal amount to the unpurchased portion of the Secured Notes surrendered. The unpurchased portion of the Secured Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess thereof;

(7) if such notice is delivered prior to the occurrence of a Change of Control Triggering Event, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering

Event and shall describe each such condition, and, if applicable, shall state that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the notice is sent) as any or all such conditions shall be satisfied or waived, or that such repurchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice or offer may be rescinded at any time in the Issuer's sole discretion if the Issuer determines that any or all of such conditions will not be satisfied or waived;

(8) any other instructions, as determined by the Issuer, consistent with this Change of Control Triggering Event covenant, that a Holder must follow; and

(9) that Holders will be entitled to withdraw their tendered Secured Notes and their election to require the Issuers to purchase such Secured Notes; provided that the paying agent receives, not later than the close of business on the tenth Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission or letter setting forth the name of the holder of the Secured Notes, the principal amount of Secured Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Secured Notes, or a specified portion thereof, and its election to have such Secured Notes purchased.

While the Secured Notes are in global form and the Issuers makes an offer to purchase all of the Secured Notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of the Secured Notes or withdraw such election through the facilities of DTC, subject to its rules and regulations.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Secured 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 Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Secured Indenture by virtue thereof. Notwithstanding the foregoing, the Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

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

(1) accept for payment all Secured Notes issued by it or portions thereof validly 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 Secured Notes or portions thereof so tendered and not validly withdrawn; and

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

The Senior Secured Credit Facilities will provide, and future credit agreements or other agreements relating to Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control or a Change of Control Triggering Event under the Secured Indenture). In addition, the Unsecured Notes will contain a change of control provision similar to the provisions described in this "—Change of Control Triggering Event" section. If we experience a change of control event that triggers a default under the Senior Secured Credit Facilities or any such future Indebtedness or results in a requirement to offer to repurchase the Unsecured Notes, we could seek a waiver of such default or seek to refinance the Senior Secured Credit Facilities, the Unsecured Notes and/or such future Indebtedness. In the event we do not obtain such a waiver or do not refinance the Senior Secured Credit Facilities, the Unsecured Notes and/or such future Indebtedness, such default or failure to

repurchase any tendered Unsecured Notes could result in amounts outstanding under the Senior Secured Credit Facilities, the Unsecured Notes or such future Indebtedness being declared due and payable and/or cause a Securitization Facility or other financing arrangements to be wound down.

Our ability to pay cash to the Holders of Secured Notes following the occurrence of a Change of Control Triggering Event may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases.

The Change of Control Triggering Event purchase feature of the Secured Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. 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 Triggering Event under the Secured 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, in the case of Secured Indebtedness, "—Certain Covenants—Liens." Such restrictions in the Secured Indenture can be waived only with the consent of the Required Holders. Except for the limitations contained in such covenants, however, the Secured Indenture will not contain any covenants or provisions that may afford Holders of the Secured Notes protection in the event of a highly leveraged transaction.

The Issuers will not be required to make a Change of Control Offer following a Change of Control Triggering Event if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Secured Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Secured Notes validly tendered and not validly withdrawn under such Change of Control Offer or (ii) in connection with or in contemplation of any Change of Control Triggering Event, the Issuers (or any Affiliate of the Issuers) have made an offer to purchase (an ***"Alternate Offer"***) any and all Secured Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Secured Notes properly tendered in accordance with the terms of the Alternate Offer.

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

A Change of Control Offer or Alternate Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Secured Indenture, Secured Notes, Guarantees and/or Security Documents (but the Change of Control Offer and the Alternate Offer may not condition tenders on the delivery of such consents).

The definition of ***"Change of Control"*** includes a disposition of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to certain Persons. Although there is a limited body of case law interpreting the phrase ***"substantially all,"*** there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of ***"all or substantially all"*** of the assets of the Issuer and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control Triggering Event has occurred and whether a Holder may require the Issuers to make an offer to repurchase the Secured Notes as described above.

The provisions under the Secured Indenture relating to the Issuer's obligation to make an offer to repurchase the Secured Notes as a result of a Change of Control Triggering Event, including the definition of ***"Change of Control,"*** may be waived or modified with the written consent of the Required Holders.

Asset Sales

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

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including, but not limited to, by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with, such Asset Sale) at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by the Issuer 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, with respect to any Asset Sale in excess of the greater of (x) $720.0 million and (y) 30.0% of LTM EBITDA, either (i) at least 75% of the consideration for such Asset Sale, together with all other Asset Sales since the Completion Date (on a cumulative basis), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents or (ii) at least 50% of the consideration for such Asset Sale received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; provided that the amount of:

   (a) the greater of the principal amount and the carrying value of any liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated 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 reflected on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuer) of the Issuer or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Secured Notes (other than intercompany liabilities owing to a Restricted Subsidiary being disposed of), that are (i) assumed by the transferee of any such assets (or a third party in connection with such transfer) pursuant to a written agreement which releases or indemnifies the Issuer or such Restricted Subsidiary from such liabilities or (ii) otherwise cancelled or terminated in connection with the transaction;

   (b) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee that are converted or reasonably expected by the Issuer acting in good faith to be converted by the Issuer or such Restricted Subsidiary into Cash Equivalents (to the extent of the Cash Equivalents received or expected to be received) or by their terms are required to be satisfied for Cash Equivalents within 180 days following the closing of such Asset Sale; and

   (c) any Designated Non-cash Consideration received by the Issuer 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) $840.0 million and (ii) 35.0% of LTM EBITDA (net of any non-cash consideration converted into Cash Equivalents) at the time of the receipt of such Designated Non-cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be Cash Equivalents for purposes of this provision and for no other purpose.

Within 24 months after the later of (A) the date of any Asset Sale pursuant to the foregoing paragraph and (B) the receipt of any Net Proceeds of such Asset Sale, the Issuer or such Restricted Subsidiary, at its option, may apply an amount not to exceed the Applicable Asset Sale Percentage of the Net Proceeds from such Asset Sale (the "***Applicable Proceeds***"),

(1) to reduce or offer to reduce Indebtedness (through a redemption, prepayment, repayment or purchase, as applicable) as follows:

   (a) Obligations under the Secured Notes;

(b) (i) Pari Passu Obligations (other than the Secured Notes); *provided* that if the Issuer or any Restricted Subsidiary shall so reduce any Pari Passu Obligations other than the Secured Notes, the Issuer or such Restricted Subsidiary will either (A) reduce Obligations under the Secured Notes on a pro rata basis with such other Pari Passu Obligations by, at its option, (x) redeeming Secured Notes as described under "—Optional Redemption" or (y) purchasing Secured Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par), or (B) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Secured Notes on a ratable basis with such other Pari Passu Obligations for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, thereon up to the principal amount of Secured Notes to be repurchased or (ii) Senior ABL Revolving Credit Obligations;

(c) Obligations of a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor, other than Indebtedness owed to the Issuer or any Restricted Subsidiary; or

(d) to the extent such Applicable Proceeds are from an Asset Sale of property or assets of a Restricted Subsidiary that is not a Subsidiary Guarantor, Obligations of an Issuer or a Subsidiary Guarantor other than Subordinated Indebtedness and other than Indebtedness owed to the Issuer or any Restricted Subsidiary;

provided that to the extent the Issuer or any Restricted Subsidiary makes an offer to redeem, prepay, repay or purchase any Obligations pursuant to any of the foregoing clauses (a)-(d) at a price of no less than 100% of the principal amount thereof, to the extent the relevant creditors do not accept such offering, the Issuer and the Restricted Subsidiaries will be deemed to have applied an amount of the Applicable Proceeds equal to such amount not so accepted in such offer, and such amount shall not increase the amount of Excess Proceeds (and such amount shall instead constitute Declined Proceeds); or

(2) except with respect to any Asset Sale consummated in reliance on clause (2)(ii) of the first paragraph of this covenant, 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 the Issuer 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 or continues to constitute a Restricted Subsidiary, (b) capital expenditures or (c) acquisitions of other properties or assets that, in each of (a), (b) and (c), are used or useful in a Similar Business or replace the businesses, properties and/or assets that are the subject of such Asset Sale; *provided* that the Issuer may elect to deem Investments, capital expenditures or acquisitions within the scope of the foregoing clauses (a), (b) or (c), as applicable, that occur prior to the receipt of the Applicable Proceeds to have been made in accordance with this clause (2) so long as such deemed Investments, capital expenditures or acquisitions shall have been made no earlier than the earliest of (x) the notice of such Asset Sale to the Trustee, (y) the execution of a definitive agreement relating to such Asset Sale or (z) 180 days prior to the consummation of such Asset Sale; or

(3) any combination of the foregoing;

provided, that a binding commitment or letter of intent entered into not later than the end of such 24-month period shall be treated as a permitted application of the Applicable Proceeds from the date of such commitment or letter of intent so long as the Issuer, or such Restricted Subsidiary enters into such commitment or letter of intent with the good faith expectation that such Applicable Proceeds will be applied to satisfy such commitment or letter of intent within six months of the end of such 24-month period (an ***"Acceptable Commitment"***) or, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Applicable Proceeds are applied in connection therewith, the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a ***"Second Commitment"***) within six months of such cancellation or termination; *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such Applicable Proceeds are applied, then such Applicable Proceeds shall constitute Excess Proceeds.

Notwithstanding any other provisions of this covenant, (i) to the extent that the application of any or all of the Applicable Proceeds of any Asset Sale or Casualty Event by a Restricted Subsidiary that is not a Subsidiary Guarantor (a ***"Non-Guarantor Disposition"***) (A) is (x) prohibited or delayed by or would violate or conflict with applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other organizational or administrative impediments from being repatriated to the United States (including for the avoidance of doubt restrictions, prohibitions or impediments relating to financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming and/or cross-streaming of Cash Equivalents intra-group and relating to the fiduciary and/or statutory duties of the directors (or equivalent Persons) of the Issuer and/or any of its Subsidiaries) or would conflict with the fiduciary and/or statutory duties of such Subsidiary's directors (or equivalent Persons), or (B) would result in, or could reasonably be expected to result in, a risk of personal or criminal liability for any officer, director, employee, manager, member of management or consultant of such Subsidiary, an amount equal to the portion of such Applicable Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Restricted Subsidiary that is not a Subsidiary Guarantor; provided that if at any time within one year following the date on which the respective payment would otherwise have been required, such repatriation of any of such affected Applicable Proceeds is permitted under the applicable local law, the applicable organizational document or agreement or the applicable other impediment, an amount equal to such amount of Applicable Proceeds so permitted to be repatriated will be promptly applied (net of any taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) in compliance with this covenant or (ii) to the extent that the Issuer has determined in good faith that repatriation of any or all of the Applicable Proceeds of any Non-Guarantor Disposition could have a material adverse tax or cost consequence with respect to such Applicable Proceeds (which for the avoidance of doubt, includes, but is not limited to, any prepayment whereby doing so the Issuer, any Restricted Subsidiary or any of their respective Affiliates and/or their equityholders would incur a tax liability, including as a result of a tax dividend, a deemed dividend pursuant to Code Section 956 or a withholding tax), the Applicable Proceeds so affected may be retained by the applicable Restricted Subsidiary that is not a Subsidiary Guarantor and an amount equal to such Applicable Proceeds will not be required to be applied in compliance with this covenant. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in the Secured Indenture shall be construed to require the Issuer or any Subsidiary to repatriate cash.

Any Applicable Proceeds (other than any amounts excluded from this covenant as set forth in the immediately preceding paragraph) that are not invested or applied as provided and within the time period set forth in the second preceding paragraph in excess of the Excess Proceeds Threshold will be deemed to constitute "***Excess Proceeds***"*; provided* that any amount of Applicable Proceeds offered to Holders of the Secured Notes pursuant to clause (1)(b) of the second preceding paragraph shall not be deemed to be Excess Proceeds without regard to whether such offer is accepted by any Holders and any amount of Applicable Proceeds offered to Holders pursuant to clause (1)(b) of the second preceding paragraph that are not accepted shall be deemed to be Declined Proceeds. When the aggregate amount of such Applicable Proceeds exceeds the greater of (i) $720.0 million and (ii) 30.0% of LTM EBITDA in any fiscal year (the "***Excess Proceeds Threshold***"), the Issuer shall make an offer (an "***Asset Sale Offer***") to all Holders of the Secured Notes and, if required or permitted by the terms of any other Pari Passu Obligations or Obligations secured by a Lien permitted under the Secured Indenture on the Collateral disposed of, to the holders of such other Pari Passu Obligations or other Obligations, to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Secured Notes and such other Pari Passu Obligations or other Obligations that is, with respect to the Secured Notes only, in an amount equal to $1,000, or an integral multiple of $1,000 in excess thereof, that may be purchased out of the Excess Proceeds at an offer price, in the case of the Secured Notes, in cash in an amount equal to 100% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Secured Indenture, and in the case of such other Pari Passu Obligations or other Obligations, at the offer price required by the terms thereof, in accordance with the procedures set forth in the agreement(s) governing such other Pari Passu Obligations or other Obligations. The Issuers will commence an Asset Sale

Offer with respect to such Excess Proceeds within 20 Business Days after the date that Excess Proceeds exceed the Excess Proceeds Threshold by delivering to the Holders the notice required pursuant to the terms of the Secured Indenture, with a copy to the Trustee. The Issuers may satisfy the foregoing obligations with respect to any Applicable Proceeds by making an Asset Sale Offer with respect to such Applicable Proceeds prior to the time period that may be required by the Secured Indenture with respect to all or a part of the available Applicable Proceeds (the "***Advance Portion***") in advance of being required to do so by the Secured Indenture (an "***Advance Offer***").

To the extent that the aggregate amount (or accreted value, if applicable) of Secured Notes and such other Pari Passu Obligations or Obligations secured by a Lien permitted under the Secured Indenture on the Collateral disposed of, as the case may be, tendered pursuant to an Asset Sale Offer is less than the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) ("***Declined Proceeds***") for any purposes not otherwise prohibited under the Secured Indenture. If the aggregate principal amount (or accreted value, if applicable) of Secured Notes or such other Pari Passu Obligations or other Obligations, as the case may be, surrendered by such holders thereof exceeds the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers shall purchase the Secured Notes (subject to applicable DTC procedures as to global notes) and such other Pari Passu Obligations or other Obligations, as the case may be, on a pro rata basis based on the aggregate principal amount (or accreted value, if applicable) of the Secured Notes or such other Pari Passu Obligations or other Obligations, as the case may be, tendered with adjustments as necessary so that no Secured Notes or such other Pari Passu Obligations or other Obligations, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Sale Offer (or Advance Offer), the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) that resulted in the requirement to make an Asset Sale Offer shall be reset to zero (regardless of whether there are any remaining Excess Proceeds (or Advance Portion) upon such completion). Additionally, the Issuers may, at their option, make an Asset Sale Offer using Applicable Proceeds at any time after the consummation of such Asset Sale. Upon consummation or expiration of any Asset Sale Offer (or Advance Offer), any remaining Applicable Proceeds shall not be deemed Excess Proceeds and the Issuers may use such Applicable Proceeds for any purpose not otherwise prohibited under the Secured Indenture.

An Asset Sale Offer or Advance Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Secured Indenture, Secured Notes, Guarantees and/or Security Documents (but the Asset Sale Offer or Advance Offer may not condition tenders on the delivery of such consents).

Pending the final application of the amount of any Applicable Proceeds pursuant to this covenant, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness, or otherwise use such Applicable Proceeds in any manner not prohibited by the Secured Indenture.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Secured Notes pursuant to an Asset Sale Offer or an Advance Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Secured Indenture by virtue thereof. Notwithstanding the foregoing, the Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The provisions under the Secured Indenture relative to the Issuers' obligation to make an offer to repurchase the Secured Notes as a result of an Asset Sale may be waived or modified with the written consent of the Required Holders.

The Senior Secured Credit Facilities will contain, and future credit agreements or other similar agreements to which the Issuers become a party may contain restrictions on the Issuer's ability to repurchase Secured Notes. In the event an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Secured Notes, the Issuers could seek the consent of its lenders to the repurchase of Secured Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such consent or repay such borrowings, the Issuers will remain prohibited from repurchasing Secured Notes. In such a case, the Issuers' failure to repurchase tendered Secured Notes would constitute a Default under the Secured 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 Secured Indenture that will apply to the Issuer and its Restricted Subsidiaries.

If on any date following the Completion Date, (i) the Secured Notes have an Investment Grade Rating from either of the Rating Agencies and (ii) no Default has occurred and is continuing under the Secured Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a ***"Covenant Suspension Event"*** and the date thereof being referred to as the ***"Suspension Date"***), then, the covenants specifically listed under the following captions in this "Description of Secured Notes" section of this offering memorandum will no longer be applicable to the Secured Notes (collectively, the ***"Suspended Covenants"***) until the occurrence of the Reversion Date (as defined below):

(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) the entire fourth and sixth paragraphs of "—Merger, Consolidation or Sale of All or Substantially All Assets";

(5) "—Transactions with Affiliates";

(6) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; and

(7) "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries."

During any period that the foregoing covenants have been suspended, the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries.

If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Secured Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Secured Indenture for any period of time as a result of the foregoing, and on any subsequent date (the ***"Reversion Date"***) both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Secured Notes below an Investment Grade Rating (in each case, to the extent given an Investment Grade Rating by such Rating Agency), then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Secured 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."*** The Guarantees of the Guarantors will be suspended during the Suspension Period. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from any Asset Sales shall be reset to zero.

During the Suspension Period, the Issuer 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 the "Permitted Liens" definition and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Restricted Subsidiaries prior to such reinstatement will give rise to a Default or Event of Default under the Secured Indenture with respect to the Secured Notes, and no Default or Event of Default will be deemed to exist or have occurred as a result of any failure by the Issuer or any Restricted Subsidiary to comply with any of the Suspended Covenants during the Suspension Period; *provided,* that (1) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period (including with respect to a Limited Condition Transaction entered into during the Suspension Period); (2) all Indebtedness incurred or committed, or Disqualified Stock or Preferred Stock issued, during the Suspension Period (or deemed incurred or issued in connection with a Limited Condition Transaction entered into 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"; (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"; (5) no Subsidiary of the Issuer shall be required to comply with the covenant described under "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" after such reinstatement with respect to any guarantee or obligation entered into by such Subsidiary during any Suspension Period; and (6) all Investments made during the Suspension Period (or deemed made in connection with a Limited Condition Transaction entered into during the Suspension Period) will be classified to have been made under clause (5) of the definition of "Permitted Investments."

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Secured Indenture, the Secured Notes or the Guarantees with respect to the Suspended Covenants, and none of the Issuer or any of its Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period), and (2) following a Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

There can be no assurance that the Secured Notes will ever achieve or maintain an Investment Grade Rating. The Trustee shall have no duty to (i) monitor the ratings of the Secured Notes, (ii) ascertain whether a Covenant Suspension Event or Reversion Date have occurred, or (iii) notify the Holders of any of the foregoing.

Limited Condition Transactions

When calculating the availability under any basket, test or ratio under the Secured Indenture or compliance with any provision of the Secured Indenture in connection with any Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transaction excluded from the definition of "Asset Sale"), in each case, at the option of the Issuer, any of its Restricted Subsidiaries, Holdings, a direct or indirect parent entity of

the Issuer, or any successor entity of any of the foregoing (including a third party) (the "***Testing Party***," and the election to exercise such option, an ***"LCT Election"***), the date of determination for availability under any such basket, test or ratio or whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing Default or Event of Default)) under the Secured Indenture shall be deemed to be the date (the ***"LCT Test Date"***) either (a) the definitive agreements or letter of intent (or, if applicable, a binding offer, or launch of a "certain funds" tender offer) for such Limited Condition Transaction are entered into (or, if applicable, the date of delivery of a notice, declaration or making of a Restricted Payment or similar event), or (b) solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers or similar law or practices in other jurisdictions apply, the date on which a "Rule 2.7 announcement" of a firm intention to make an offer or similar announcement or determination in another jurisdiction subject to similar laws in respect of a target of a Limited Condition Transaction and, in each case, if, after giving pro forma effect to the Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transaction excluded from the definition of "Asset Sale") and any related pro forma adjustments, disregarding for the purposes of such pro forma calculation any borrowing under a revolving credit, working capital or letter of credit facility), as if they had occurred at the beginning of the most recently ended four full fiscal quarters ending prior to the LCT Test Date for which internal consolidated financial statements of the Issuer are available, the Issuer or any of its Restricted Subsidiaries would have been permitted to take such actions or consummate such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued or incurred at the LCT Test Date or at any time thereafter); *provided,* that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Testing Party may elect, in its sole discretion, to re-determine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date for purposes of such ratios, tests or baskets, (b) except as contemplated in the foregoing clause (a), compliance with such ratios, tests or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transactions excluded from the definition of "Asset Sale") and (c) Consolidated Interest Expense for purposes of the Fixed Charge Coverage Ratio will be calculated using an assumed interest rate based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Testing Party in good faith.

For the avoidance of doubt, if the Testing Party has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with, including as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in exchange rates or EBITDA or total assets of the Issuer or the Person subject to such Limited Condition Transaction at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations; *provided* that if such ratios, tests or baskets improve as a result of such fluctuations, such improved ratios, tests and/or baskets may be utilized; (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of a Default or an Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be

continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction (including without limitation a separate Limited Condition Transaction) following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement, the date of notice or offer or date for redemption, purchase or repayment specified in a notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction and any actions or transactions related thereto.

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of the Secured Indenture which requires that no Default, Event of Default or specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Testing Party, be deemed satisfied, so long as no Default, Event of Default or specified Event of Default, as applicable, exists on the date of the definitive agreement, the date of notice or offer or date for redemption, purchase or repayment for such Limited Condition Transaction, as applicable. For the avoidance of doubt, if the Testing Party has exercised an LCT Election, and any Default, Event of Default or specified Event of Default occurs following the date the definitive agreements (or, if applicable, the date of delivery of a notice, declaration or making of a Restricted Payment or similar event) for the applicable Limited Condition Transaction were entered into and prior to the consummation of such Limited Condition Transaction, any such Default, Event of Default or specified Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted under the Secured Indenture.

Certain Compliance Calculations

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred, assumed or issued, any Lien is incurred or assumed, any Restricted Payment is made or other transaction is undertaken (including a Limited Condition Transaction) in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio or other ratio-based test, such ratio(s) shall be calculated with respect to such incurrence, issuance or other transaction without giving effect to amounts being utilized under any other non-ratio-based basket substantially concurrently. Each item of Indebtedness, Disqualified Stock or Preferred Stock that is incurred, assumed or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, assumed, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio test. For the avoidance of doubt, when testing the availability under a ratio basket for purposes of making a Restricted Payment, Indebtedness (or any portion thereof) incurred, assumed or issued the proceeds of which are being utilized to make a Restricted Payment utilizing a non-ratio basket shall not be given effect.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is committed, incurred, assumed or issued, any Lien is committed, incurred, assumed or issued, any Restricted Payment is made or any other transaction is undertaken (including a Limited Condition Transaction) in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio or other ratio-based test, such ratio(s) shall be calculated without regard to the commitment or incurrence of any Indebtedness under any revolving facility or letter of credit facility (1) immediately prior to or in connection therewith or (2) used to finance working capital needs of the Issuer and its Restricted Subsidiaries (as reasonably determined by the Issuer).

If a proposed action, matter, transaction or amount (or a portion thereof) meets the criteria of more than one applicable basket, permission or threshold under the Secured Indenture, the Issuer shall be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such action, matter, transaction or amount (or a portion thereof) between such baskets, permission or thresholds as it shall elect from time to time.

The Secured Indenture shall provide that any calculation, test or measure that is determined with reference to the Issuer's financial statements (including, without limitation, EBITDA, Consolidated Interest Expense, Consolidated Net Income, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Fixed Charge Coverage Ratio, Fixed Charges, and clause (2)(a) of the first paragraph under "—Limitation on Restricted Payments") may be determined with reference to the financial statements of a direct or indirect parent entity of the Issuer instead, so long as such calculation, test or measure would not differ by more than an immaterial amount when using the financial statements of such direct or indirect parent entity of the Issuer as compared to if such calculation, test or measure were made using the Issuer's financial statements (as determined in good faith by the Issuer).

Any ratios, tests or baskets required to be satisfied in order for a specific action to be permitted under the Secured Indenture shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

If the Issuer or any Restricted Subsidiary takes an action which at the time of the taking of such action would in the good faith determination of the Issuer be permitted under the applicable provisions of the Secured Indenture based on the financial statements available at such time, such action shall be deemed to have been made in compliance with the Secured Indenture notwithstanding any subsequent adjustments, modifications or restatements made in good faith to such financial statements affecting Consolidated Net Income, EBITDA or other applicable financial metric.

If any restriction, basket, threshold or permission is determined by reference to the greater of a fixed component and a grower component, the Issuer shall not be permitted to utilize the grower component until the first day of the second fiscal quarter of 2022.

CMBS Reorganization Transactions

Nothing in the Secured Indenture shall restrict or prevent Holdings, the Issuer or any of its Subsidiaries from effecting any transactions or restructuring in connection with any CMBS Loan, the Alternative RE Term Loan Facility or any other loans or indebtedness in connection with any financing of CMBS Assets (collectively, the ***"CMBS Reorganization Transactions"***), which may include, among things, (x) creating an opco/propco structure (including creating CMBS Borrower Subsidiaries and designating such CMBS Borrower Subsidiaries as Unrestricted Subsidiaries, which for the avoidance of doubt shall not use any basket capacity under the Secured Indenture), (y) executing master leases (and the guaranty of any such lease by Holdings, the Issuer or any Restricted Subsidiary) and subleases to affiliates of Issuer or (z) reorganizing or restructuring any of the CMBS Assets, including asset transfers, Restricted Payments, Investments and affiliate transactions in order to transfer CMBS Assets to the CMBS Borrower Subsidiaries.

Foreign RE Loan Reorganization Transactions

Nothing in the Secured Indenture shall restrict or prevent Holdings, the Issuer or any of its Subsidiaries from effecting any transactions or restructuring in connection with any Foreign RE Loan (collectively, the "***Foreign RE Loan Reorganization Transactions***"), which may include, among things, (x) creating an opco/propco structure (including creating Foreign RE Borrower Subsidiaries and/or designating such Foreign RE Borrower Subsidiaries as Unrestricted Subsidiaries, which for the avoidance of doubt shall not use any basket capacity

under the Secured Indenture), (y) executing master leases (and the guaranty of any such lease by Holdings, the Issuer or any Restricted Subsidiary) and subleases to affiliates of Issuer or (z) reorganizing or restructuring any of the Foreign RE Assets, including asset transfers, Restricted Payments, Investments and affiliate transactions in order to transfer Foreign Assets to the Foreign RE Borrower Subsidiaries (which may include transferring ownership of Foreign RE Assets to Affiliates of Holdings).

Limitation on Restricted Payments

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

(I) declare or pay any dividend or make any payment or distribution on account of the Issuer's, or any of its Restricted Subsidiaries', Equity Interests (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend, payment or distribution payable in connection with any merger, amalgamation or consolidation other than:

  (a) dividends, payments and distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding; or

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

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent company of the Issuer, including any purchase, redemption, defeasance, acquisition or retirement in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or a Restricted Subsidiary;

(III) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Material 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 payment, redemption, purchase, repurchase, defeasance or other acquisition or retirement for value of Material 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 payment, redemption, purchase, repurchase, defeasance or acquisition or retirement;

(IV) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Material Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(V) make any Restricted Investment

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

(1) in the case of a Restricted Payment described under clauses (I) and (II) above and made pursuant to clause (2)(a) of this paragraph, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Payment described under clauses (III), (IV) and (V) above and made pursuant to clause (2)(a) of this paragraph, no Event of Default described

under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" shall have occurred and be continuing or would occur as a consequence thereof; and

(2) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Completion Date (including Restricted Payments permitted by clauses (1) (without duplication) and 6(c) 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) the greater of (i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period and including any predecessor of the Issuer) from the beginning of the fiscal quarter in which the Completion Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment and (ii) the amount calculated pursuant to clause (b) of the definition of "Cumulative Credit" in the Senior Secured Credit Facilities as in effect as of the Completion Date; plus

(b) 100% of the aggregate Net Cash Proceeds and the fair market value of marketable securities or other property received by the Issuer or its Restricted Subsidiaries after the Completion 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) (A) Equity Interests or Subordinated Shareholder Funding of the Issuer, including Treasury Capital Stock (as defined below), but excluding Net Cash Proceeds and the fair market value of marketable securities or other property received from the sale of:

(x) Equity Interests or Subordinated Shareholder Funding of the Issuer to any future, present or former employees, directors, officers, managers, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any direct or indirect parent company of the Issuer or any of the Issuer's Subsidiaries after the Completion 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

(B) to the extent such Net Cash Proceeds, marketable securities or other property are actually contributed to the Issuer or any of its Restricted Subsidiaries, Equity Interests of the Issuer or any of the Issuer's direct or indirect parent companies (excluding contributions of the proceeds from the sale of Designated Preferred Stock of any such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph); or

(ii) Indebtedness of the Issuer or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests or Subordinated Shareholder Funding of the Issuer or a parent company of the Issuer;

provided, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below) applied in accordance with clause (2) of the next succeeding paragraph, (X) Equity Interests or convertible debt securities of the Issuer or a Restricted Subsidiary sold to a Restricted Subsidiary or to the Issuer, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; plus

(c) 100% of (i) the aggregate amount of Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Issuer or a Restricted Subsidiary (including the aggregate principal amount of any Indebtedness of the Issuer or a Restricted

Subsidiary contributed to the Issuer or a Restricted Subsidiary for cancellation) or that becomes part of the capital of the Issuer or a Restricted Subsidiary through consolidation, amalgamation or merger following the Completion Date (other than (i) 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," (ii) contributions by a Restricted Subsidiary or the Issuer and (iii) any Excluded Contributions) and (ii) the aggregate principal amount of Indebtedness incurred in reliance on clause (30) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; plus

(d) 100% of the aggregate amount received in Cash Equivalents and the fair market value of marketable securities or other property received by the Issuer or any Restricted Subsidiary by means of:

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

  (ii) the issuance, sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of the Equity Interests of, or a dividend or distribution (other than an Excluded Contribution) from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment, but including such Cash Equivalents and fair market value to the extent exceeding the amount of such Investment), in each case, after the Completion Date; or

  (iii) any returns, profits, distributions and similar amounts received on account of any Permitted Investment or an Investment otherwise permitted to be incurred under this "Limitation on Restricted Payments" covenant and without duplication of any returns, profits, distributions or similar amounts included in the calculation of such basket; plus

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after the Completion Date, the fair market value (as determined by the Issuer in good faith) of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment made after the Completion Date, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of fair market value; plus

(f) the aggregate amount of Cumulative Retained Asset Sale Proceeds and Declined Proceeds since the Completion Date; plus

(g) the greater of (a) $2,375.0 million and (b) 100.0% of LTM EBITDA.

The foregoing provisions will not prohibit:

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

(2) (a) the redemption, repurchase, defeasance, retirement or other acquisition of any Equity Interests ("Treasury Capital Stock"), including any accrued and unpaid dividends thereon, Subordinated Shareholder Funding or Subordinated Indebtedness of the Issuer or any Restricted Subsidiary or any Equity Interests of any direct or indirect parent company of the Issuer, in exchange for, or in an amount not to exceed the proceeds of, the substantially concurrent sale or issuance (other than to a Restricted Subsidiary) of Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent company of the Issuer to the extent contributed to the Issuer (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), (b) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock, and (c) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (6)(a) or (b) 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 the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the prepayment, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (a) Subordinated Indebtedness of the Issuer or a Subsidiary Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, new Indebtedness of the Issuer or a Subsidiary Guarantor or Disqualified Stock of the Issuer or a Subsidiary Guarantor made within 120 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (b) Disqualified Stock of the Issuer or a Subsidiary Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, Disqualified Stock of the Issuer or a Subsidiary Guarantor made within 120 days of such issuance of Disqualified Stock, that, in each case, is incurred or issued, as applicable, in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

   (a) the principal amount (or accreted value, if applicable) of such new Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, defeased, redeemed, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premium) paid on the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired, defeasance costs and any fees and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock;

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

   (c) 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 defeased, redeemed, repurchased, exchanged, acquired or retired (or, if earlier, a date that is at least 91 days after the maturity date of the Secured Notes); and

(d) 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 defeased, redeemed, repurchased, exchanged, acquired or retired (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Secured Notes);

(4) Restricted Payments to pay for the repurchase, redemption or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent company of the Issuer held by any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies pursuant to any employee, director, officer, manager, member, partner, independent contractor or consultant equity plan or stock option plan or any other employee, director, officer, manager, member, partner, independent contractor or consultant benefit plan or agreement, or any equity subscription or equityholder agreement or any termination agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Issuer or any direct or indirect parent company of the Issuer in connection with such repurchase, retirement or other acquisition), including any Equity Interest received or rolled over by any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, any of its Subsidiaries or any direct or indirect parent company of the Issuer in connection with the Transactions or any other transaction; provided, that the aggregate amount of Restricted Payments made under this clause (4) does not exceed in any calendar year an amount equal to the greater of (a) $480.0 million and (b) 20.0% of LTM EBITDA (which shall increase to the greater of (x) $840.0 million and (y) 35.0% of LTM EBITDA subsequent to the consummation of a Qualified IPO), in each case with unused amounts in any calendar year being carried over to succeeding calendar years; *provided, further,* that such amount in any calendar year under this clause may be increased by an amount not to exceed:

(a) the cash proceeds from the sale or issuance of Equity Interests (other than Disqualified Stock and other than to a Restricted Subsidiary) or Subordinated Shareholder Funding of the Issuer and, to the extent contributed to the Issuer or its Subsidiaries, the cash proceeds from the sale of Equity Interests or Subordinated Shareholder Funding of any of the Issuer's direct or indirect parent companies, in each case to any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies that occurred or occurs after the Completion Date, to the extent the cash proceeds from the sale or issuance of such Equity Interests or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (2) of the preceding paragraph; *plus*

(b) the amount of any cash bonuses otherwise payable to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies that are foregone in exchange for the receipt of Equity Interests of the Issuer or any of its direct or indirect parent companies pursuant to any compensation arrangement, including any deferred compensation plan; *plus*

(c) the cash proceeds of key man life insurance policies received by the Issuer or its Restricted Subsidiaries (or any direct or indirect parent company of the Issuer to the extent contributed to the Issuer or one of its Subsidiaries) after the Completion Date; *less*

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

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a), (b) and (c) of this clause (4) in any calendar year;

and *provided, further,* that (i) cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of the Issuer's direct or indirect parent companies or any of the Issuer's Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Issuer or any of its direct or indirect parent companies and (ii) the repurchase, redemption or other acquisition or retirement for value of Equity Interests deemed to occur upon or in connection with the exercise of options, warrants or similar instruments if such Equity Interests represent 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 Secured Indenture;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary 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 or distributions 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 the Issuer after the Completion Date;

(b) the declaration and payment of dividends to any direct or indirect parent company of the Issuer, 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) issued by such parent company after the Completion Date, provided that the amount of dividends paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock; or

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

provided, in the case of each of (a) and (c) 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, the Issuer could incur $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(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 Equivalents or marketable securities (until such proceeds are converted to Cash Equivalents), not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; provided, however, that if any Investment pursuant to this clause (7) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (7);

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable upon or in connection with the exercise or vesting of Equity Interests or any other equity award by any future, present or former employee, director, officer, member of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any Restricted Subsidiary or any direct or indirect parent company of the Issuer and any repurchases or withholdings of Equity Interests in connection with the exercise or vesting of stock options, warrants or the issuance of restricted stock units or similar equity-based awards or payments in lieu of the issuance of fractional Equity Interests with respect to stock options, warrants, restricted stock units or similar equity-based awards;

(9) Restricted Payments in an amount not to exceed the sum of (A) up to 7.0% per annum of the amount of (x) Net Cash Proceeds from any Equity Offering received by or contributed to the Issuer or any of its Restricted Subsidiaries or (y) in the case of a SPAC IPO, cash held by the Issuer or any of its Restricted Subsidiaries remaining following the consummation of the SPAC IPO and (B) an aggregate amount per annum not to exceed 7.0% of Market Capitalization;

(10) Restricted Payments that are made (a) in an amount that does not exceed the aggregate amount of Excluded Contributions received following the Completion Date or (b) without duplication with clause (a), in an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired after the Completion Date, if the acquisition of such property or assets was financed with Excluded Contributions;

(11)(i) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11)(i) (in the case of Restricted Investments, at the time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of, or have not been converted to, Cash Equivalents)) not to exceed the greater of (a) $1,200.0 million and (b) 50.0% of LTM EBITDA at such time (in the case of a Restricted Investment, determined on the date such Investment is made, with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments); *provided*, *however*, that if any Restricted Payment pursuant to this clause (11)(i) consists of an Investment made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (11)(i); (ii) any principal payment on, or redemption, repurchase, defeasance or other acquisition or retirement for value of, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness or Subordinated Shareholder Funding (A) in an aggregate amount not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA at such time or (B) so long as, after giving pro forma effect to the payment of any Restricted Payment pursuant to this clause (11)(ii), the Consolidated Total Debt Ratio shall be no greater than 6.20 to 1.00 or is equal to or less than immediately prior to such Restricted Payment and any related transactions and (iii) any Restricted Payments, so long as, after giving pro forma effect to the payment of any Restricted Payment pursuant to this clause (11)(iii), the Consolidated Total Debt Ratio shall be no greater than 5.95 to 1.00 or is equal to or less than immediately prior to such Restricted Payment and any related transactions;

(12) distributions or payments of Securitization Fees and purchases of receivables in connection with any Qualified Securitization Facility or any repurchase obligation in connection therewith;

(13) any Restricted Payment made in connection with the Transactions and the fees and expenses related thereto or used to fund amounts owed in connection with the Transactions (including dividends or distributions to any direct or indirect parent company of the Issuer to permit payment by such parent company of such amounts), including the settlement of claims or actions in connection with the Transactions or to satisfy indemnity or other similar obligations or any other earnouts, purchase price adjustments, working capital adjustments and any other payments under the Acquisition Agreement;

(14) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness, Disqualified Stock or Preferred Stock pursuant to provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control Triggering Event" and "—Repurchase at the Option of Holders—Asset Sales"; provided that if the Issuer shall have been required to make a Change of Control Offer or Asset Sale Offer, as applicable, to purchase the Secured Notes on the terms provided in the Secured Indenture applicable to Change of Control Offers or Asset Sale Offers, respectively, all Secured Notes validly tendered by Holders of such Secured Notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value;

(15) the declaration and payment of dividends or distributions by the Issuer to, or the making of loans to, any direct or indirect parent entity of the Issuer or any other Restricted Payment in amounts required for any direct or indirect parent company of the Issuer to pay, in each case without duplication:

(a) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate or other legal existence;

(b) salary, bonus, severance, indemnity and other benefits payable to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of any direct or indirect parent company of the Issuer to the extent such salaries, bonuses, severance, indemnity and other benefits are attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries;

(c) general organizational, operating, administrative, compliance, overhead, insurance and other costs and expenses (including, without limitation, expenses related to auditing or other accounting or tax reporting matters), any costs, expenses and liabilities incurred in connection with any litigation or arbitration attributable to the ownership or operations of the Issuer or its Restricted Subsidiaries, and Public Company Costs;

(d) fees and expenses related to any equity or debt offering, financing transaction, acquisition, divestiture, investment or other non-ordinary course transaction (whether or not successful) of such parent entity; provided that any such transaction was in the good faith judgment of the Issuer intended to be for the benefit of the Issuer and its Restricted Subsidiaries;

(e) amounts payable pursuant to the Support and Services Agreement (including any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole, as compared to the Support and Services Agreement as in effect immediately prior to such amendment or replacement), solely to the extent such amounts are not paid directly by the Issuer or its Subsidiaries;

(f) (i) cash payments in lieu of issuing fractional shares or interests in connection with the exercise of warrants, options, other equity-based awards or other securities convertible into or exchangeable for Equity Interests of the Issuer or any direct or indirect parent company of the Issuer and any dividend, split or combination thereof or any transaction permitted under the Secured Indenture and (ii) any conversion request by a holder of convertible Indebtedness and cash payments in lieu of fractional shares or interests in connection with any such conversion and payments on convertible Indebtedness in accordance with its terms;

(g) to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Issuer or its Restricted Subsidiaries; provided, that (A) such Restricted Payment shall be made within 120 days of the closing of such Investment and (B) such direct or indirect parent company shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Issuer or its Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or acquired into the Issuer or its Restricted Subsidiaries (to the extent not prohibited by the covenant described

under the caption "—Merger, Consolidation or Sale of All or Substantially All Assets" below) in order to consummate such Investment;

(h) amounts that would be permitted to be paid by the Issuer or its Restricted Subsidiaries under clauses (3), (4), (8), (9), (13) and (14) of the covenant described under "—Transactions with Affiliates"; provided, that the amount of any dividend or distribution under this clause (15)(h) to permit such payment shall reduce, without duplication, Consolidated Net Income of the Issuer to the extent, if any, that such payment would have reduced Consolidated Net Income of the Issuer if such payment had been made directly by the Issuer and increase (or, without duplication of any reduction of Consolidated Net Income, decrease) EBITDA to the extent, if any, that Consolidated Net Income is reduced under this clause (15)(h) and such payment would have been added back to (or, to the extent excluded from Consolidated Net Income, would have been deducted from) EBITDA if such payment had been made directly by the Issuer, in each case, in the period such payment is made;

(i) amounts in respect of Indebtedness of such direct or indirect parent company of the Issuer which is guaranteed by the Issuer or a Restricted Subsidiary; and

(j) make payments for the benefit of the Issuer or any of its Restricted Subsidiaries to the extent such payments could have been made by the Issuer or any of its Restricted Subsidiaries because such payments (i) would not otherwise be Restricted Payments or (ii) would be Restricted Payments that would be permitted to be made by the Issuer or any of its Restricted Subsidiaries pursuant to this covenant; *provided* that any payment made pursuant to this clause (15)(j) shall, if applicable, reduce capacity under the Restricted Payments exception or basket that would have been utilized if such payment were made directly by the Issuer or such Restricted Subsidiary;

(16) the distribution, by dividend or otherwise, or other transfer of Capital Stock of an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), or Indebtedness owed to the Issuer or a Restricted Subsidiary by an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), in each case, other than Unrestricted Subsidiaries the primary assets of which are Cash Equivalents received as an Investment from the Issuer or a Restricted Subsidiary;

(17) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment so long as the amount of such redemptions are no greater than the amount that constituted such Restricted Payment or Permitted Investment;

(18) payments or distributions to dissenting equityholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with any Permitted Investment or a consolidation, merger or transfer of assets that complies with, or is not prohibited by, the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets";

(19) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any Restricted Subsidiary deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any Restricted Subsidiary, in each case, permitted under the Secured Indenture;

(20) with respect to any taxable period for which Holdings is a disregarded entity or a partnership for U.S. federal income tax purposes, distributions to each direct or indirect owner of Holdings which shall be equal to the product of (X) such owner's allocable share of the taxable income of Holdings for such taxable period (determined, for any taxable period for which Holdings is a disregarded entity, as if Holdings were a partnership), reduced (without duplication) by such owner's allocable share of any taxable loss of Holdings for any prior taxable period ending after the Acquisition Date to the extent such prior losses are permitted to be carried forward and subject to any limitations on the use of such

carried forward amounts, and such taxable loss is of a character that would permit such loss to be deducted against the taxable income in the current taxable period (provided that (i) in determining taxable income of Holdings, Section 163(j) shall be applied at the level of Holdings, provided that, such Section 163(j) calculations shall take into account partner level adjustments pursuant to Section 743 of the Code if the law currently in effect on the date of the applicable tax distribution provides Section 163(j) applies at the partner level and takes into account partner level Section 743 adjustments, and (ii) any items of income, gain, loss or deduction may be determined without regard to any adjustments pursuant to Section 743 of the Code) and (Y) the highest combined marginal federal, state and local income tax rate applicable to any direct or indirect equity owner of Holdings for such taxable period (taking into account the character (long-term capital gain, qualified dividend income, tax-exempt income, etc.) of the current period taxable income (including, for the avoidance of doubt any tax imposed by Section 1411(a)(1) of the Code));

(21) any Restricted Payment made in connection with a Permitted Change of Control and any Permitted Intercompany Activities;

(22) the Issuer may make any Restricted Payments to any direct or indirect parent for nominal value per right, of any rights granted to all holders of Capital Stock of the Issuer (or any direct or indirect parent of the Issuer) pursuant to any equityholders' rights plan adopted for the purpose of protecting equityholders from unfair takeover practices;

(23) the Restricted Subsidiaries may make Restricted Payments in connection with the acquisition of additional Capital Stock in any Restricted Subsidiary from minority equityholders; and

(24) the Issuer may pay Restricted Payments to pay for the redemption, discharge, defeasance, retirement, repurchase or other acquisition, in each case for nominal value, of Capital Stock of Holdings (or any direct or indirect parent thereof) or the Issuer from a former investor of a business acquired in an Acquisition or other Investment or a current or former employee, officer, director, manager, or consultant or independent contractor of a business acquired in an Acquisition or other Investment (or their Controlled Investment Affiliates or Immediate Family Members), which Capital Stock was issued as part of an earn-out or similar arrangement in the acquisition of such business, and which redemption, acquisition, retirement or repurchase relates the failure of such earn-out to fully vest.

provided, that at the time of, and after giving effect to, (a) any Restricted Payment under clause (11)(iii) above other than a Restricted Investment, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof or (b) any Restricted Investment permitted under clause (11)(iii) above, no Event of Default under clauses (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" 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 (24) above and/or one or more of the clauses contained in the definition of "Permitted Investments," or is entitled to be made pursuant to the first paragraph of this covenant, the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (24) and such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this covenant.

As of the Completion Date, all of the Issuer's Subsidiaries are expected to be Restricted Subsidiaries, other than the CMBS Borrower Subsidiary and its Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary (other than in connection with CMBS Reorganization Transactions and Foreign RE Loan Reorganization Transactions), all outstanding Investments by the Issuer 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 penultimate 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, pursuant to this covenant or pursuant to the definition of "Permitted Investments," 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 Secured Indenture.

For the avoidance of doubt, this covenant shall not restrict the making of any "AHYDO catch-up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Restricted Subsidiaries permitted to be incurred under the terms of the Secured Indenture.

Clause (2)(a)(ii) of the first paragraph of this covenant is based on the amount calculated pursuant to clause (b) of the definition of "Cumulative Credit" in the Senior Secured Credit Facilities, which will be defined as the greatest of (x) the cumulative retained excess cash flow amount (defined as excess cash flow that is not required to prepay loans under the Senior Secured Credit Facilities), (y) 50% of consolidated net income (defined in a manner consistent with Consolidated Net Income in the Secured Indenture) and (z) cumulative EBITDA minus 1.5x cumulative fixed charges (each as defined in a manner consistent with the corresponding terms in the Secured Indenture).

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

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, ***"incur"*** and collectively, an ***"incurrence"***) with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or any Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor to issue Preferred Stock; *provided,* that the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock and any Restricted Subsidiary that is not a Subsidiary Guarantor may issue shares of Preferred Stock, if (i) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the 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 1.75 to 1.00 or is equal to or greater than immediately prior to such incurrence and any related transactions or (ii) the Consolidated Total Debt Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been equal to or less than 6.75 to 1.00 or is equal to or less than immediately prior to such incurrence and any related transactions, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The foregoing limitations will not apply to:

(1) Indebtedness incurred pursuant to any Credit Facilities by the Issuer or any Restricted Subsidiary and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof); *provided* that immediately after giving effect to any such incurrence or issuance (including pro forma application of the net proceeds therefrom), the then outstanding aggregate principal amount of all Indebtedness incurred or issued under this clause (1) does not exceed the sum of (a) (x) $8,000.0 million, *plus* (y) an amount equal to the greater of (A) $2,375.0 million and (B) 100.0% of LTM EBITDA, *plus* (z) the greater of (i) $2,000.0 million and (ii) the Borrowing Base; *provided* that any amounts incurred pursuant to this clause (1)(a)(z)(ii) may only be incurred under a Senior ABL Credit Agreement, and (b) an additional amount after all amounts have been incurred under clause (1)(a)(x), if after giving pro forma effect to the incurrence of such additional amount (including a pro forma application of the net proceeds therefrom), (x) if such additional Indebtedness is secured by the

Collateral on a *pari passu* or crossing lien basis with the Liens securing the Secured Notes, the Consolidated Pari Passu Debt Ratio would have been equal to or less than 4.75 to 1.00 or the Consolidated Pari Passu Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (y) if such additional Indebtedness is secured by the Collateral on a junior lien basis to the Liens securing the Secured Notes, either (i) the Consolidated Secured Debt Ratio would have been equal to or less than 5.75 to 1.00 or the Consolidated Secured Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (ii) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such incurrence and any related transactions;

(2) (a) the incurrence by the Issuer and any Subsidiary Guarantor of Indebtedness represented by the Secured Notes and the Guarantees (but excluding any Additional Secured Notes and any guarantees thereof) and (b) the incurrence by the Issuer and any Restricted Subsidiary of Indebtedness pursuant to the Alternative RE Term Loan Facility and any guarantees thereof;

(3) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer and its Restricted Subsidiaries in existence on the Completion Date (other than Indebtedness described in clauses (1) and (2)), including the Unsecured Notes and any guarantees with respect thereto;

(4) Indebtedness (including Financing Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred or issued by the Issuer or any of its Restricted Subsidiaries to finance the purchase, lease, expansion, construction, development, installation, replacement, relocation, renewal, maintenance, upgrade, repair or improvement of property (real or personal), equipment or any other asset, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount (together with any Refinancing Indebtedness in respect thereof) not to exceed the sum of (i) the greater of (a) $960.0 million and (b) 40.0% of LTM EBITDA and (ii) additional amounts (including at any time prior to the utilization of amounts under clause (i) above) so long as the Consolidated Pari Passu Net Leverage Ratio, determined on a pro forma basis (treating all Indebtedness incurred under this clause (4) as Pari Passu Indebtedness for such purpose), would have been equal to or less than 4.75 to 1.00 (in each case, determined at the date of incurrence or issuance on a pro forma basis (including a pro forma application of the net proceeds therefrom)); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred 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 the Issuer 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 (4);

(5) Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments or other discounting or factoring of receivables, or similar facilities similar instruments issued or created, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with past practice, including letters of credit in favor of suppliers, customers or trade creditors or in respect of workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(6) Indebtedness, Disqualified Stock and Preferred Stock arising from (a) Permitted Intercompany Activities, (b) agreements of the Issuer or its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn-outs (including contingent earn-outs) or similar obligations,

payment obligations in respect of any non-compete, consulting or similar arrangement or progress payments for property or services or other similar adjustments, in each case, incurred or assumed in connection with the acquisition or disposition of any business (including the Transactions), assets, a Subsidiary or Investment, and Indebtedness arising from guarantees, letters of credit, bank guarantees, surety bonds, performance bonds or similar instruments securing performance of the Issuer or any Subsidiary pursuant to such agreements and (c) CMBS Loans and Foreign RE Loans;

(7) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer to a Restricted Subsidiary; *provided* that any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past practice, is subordinated in right of payment (to the extent permitted by applicable law) to the Secured Notes (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor shall be deemed to be expressly subordinated in right of payment to the Secured Notes unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further,* 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 Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or a Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (7);

(8) Indebtedness, Disqualified Stock and Preferred Stock of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that if an Issuer or a Subsidiary Guarantor incurs such Indebtedness, Disqualified Stock or Preferred Stock to a Restricted Subsidiary that is not an Issuer or a Subsidiary Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past practice, such Indebtedness, Disqualified Stock or Preferred Stock is subordinated in right of payment (to the extent permitted by applicable law) to the Secured Notes or the Guarantee of the Secured Notes by such Subsidiary Guarantor, as applicable (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor shall be deemed to be expressly subordinated in right of payment to the Secured Notes or the Guarantee of the Secured Notes by such Subsidiary Guarantor, as applicable, unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further,* 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 subsequent transfer of any such Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (8);

(9) [Reserved];

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) obligations in respect of self-insurance and obligations in respect of stays, customs, performance, bid, indemnity, appeal, judgment, surety and other similar bonds or instruments and performance, bankers' acceptance and completion guarantees and similar obligations provided by the Issuer or any of its Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(12) (a) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 200% of the Net Cash Proceeds received by the Issuer or any Restricted Subsidiary since immediately after the Completion Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of the Issuer or contributed to the capital of the Issuer (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or sales of Equity Interests or Subordinated Shareholder Funding to the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2)(b) and (2)(c) of the first paragraph of "—Limitation on Restricted Payments" to the extent such Net Cash Proceeds have not been applied pursuant to such clauses to make Restricted Payments pursuant to the first paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments specified in clauses (8), (11), (13), (28) or (29) of the definition thereof, and

(b) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (12)(b), does not at any time outstanding exceed the greater of (i) $1,200.0 million and (ii) 50.0% of LTM EBITDA (in each case, determined on the date of such incurrence); 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 the Issuer 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 the Issuer or any Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock which serves to extend, replace, refund, refinance, renew or defease any Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock 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 clauses (14) and (29) below or any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to so extend, replace, refund, refinance, renew or defease such Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock, including, in each case, additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay premiums (including tender premiums), defeasance costs, accrued interest or dividends, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection therewith and Indebtedness incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment (the ***"Refinancing Indebtedness"***) prior to its respective maturity; *provided,* that such Refinancing Indebtedness:

(a) other than in the case of Refinancing Indebtedness of Indebtedness (or unutilized commitments in respect of Indebtedness), Disqualified Stock or Preferred Stock incurred or issued as permitted under clauses (3), (4) and (12)(a) above, and clause (14) below, revolving Indebtedness and Customary Bridge Loans, has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or requires no or nominal payments in cash (other than interest payments) prior to the date that is 91 days after the maturity date of the Secured Notes);

(b) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases;

(i) Indebtedness subordinated in right of payment to the Secured Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Secured Notes or the Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or

(ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively; and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuers;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary Guarantor; or

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

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

(14) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary incurred or issued to finance an acquisition (or other purchase of assets) or Investment or (b) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into or consolidated or amalgamated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Secured Indenture; *provided,* that in the case of clauses (a) and (b), after giving effect to such transaction, acquisition, merger, amalgamation, consolidation or Investment, (1) the aggregate amount of such Indebtedness. Disqualified Stock or Preferred Stock incurred under this subclause (1), together with any Refinancing Indebtedness in respect thereof, does not exceed the greater of (i) $960.0 million and (ii) 40.0% of LTM EBITDA at any time outstanding (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this subclause (1) shall cease to be deemed incurred or outstanding for purposes of this subclause (1) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this subclause (1)) or (2) either (w) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant, (x) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries is equal to or greater than immediately prior to such acquisition, merger, amalgamation, consolidation or Investment, (y) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Consolidated Total Debt Ratio test set forth in the first paragraph of this covenant or (z) the Consolidated Total Debt Ratio for the Issuer and its Restricted Subsidiaries is equal to or less than immediately prior to such acquisition, merger, amalgamation, consolidation or Investment;

(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 or consistent with past practice;

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

(17) (a) any guarantee or co-issuance by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations by such Restricted Subsidiary is permitted under the terms of the Secured Indenture; or

(b) any guarantee or co-issuance by a Restricted Subsidiary of Indebtedness or other obligations of the Issuer so long as the incurrence of such Indebtedness or other obligations by the Issuer is permitted under or is not prohibited by the terms of the Secured Indenture;

(18) (a) Indebtedness, Disqualified Stock or Preferred Stock consisting of Indebtedness, Disqualified Stock or Preferred Stock issued by the Issuer or any of its Restricted Subsidiaries to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants thereof, their respective Controlled Investment Affiliates or Immediate Family Members, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any direct or indirect parent company of the Issuer to the extent described in clause (4) of the second paragraph under the caption "—Limitation on Restricted Payments" and

(b) Indebtedness representing deferred compensation or similar arrangements (i) to any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer (or any direct or indirect parent thereof) or any of its Restricted Subsidiaries incurred in the ordinary course of business or consistent with past practice or (ii) incurred in connection with any Investment, acquisition (by merger, consolidation, amalgamation or otherwise) or other transaction;

(19) to the extent constituting Indebtedness, customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods and services purchased in the ordinary course of business or consistent with past practice;

(20) (a) Indebtedness owed on a short-term basis to banks and other financial institutions incurred in the ordinary course of business or consistent with past practice of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries and (b) Indebtedness in respect of Bank Products;

(21) Indebtedness incurred by the Issuer or 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;

(22) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (a) the financing of insurance premiums, (b) take-or-pay obligations contained in supply arrangements or (c) obligations to reacquire assets or inventory in connection with customer financing arrangements, in each case incurred in the ordinary course of business or consistent with past practice;

(23) the incurrence of Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries of the Issuer that are not the Co-Issuer or Subsidiary Guarantors (i) pursuant to asset-based or working capital debt facilities to the extent non-recourse to the Issuers and the Subsidiary Guarantors and (ii) otherwise in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (23)(ii), does not at any time outstanding exceed the greater of (a) $1,000.0 million and (b) 40.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (23)(ii) shall cease to be deemed incurred or outstanding for purposes of this clause (23)(ii) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (23)(ii);

(24) Indebtedness of the Issuer or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business or consistent with past practice;

(25) Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries of the Issuer in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (25), does not at any time outstanding exceed the greater of (i) $220.0 million and (ii) 10.0% of the total assets of the Foreign Subsidiaries on a consolidated basis (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (25) shall cease to be deemed incurred or outstanding for purposes of this clause (25) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (25));

(26) Indebtedness, Disqualified Stock or Preferred Stock incurred by the Issuer or any of its Restricted Subsidiaries to the extent that the net proceeds thereof are deposited with the Trustee at or promptly after the funding of such Indebtedness, Disqualified Stock or Preferred Stock to satisfy and discharge the Secured Notes or exercise the Issuer's legal defeasance or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance," in each case, in accordance with the Secured Indenture;

(27) Indebtedness consisting of obligations of the Issuer or any of its Restricted Subsidiaries under deferred purchase price, earn-outs or other arrangements incurred by such Person in connection with any acquisition permitted under the Secured Indenture or any other Investment permitted under the Secured Indenture;

(28) Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case, with respect to any transaction permitted under the Secured Indenture;

(29) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (29), does not at any time outstanding exceed the Available RP Capacity Amount (determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (29) shall cease to be deemed incurred or outstanding for purposes of this clause (29) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or 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 (29);

(30) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary for the benefit of joint ventures in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (30), does not at any time outstanding exceed the greater of (i) $360.0 million and (ii) 15.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (30) shall cease to be deemed incurred or outstanding for purposes of this clause (30) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or 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 (30);

(31) Indebtedness to the seller of any business or assets permitted to be acquired by the Issuer or any Restricted Subsidiary under the Secured Indenture; *provided* that, at the time of incurrence, the

aggregate amount of Indebtedness incurred and then outstanding pursuant to this clause (31) will not exceed the greater (a) $240.0 million and (b) 10.0% of LTM EBITDA;

(32) obligations outstanding at any time in respect of Disqualified Stock; *provided* that, at the time of incurrence, the aggregate liquidation preference amount incurred and then outstanding pursuant to this clause (32) will not to exceed the greater of (a) $300.0 million and (b) 12.5% of LTM EBITDA;

(33) Indebtedness secured by real property of the Issuer or any Restricted Subsidiary; *provided* that, at the time of incurrence, the aggregate liquidation preference amount incurred and then outstanding pursuant to this clause (33) will not to exceed the greater of (a) $600.0 million and (b) 25.0% of LTM EBITDA;

(34) Indebtedness owing to any Permitted Holder; *provided* that any such Indebtedness shall be unsecured and shall be subordinated in right of payment to the Secured Notes and shall mature at least 90 days after the maturity date of the Secured Notes

(35) pension fund and other employee benefit plan obligations and liabilities incurred in the ordinary course of business or consistent with past practice or industry norm;

(36) customer deposits and advance payments received in the ordinary course of business or consistent with past practice or industry norm from customers for goods or services purchased in the ordinary course of business or consistent with past practice or industry norm;

(37) Indebtedness incurred by the Issuer or a Restricted Subsidiary as a result of leases entered into by the Issuer or such Restricted Subsidiary in the ordinary course of business; and

(38) Indebtedness in respect of Qualified Securitization Facilities.

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 (38) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, may divide or classify, and may from time to time redivide and reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one or more of the above clauses or under the first paragraph of this covenant; *provided* that all term Indebtedness outstanding under the Senior Secured Credit Facilities on the Completion Date will be treated as incurred on the Completion Date under clause (1) of the second paragraph above;

(2) the Issuer will be entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs above;

(3) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness, Disqualified Stock or Preferred Stock that is otherwise included in the determination of a particular amount of Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to any clause of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, Disqualified Stock or Preferred Stock, then such other Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and

(6) for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph above or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Issuer may elect, at its option, to treat all or any portion of the committed amount of any Indebtedness (and the issuance and creation of letters of credit and bankers' acceptances thereunder) which is to be incurred (or any commitment in respect thereof) or secured by such Lien, as the case may be (any such committed amount elected until revoked as described below, the ***"Reserved Indebtedness Amount"***), as being incurred as of such election date, and, if such Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio, as applicable, is satisfied with respect thereto on such election date, any subsequent borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be deemed to be permitted under this covenant or the definition of "Permitted Liens," as applicable, whether or not the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, at the actual time of any subsequent borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) is met; *provided that* for purposes of subsequent calculations of the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, the Reserved Indebtedness Amount shall be deemed to be outstanding, whether or not such amount is actually outstanding, for so long as such commitments are outstanding or until the Issuer revokes an election of a Reserved Indebtedness Amount.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, of the same class will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. If Indebtedness, Disqualified Stock or Preferred Stock originally incurred in reliance upon a percentage of LTM EBITDA under this covenant is being refinanced and such refinancing would cause the maximum amount of Indebtedness, Disqualified Stock or Preferred Stock thereunder to be exceeded at such time, then such refinancing will nevertheless be permitted thereunder and such additional Indebtedness, Disqualified Stock or Preferred Stock will be deemed to have been incurred under the applicable provision so long as the principal amount or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed the principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock being refinanced plus amounts permitted by the next sentence. Any Refinancing Indebtedness and any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred under the Secured Indenture to refinance Indebtedness incurred pursuant to clauses (1)-(38) above shall be deemed to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest or dividends, premiums (including tender premiums), defeasance costs, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, Disqualified Stock or Preferred Stock, the U.S. Dollar Equivalent principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was, at the option of Parent, first committed or first incurred or upon execution of the definitive documentation in respect thereof; *provided* that if such Indebtedness, Disqualified Stock or Preferred Stock is incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock 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 or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (a) the principal amount or liquidation preference of such Indebtedness, Disqualified Stock or Preferred Stock being

refinanced plus (b) the aggregate amount of accrued but unpaid interest, fees, underwriting or initial purchaser 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 or liquidation preference of any Indebtedness, Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing.

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

Liens

The Issuer will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) (each, a ***"Subject Lien"***) that secures Obligations under any Indebtedness or any related guarantee of Indebtedness, on any Collateral, unless (i) such Subject Lien expressly has Junior Lien Priority on the Collateral relative to the Secured Notes and the Guarantees or (ii) such Subject Lien is a Permitted Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The *"Increased Amount"* of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Merger, Consolidation or Sale of All or Substantially All Assets

The Issuer. The Issuer may not consolidate or merge with or into or wind up into, consummate a Division as the Dividing Person (whether or not the Issuer is the surviving Person), 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) the Issuer is the surviving Person or (b) the Person formed by or surviving any such consolidation, amalgamation, merger or winding up or Division (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Company"***), (i) expressly assumes all of the obligations of the Issuer under the Secured Indenture, the Secured Notes and the applicable Security Documents, pursuant to supplemental indentures or other applicable documents or instruments and (ii) is a Person organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof;

(2) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists;

(3) the Issuer or, if applicable, the Successor Company shall have delivered to the Trustee an Officer's Certificate and, in circumstances involving a supplemental indenture, an Opinion of Counsel, each, as applicable, stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Secured Indenture; and

(4) to the extent any assets of the Person which is merged, consolidated or amalgamated with or into the Issuer are assets of the type which would constitute Collateral under the Security Documents, the Issuer or the Successor Company, as applicable, will take such action, if any, as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Security Documents in the manner and to the extent required in the Secured Indenture or the applicable Security Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Security Documents.

The Successor Company will succeed to, and be substituted for, the Issuer under the Secured Indenture and the Secured Notes and the Issuer will automatically be released and discharged from its obligations under the Secured Indenture and the Secured Notes.

Notwithstanding the immediately preceding clause (2):

(1) the Issuer may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to the Co-Issuer or a Subsidiary Guarantor;

(2) any Restricted Subsidiary may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to the Issuer, the Co-Issuer or a Subsidiary Guarantor; and

(3) the Issuer may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to an Affiliate of the Issuer solely for the purpose of reorganizing the Issuer in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby.

Co-Issuer. The Co-Issuer may not consolidate or merge with or into or windup into, consummate a Division as the Dividing Person (whether or not the Co-Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Co-Issuer's properties or assets, in one or more related transactions, to any Person, unless:

(1) (a) (i) the Co-Issuer is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger or winding up or Division (if other than the Co-Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Co-Issuer"***) (A) expressly assumes all the obligations of the Co-Issuer under the Secured Indenture and the Co-Issuer's obligations under the Secured Notes and the applicable Security Documents pursuant to supplemental indentures or other applicable documents or instruments and (B) is a corporation organized or existing under the laws of the jurisdiction of organization of the Co-Issuer or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof; and

(b) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists; and

(2) the Co-Issuer or, if applicable, the Successor Co-Issuer shall have delivered to the Trustee an Officer's Certificate and, in circumstances involving a supplemental indenture, an Opinion of Counsel, each, as applicable, stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Secured Indenture.

Subject to certain limitations described in the Secured Indenture, the Successor Co-Issuer will succeed to, and be substituted for, the Co-Issuer under the Secured Indenture and the Secured Notes.

Subsidiary Guarantors. Subject to certain limitations described in the Secured Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Subsidiary Guarantor, no Subsidiary Guarantor will, and the Issuer will not permit any Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving Person), 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) (i) such Subsidiary Guarantor is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger or winding up (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Person"***) expressly assumes all the obligations of such Subsidiary Guarantor under the Secured Indenture, the applicable Security Documents and such Subsidiary Guarantor's related Guarantee pursuant to supplemental indentures or other applicable documents or instruments;

(b) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists; and

(c) to the extent any assets of the Person which is merged, consolidated or amalgamated with or into such Subsidiary Guarantor are assets of the type which would constitute Collateral under the Security Documents, such Subsidiary Guarantor or the Successor Person will take such action, if any, as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Security Documents in the manner and to the extent required in the Secured Indenture or the applicable Security Documents and shall take all reasonably necessary action so that such Lien in perfected to the extent required by the applicable Security Documents; or

(2) the transaction is not prohibited by the first paragraph of the covenant described under "—Repurchase at the Option of Holders—Asset Sales"; or

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

Subject to certain limitations described in the Secured Indenture, the Successor Person will succeed to, and be substituted for, such Subsidiary Guarantor under the Secured Indenture and such Subsidiary Guarantor's Guarantee.

Notwithstanding the foregoing, the Co-Issuer or any Subsidiary Guarantor may (a) merge or consolidate or amalgamate with or into, wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to a Subsidiary Guarantor or the Issuer or Co-Issuer (or a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor if that Restricted Subsidiary becomes a Subsidiary Guarantor), (b) consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to an Affiliate of the Issuer solely for the purpose of reorganizing the Co-Issuer or the Subsidiary Guarantor in another jurisdiction, (c) convert into a corporation, partnership, limited partnership, limited liability company, trust or other entity organized or existing under the laws of the jurisdiction of organization of the Co-Issuer or such Subsidiary Guarantor or (d) liquidate, wind up or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer, in each case, without regard to the requirements set forth in the second or fourth preceding paragraphs.

Notwithstanding anything to the contrary in this "—Merger, Consolidation or Sale of All or Substantially All Assets" covenant, the Issuer may contribute Capital Stock of any or all of its Subsidiaries to the Co-Issuer or any Subsidiary Guarantor.

Notwithstanding the foregoing, (i) this covenant will not apply to the Transactions and (ii) the first paragraph of this covenant will not apply with respect to the sale, assignment, transfer, lease, conveyance or

other disposition of substantially all property or assets of the Issuer if such sale, assignment, transfer, lease, conveyance or other disposition also constitutes a Change of Control Triggering Event for which a Change of Control Offer is made to Holders pursuant to the covenant described above under the caption "—Repurchase at the Option of Holders—Change of Control Triggering Event".

Transactions with Affiliates

The Issuer 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 any Affiliate of the Issuer (each of the foregoing, an ***"Affiliate Transaction"***) involving aggregate payments or consideration in excess of the greater of (i) $360.0 million and (ii) 5.0% of LTM EBITDA at such time, unless such Affiliate Transaction is on terms (when taken as a whole) that are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Issuer, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer or any of its Restricted Subsidiaries (or any entity that becomes a Restricted Subsidiary as a result of such transaction) and (b) any merger, amalgamation or consolidation of the Issuer into any direct or indirect parent company; provided that such merger, amalgamation or consolidation is otherwise consummated in compliance with the terms of the Secured Indenture;

(2) Restricted Payments permitted by the provisions of the Secured Indenture described above under the covenant "—Limitation on Restricted Payments" (including any transaction specifically excluded from the definition of the term "Restricted Payments") (other than pursuant to clauses (13) and (15)(h) of the second paragraph of such covenant) and Permitted Investments;

(3) (a) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses pursuant to the Support and Services Agreement (plus any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public equity offering) pursuant to the Support and Services Agreement, or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole, as compared to the Support and Services Agreement as in effect immediately prior to such amendment or replacement and (b) the payment of indemnification and other similar amounts to the Investors and reimbursement of expenses of the Investors;

(4) (A) employment agreements, employee benefit and incentive compensation plans and arrangements and (B) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided on behalf of or for the benefit of, future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its direct or indirect parent companies or any of its Restricted Subsidiaries, including in connection with the Transactions;

(5) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Issuer or its relevant Restricted Subsidiary than those that

would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(6) any agreement or arrangement as in effect as of the Completion Date, or any amendment or replacement thereto (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole as compared to the applicable agreement or arrangement as in effect on the Completion Date);

(7) any Intercompany License Agreements;

(8) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders, investor rights or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it (or any parent company of the Issuer) is a party as of the Completion Date or to be entered into in connection with a Qualified IPO and any similar agreements which it (or any parent company of the Issuer) may enter into thereafter; *provided*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries (or such parent company) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Completion Date or such Qualified IPO shall only be permitted by this clause (8) to the extent that the terms of any such amendment or new agreement are not otherwise, when taken as a whole, materially disadvantageous in the good faith judgment of the Issuer to the Holders than those in effect on the Completion Date or on the date of such Qualified IPO;

(9) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(10) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services or providers of employees or other labor that are Affiliates, in each case in the ordinary course of business or that are consistent with past practice or industry norm and otherwise in compliance with the terms of the Secured Indenture which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(11) the issuance or transfer of (a) Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding of the Issuer to any direct or indirect parent company of the Issuer or to any Permitted Holder or to any employee, director, officer, manager, member, partner or consultants (or their respective Affiliates or Immediate Family Members) of the Issuer, any of its direct or indirect parent companies or any of its Restricted Subsidiaries and (b) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(12) transactions in connection with any Qualified Securitization Facility, factoring arrangements or similar transactions, including sales or other transfers of accounts receivable and related assets or participations therein;

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

(14) payments and Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Issuer and its Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, manager, member, partner or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its 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 or any stock subscription or shareholder agreement that are, in each case, approved by the Issuer in good faith; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and severance arrangements and any supplemental

executive retirement benefit plans or arrangements (including management and/or employee benefit plans or agreements, stock/equity/option plans, management equity plans, subscription agreements or similar agreements pertaining to the repurchase of Capital Stock pursuant to put/call rights or similar rights and equity option or incentive plans and other compensation arrangements)) with any such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) in the ordinary course of business or consistent with past practice or industry norm or as approved by the Issuer in good faith;

(15) (i) investments by Affiliates in securities or loans or other Indebtedness (or commitments thereof) of the Issuer or any of its Restricted Subsidiaries (and payment of out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Affiliates in respect of securities or loans or other Indebtedness (or commitments thereof) of the Issuer or any of its Restricted Subsidiaries contemplated in the foregoing subclause (i) or that were acquired from Persons other than the Issuer and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(16) payments to or from, and transactions with, any joint venture or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice or industry norm (including, without limitation, any cash management activities related thereto);

(17) payments by the Issuer (and any direct or indirect parent company thereof) and its Subsidiaries pursuant to, or the entry into, tax sharing agreements among the Issuer (and any such parent company) and its Subsidiaries, to the extent such payments are permitted under clause (20) of the second paragraph under the caption "—Limitation on Restricted Payments";

(18) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, which is approved by the Issuer in good faith;

(19) intellectual property licenses and research and development agreements in the ordinary course of business or consistent with past practice;

(20) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equityholders of the Issuer or any direct or indirect parent thereof pursuant to any equityholders, registration rights or similar agreements;

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

(22) Permitted Intercompany Activities and related transactions;

(23) (a) any transactions with a Person which would constitute an Affiliate Transaction solely because the Issuer or its Restricted Subsidiary owns an equity interest in or otherwise controls such Person or (b) transactions with a Person which would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Issuer or any direct or indirect parent company; provided, that such director abstains from voting as a director of the Issuer or such direct or indirect parent company, as the case may be, on any matter including such other Person;

(24) transactions undertaken in the ordinary course of business pursuant to membership in a purchasing consortium;

(25) any CMBS Reorganization Transactions or any Foreign RE Loan Reorganization Transactions;

(26) transactions related to a Permitted Change of Control, the payment of Permitted Change of Control Costs and the issuance of Equity Interests in connection with a Permitted Change of Control;

(27) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the provisions of the Secured Indenture, provided that such Subordinated Shareholder

Funding, as amended or otherwise modified, will continue to satisfy the requirements described in the definition of "Subordinated Shareholder Funding";

(28) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of a disposition made in accordance with or not prohibited by the Secured Indenture;

(29) a joint venture which would constitute a transaction with an Affiliate solely as a result of Holdings, the Issuer or any Restricted Subsidiary owning an equity interest or otherwise controlling such joint venture or similar entity;

(30) transactions with any Debt Fund Affiliate in its capacity as a party to any agreement, document or instrument governing or relating to any Indebtedness permitted to be incurred pursuant to the Secured Indenture to the extent such Debt Fund Affiliate is being treated no more favorably than all other lenders thereunder;

(31) a transaction with a Person who was not an Affiliate of the Issuer or any Restricted Subsidiary before such transaction was entered into but becomes an Affiliate solely as a result of such transaction;

(32) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary (and not entered into in contemplation of such designation) and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary (and not entered into in contemplation of such designation);

(33) transactions undertaken in good faith for the purpose of improving the consolidated tax efficiency of Holdings, the Issuer and the Restricted Subsidiaries and not for the purpose of circumventing any covenant set forth in the Secured Indenture;

(34) transactions undertaken pursuant to a shared services agreement or pursuant to a membership in a purchasing consortium;

(35) payment to any Permitted Holder of out-of-pocket expenses incurred by such Permitted Holder in connection with any direct or indirect Investment in the Issuer and its Subsidiaries;

(36) any merger, consolidation or reorganization of the Issuer or any of its Restricted Subsidiaries (otherwise not prohibited by the Secured Indenture) with an Affiliate of the Issuer and/or such Restricted Subsidiary solely for the purpose of (i) reorganizing to facilitate the offering of Capital Stock of the Issuer or any direct or indirect parent thereof, (ii) forming or collapsing a holding company structure or (iii) reorganizing the Issuer or such Restricted Subsidiary in a new jurisdiction, in each case, so long as any such merger, consolidation or reorganization has been approved by a majority of the members of the Board of such Restricted Subsidiary, as applicable, in good faith; and

(37) transactions with Affiliates solely in their capacity as holders of Indebtedness or Capital Stock of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally.

If the Issuer or any of its Restricted Subsidiaries (i) purchases or otherwise acquires assets or properties from a Person which is not an Affiliate, the purchase or acquisition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties acquired shall not be deemed an Affiliate Transaction (or cause such purchase or acquisition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction) or (ii) sells or otherwise disposes of assets or other properties to a Person who is not an Affiliate, the sale or other disposition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties sold shall not be deemed an Affiliate Transaction (or cause such sale or other disposition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that is not the Co-Issuer or a Subsidiary Guarantor 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 the Co-Issuer or a Subsidiary Guarantor to:

(1) (a) pay dividends or make any other distributions to the Issuers or any Subsidiary Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(b) pay any Indebtedness owed to the Issuers or any Subsidiary Guarantor;

(2) make loans or advances to the Issuers or any Subsidiary Guarantor; or

(3) sell, lease or transfer any of its properties or assets to the Issuers or any Subsidiary Guarantor, except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) encumbrances or restrictions in effect on the Completion Date, including pursuant to the Senior Secured Credit Facilities, the Unsecured Indenture and, in each case, the related documentation and Hedging Obligations;

(b) the Secured Indenture, the Secured Notes and the Guarantees;

(c) Purchase Money Obligations and Financing Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so purchased, leased, expanded, constructed, developed, installed, replaced, relocated, renewed, maintained, upgraded, repaired or improved;

(d) applicable law or any applicable rule, regulation or order;

(e) (i) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, any agreement or other instrument of such Unrestricted Subsidiary (but, in any such case, not created in contemplation thereof) and (ii) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into the Issuer or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person (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 so acquired and its Subsidiaries, or the property or assets of the Person so acquired and its Subsidiaries or the property or assets so acquired;

(f) contracts for the sale or disposition of assets, including sale-leaseback agreements, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of any of the Capital Stock or assets of such Subsidiary;

(g) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" that limit the right of the debtor to dispose of or incur Liens on the assets securing such Indebtedness;

(h) restrictions on Cash Equivalents or other deposits or net worth imposed by suppliers, customers or landlords under contracts entered into in the ordinary course of business or consistent with past practice or arising in connection with any Permitted Liens;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not the Co-Issuer or a Subsidiary Guarantor permitted to be incurred subsequent to the Completion

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 to such joint venture;

(k) provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, including with respect to intellectual property and other agreements, in each case, entered into in the ordinary course of business or consistent with industry practices or that in the judgment of the Issuer would not materially impair the Issuers' ability to make payments under the Secured Notes when due;

(l) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided*, that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(m) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary or the assignment of any license or sub-license agreement;

(n) provisions restricting assignment of any agreement entered into in the ordinary course of business or consistent with past practice;

(o) restrictions arising in connection with cash or other deposits permitted under the covenant "—Liens";

(p) any agreement or instrument relating to any Indebtedness, Disqualified or Preferred Stock permitted to be incurred, assumed or issued subsequent to the Completion Date pursuant to, or that is not prohibited by, the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" if either (i) the encumbrances and restrictions are not materially more disadvantageous, taken as a whole, to the Holders than is customary in comparable financings for similarly situated issuers (as determined in good faith by the Issuer), (ii) the encumbrances and restrictions are not materially more restrictive, taken as whole, with respect to such Restricted Subsidiaries, than the restrictions or encumbrances (A) contained in the Secured Indenture, the Senior Secured Credit Facilities or related security documents as of the Completion Date or (B) otherwise in effect on the Completion Date or (iii) either (A) the Issuer determines that such encumbrance or restriction will not materially impair the Issuer's ability to make principal and interest payments on the Secured Notes as and when they come due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness;

(q) restrictions created in connection with any Qualified Securitization Facility, any CMBS Loan, any Foreign RE Loan or the Alternative RE Term Loan Facility; and

(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 (q) above; *provided*, that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, 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.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of (including the application of any standstill requirements to) loans and advances made to the Issuer or a Restricted Subsidiary to other Indebtedness incurred by the Issuer or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Issuer will not permit any of its Wholly Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly Owned Subsidiaries if such non-Wholly Owned Subsidiaries guarantee other capital markets debt securities of the Issuers or any Subsidiary Guarantor pursuant to clause (ii) below), other than the Co-Issuer, a Subsidiary Guarantor, a Captive Insurance Subsidiary, a Foreign Subsidiary, a FSHCO Subsidiary or a Securitization Subsidiary, to guarantee the payment of (i) any syndicated Credit Facility incurred under clause (1) of the second paragraph under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) capital market debt securities of the Issuers or any Subsidiary Guarantor in an aggregate principal amount in excess of $720.0 million, unless:

(1) such Restricted Subsidiary within 60 days after the guarantee of such Indebtedness executes and delivers a supplemental indenture to the Secured Indenture providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer or any Subsidiary Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Secured Notes or such Subsidiary Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Secured Notes; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other applicable rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

provided that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Subsidiary Guarantor to become a Subsidiary Guarantor, in which case such Subsidiary shall not be required to comply with the 60 day period described in clause (1) above.

Reports and Other Information

So long as any Secured Notes are outstanding, the Issuer will have its annual consolidated financial statements audited by a nationally recognized firm of independent auditors. In addition, after the Completion Date, so long as any Secured Notes are outstanding, the Issuer will furnish to the Holders of the Secured Notes the following reports:

(1) (x) all annual and year-to-date interim period (ended at each quarter end, except for the fourth quarter) financial statements consistent with those included in this offering memorandum, plus a "Management's Discussion and Analysis of Financial Condition and Results of Operations"; (y) with respect to the annual and year-to-date interim information, a presentation of "Adjusted EBITDA" of the Issuer substantially consistent with the presentation thereof in this offering memorandum and derived from such financial information; and (z) with respect to the annual financial statements only, a report on the annual financial statements by the Issuer's independent registered public accounting firm; and

(2) substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items 1.01, 1.02, 1.03, 2.01 (only with respect to acquisitions that are "significant" at the 20% or greater level pursuant to clauses (1)(i) and (ii) of the definition of "Significant Subsidiary" under Rule 1-02 of Regulation S-X only), 4.01, 4.02(a) and (b), 5.01 and 5.02(b) (with respect to the principal executive officer, president, principal financial officer and principal operating officer only) and (c) (with respect to the principal executive officer, president, principal financial officer and principal operating officer only and other than with respect to information otherwise required or contemplated by subclause (3) of such Item or by Item 402 of Regulation S-K) as in effect on the Completion Date if the Issuer were required to file such reports;

provided, however, that (A) no such report will be required to include as an exhibit, or to include a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Issuer (or any of its direct or indirect parent entities or its Subsidiaries) and any director, manager or officer, of the Issuer (or any of its direct or indirect parent entities or its Subsidiaries), (B) the Issuer shall not be required to make available any information regarding the occurrence of any of the events set forth in clause (2) above if the Issuer determines in its good faith judgment that the event that would otherwise be required to be disclosed is not material to the Holders of the Secured Notes or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries taken as a whole, (C) no such report will be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any "non-GAAP" financial information contained therein, (D) no such report will be required to comply with Regulation S-X including, without limitation, Rules 3-03(e), 3-05, 3-09, 3-10, 3-16, 13-01, 13-02 or Article 11 thereof (or any successor or similar rules), (E) no such report will be required to provide any information that is not otherwise similar to information currently included in this offering memorandum, (F) in no event will such reports be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits under the SEC rules, (G) trade secrets and other information that could cause competitive harm to the Issuer and its Restricted Subsidiaries may be excluded from any disclosures, (H) such financial statements or information will not be required to contain any "segment reporting", (I) such financial statements and information may, at the election of the Issuer, be prepared in accordance with U.S. GAAP or IFRS and (J) no report will be required to be provided in connection with the Transactions.

All such annual reports shall be furnished within 120 days after the end of the fiscal year to which they relate; *provided* that the annual report for the fiscal year ending on or about December 31, 2021 shall be furnished within 150 days after the end of such fiscal year; all such quarterly reports shall be furnished within 60 days after the end of the fiscal quarter to which they relate; *provided* that the quarterly report for the fiscal quarters ending on or about September 25, 2021, March 26, 2022, June 25, 2022 and September 24, 2022 shall be furnished within 75 days after the end of the fiscal quarter which they relate and all such current reports shall be furnished within 15 days of the due date specified in the SEC's rules and regulations for reporting companies under the Exchange Act. Notwithstanding the foregoing, any annual reports or quarterly reports may be furnished on or prior to the due date applicable to the Issuer or any parent entity of the Issuer pursuant to the SEC's rules and regulations under the Exchange Act, if later than a date provided in the preceding sentence.

The Issuer will be deemed to have furnished the reports referred to in clauses (1) and (2) of the first paragraph of this covenant if the Issuer or any parent entity of the Issuer has filed reports containing substantially such information (or any such information of a parent entity pursuant to the fourth succeeding paragraph) with the SEC.

If the Issuer or any parent entity of the Issuer does not file reports containing such information with the SEC, then the Issuer will make available such information and such reports to any Holder of the Secured Notes and to any beneficial owner of the Secured Notes, in each case by posting such information on a password-protected website or online data system which will require a confidentiality acknowledgment, and will make such information readily available to any bona fide prospective investor, any securities analyst (to the extent providing analysis of investment in the Secured Notes) or any market maker in the Secured Notes who agrees to treat such information as confidential; *provided* that the Issuer shall post such information thereon and make readily available any password

or other login information to any such bona fide prospective investor, securities analyst or market maker; *provided, however,* that the Issuer may deny access to any information or reports otherwise to be provided pursuant to this covenant to any such Holder, beneficial owner, bona fide prospective investor, securities analyst or market maker that is a competitor or to the extent that the Issuer determines in its sole discretion that the provision of such information to such Person may be harmful to the Issuer and its Subsidiaries; *provided, further,* that such Holders, beneficial owners, bona fide prospective investors, securities analysts and market makers shall agree to (A) treat all such reports (and information contained therein) as confidential, (B) not to use such reports (and the information contained therein) for any purpose other than their investment or potential investment in the Secured Notes and (C) not publicly disclose any such reports (and the information contained therein).

To the extent not satisfied by the foregoing, the Issuer will furnish to Holders of the Secured Notes, securities analysts and prospective investors upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the ***"Securities Act"***), so long as the Secured Notes are not freely transferable under the Securities Act.

If any Subsidiary of the Issuer is an Unrestricted Subsidiary and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Issuer, then the annual and quarterly information required by clause (1) of the first paragraph of this covenant shall include a presentation of selected financial metrics (in the Issuer's sole discretion) of such Unrestricted Subsidiaries as a group in the "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Notwithstanding the foregoing, the Secured Indenture will permit the Issuer to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to Holdings or any parent entity of the Issuer; *provided* that if Holdings or such parent entity does not Guarantee the Secured Notes then the same is accompanied by selected financial metrics that show the differences (in the Issuer's sole discretion) between the information relating to Holdings or such parent, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (3) under "—Events of Default and Remedies" until 180 days after the receipt of the written notice delivered thereunder.

To the extent any information is not provided within the time periods specified in this section "—Reports and Other Information" and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

The Trustee shall have no duty to review or analyze any reports furnished or made available to it and the Trustee's receipt of such reports shall not constitute actual or constructive knowledge of the information contained therein or determinable therefrom, including the Issuers' compliance with any of its covenants (as to which the Trustee is entitled to conclusively rely on an Officer's Certificate).

Notwithstanding the foregoing, the Issuer will not be required to disclose any information or take any actions that, in the good faith view of the Issuer, would violate applicable securities laws or the SEC's "gun-jumping" rules.

Events of Default and Remedies

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

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

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

(3) failure by the Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Secured Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clause (1) or (2) above) contained in the Secured Indenture or the Secured Notes;

(4) (i) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries, other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Secured Notes, 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 the greater of (i) $1,000.0 million (or its foreign currency equivalent) and (ii) 40.0% of LTM EBITDA or more outstanding;

(5) (i) failure by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of the greater of (i) $1,000.0 million and (ii) 40.0% of LTM EBITDA (net of amounts covered by insurance policies issued by reputable insurance companies), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary);

(7) the Guarantee of any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a 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 the Issuer or any Subsidiary Guarantor that is a Significant Subsidiary (or the responsible officers of any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary), as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of the Secured Indenture or the release of any such Guarantee in accordance with the Secured Indenture;

(8) (i) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Secured Indenture or the Security Documents) other than (A) in accordance with the

terms of the relevant Security Document and the Secured Indenture, (B) the satisfaction in full of all Obligations under the Secured Indenture or (C) any loss of perfection that results from the failure of the Notes Collateral Agent or other applicable collateral agent to maintain possession of certificates delivered to it representing securities pledged under the Security Documents and (ii) such default continues for 30 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Secured Notes;

(9) the Issuer or any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of Holdings for a fiscal quarter end provided as required under "—Reports and Other Information" would constitute a Significant Subsidiary) shall assert, in any pleading in any court of competent jurisdiction, that any security interest in any Security Document is invalid or unenforceable (other than by reason of the satisfaction in full of all obligations under the Secured Indenture and discharge of the Secured Indenture, the release of the Guarantor of such Subsidiary Guarantor in accordance with the terms of the Secured Indenture or the release of such security interest in accordance with the terms of the Secured Indenture and the Security Documents); and

(10) the failure by the Issuer to consummate the Special Mandatory Redemption to the extent required, as described under "—Escrow of Gross Proceeds; Special Mandatory Redemption."

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Secured Indenture, the Trustee or the Holders of not less than 30% in aggregate principal amount of all the then outstanding Secured Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Secured Notes to be due and payable immediately; *provided* that no such declaration may be made with respect to any action taken, and reported publicly or to Holders, more than two years prior to such declaration. Any notice of Default under clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section, notice of acceleration with respect to an Event of Default under clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section, instruction to the Trustee to provide a notice of Default under clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section, notice of acceleration with respect to an Event of Default under clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section or instruction to the Trustee or the Notes Collateral Agent to take any other action with respect to an alleged Default or Event of Default under clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section (a "***Noteholder Direction***") provided by any one or more Holders (other than a Regulated Bank) (each, a "***Directing Holder***") must be accompanied by a written representation from each such Holder delivered to the Issuer, the Trustee and the Notes Collateral Agent, if applicable, that (i) such Holder is not (or, in the case such Holder is DTC or DTC's nominee, that such Holder is being instructed solely by beneficial owners that are not) Net Short and (ii) such Holder and the Affiliates of such Holder do not (or, in the case such Holder is DTC or DTC's nominee, that such Holder is being instructed solely by beneficial owners and Affiliates of such beneficial owners that do not) hold or beneficially own Notes in excess of the Voting Cap (each, a "***Position Representation***"), which representation, in the case of a Noteholder Direction relating to delivery of a notice of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Secured Notes are accelerated. In addition, each Directing Holder is deemed, at the time of providing a Noteholder Direction, to covenant to provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Directing Holder's Position Representation within five Business Days of request therefor (a "***Verification Covenant***"). In any case in which the Holder is DTC or DTC's nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Secured Notes in lieu of DTC or DTC's nominee and DTC shall be entitled to conclusively rely on such Position Representation and Verification Covenant in delivering its direction to the Trustee or the Notes Collateral Agent, as applicable.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Secured Notes, the Issuer determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and the Issuer provides to the Trustee an Officer's Certificate

certifying that the Issuer has (i) a good faith reasonable basis to believe that one or more Directing Holders were at any relevant time in breach of their Position Representation or their Verification Covenant and (ii) initiated proceedings in a court of competent jurisdiction seeking a determination that such Directing Holders were, at such time, in breach of their Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to such Event of Default shall be automatically reinstituted and any remedy stayed pending a final and nonappealable determination of a court of competent jurisdiction on such matter. If such Officer's Certificate has been delivered to the Trustee and the Notes Collateral Agent, if applicable, the Trustee and the Notes Collateral Agent, as applicable, shall refrain from acting in accordance with such Noteholder Direction until such time as the Issuer provides to the Trustee and the Notes Collateral Agent, if applicable, an Officer's Certificate stating that (i) such Directing Holders have satisfied their Verification Covenant or (ii) such Directing Holders have failed to satisfy its Verification Covenant, and during such time the cure period with respect to any Default shall be automatically stayed and the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Directing Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Directing Holder, the percentage of Secured Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio (other than any indemnity such Holder may have offered or provided to the Trustee or the Notes Collateral Agent), with the effect that such Event of Default shall be deemed never to have occurred, and any related acceleration rescinded, and the Trustee and the Notes Collateral Agent, if applicable, shall be deemed not to have received such Noteholder Direction or any notice of such alleged Default or Event of Default, shall not be permitted to act thereon and shall be restricted from accepting and acting on any future Noteholder Direction in relation to such Event of Default. If the Directing Holder has satisfied its Verification Covenant, then the Trustee and the Notes Collateral Agent, if applicable, shall be permitted to act in accordance with such Noteholder Direction. Notwithstanding the above, if such Directing Holder's participation is not required to achieve the requisite level of consent of Holders required under the Secured Indenture to give such Noteholder Direction, the Trustee and the Notes Collateral Agent, if applicable, shall be permitted to act in accordance with such Noteholder Direction notwithstanding any action taken or to be taken by the Issuer (as described above). Each of the Trustee and the Notes Collateral Agent shall be entitled to conclusively rely on any Noteholder Direction or Officer's Certificate delivered to it in accordance with the Secured Indenture without verification, investigation or otherwise as to the statements made therein.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee or the Notes Collateral Agent during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding shall not require compliance with the foregoing paragraphs. In addition, for the avoidance of doubt, the foregoing paragraphs shall not apply to any Holder that is a Regulated Bank. Each Holder by accepting a Secured Note acknowledges and agrees that neither the Trustee nor the Notes Collateral Agent (nor any agent) shall not be liable to any person for acting or refraining to act in accordance with (i) the foregoing provisions, (ii) any Noteholder Direction, (iii) any Officer's Certificate or (iv) its duties under the Secured Indenture, as the Trustee or the Notes Collateral Agent, if applicable, may determine in its sole discretion. Neither the Trustee nor the Notes Collateral Agent shall have any obligation (i) to monitor, investigate, verify or otherwise determine if a Holder has a Net Short position, (ii) investigate the accuracy or authenticity of any Position Representation, (iii) inquire if the Issuer will seek action to determine if a Directing Holder has breached its Position Representation, (iv) enforce any Verification Covenant, (v) monitor any court proceedings undertaken in connection therewith, (vi) monitor or investigate whether any Default or Event of Default has been publicly reported or (vii) otherwise make any calculations, investigations or determinations with respect to any Derivative Instruments, Net Short position, Long Derivative Instrument, Short Derivative Instrument or otherwise.

Upon the effectiveness of such declaration, or in the case of clauses (3), (4), (5), (7), (8) or (9) of the first paragraph of this section, upon a valid Noteholder Direction, to accelerate the Secured Notes, 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 Secured Notes will become due and payable without further action or notice. The Secured 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.

The Secured Indenture will provide, subject to the foregoing, that the Required Holders, by notice to the Trustee may on behalf of the Holders of all of the Secured Notes waive any existing Default and its consequences under the Secured Indenture or the Security Documents and rescind any acceleration with respect to the Secured Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction and except a continuing Default in the payment of interest on, premium, if any, or the principal of, any Secured Note held by a non-consenting Holder).

In the event of any Event of Default specified in clause (4) of the first paragraph of this section, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Secured 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) the requisite number of holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

In case an Event of Default occurs and is continuing, neither the Trustee nor the Notes Collateral Agent will be under any obligation to exercise any of the rights or powers under the Secured Indenture at the request or direction of any of the Holders of the Secured Notes unless the Holders have offered and, if requested, provided to the Trustee and the Notes Collateral Agent, if applicable, indemnity or security satisfactory to the Trustee and the Notes Collateral Agent, if applicable, against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due on or after the respective due dates expressed in an outstanding Secured Note, no Holder of a Secured Note may pursue any remedy with respect to the Secured Indenture or the Secured Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing and, if such Event of Default is in respect of clause (3), (4), (5), (7), (8) or (9) of the first paragraph of this section, such Holder is not in breach of a Position Representation or Verification Covenant;

(2) the Holders, or in the case of clauses (3), (4), (5), (7) (8) or (9) of the first paragraph of this section, Directing Holders that are not in breach of a Position Representation or Verification Covenant, comprising at least 30% in the aggregate principal amount of the then outstanding Secured Notes have requested in writing the Trustee to pursue the remedy;

(3) Holders of the Secured Notes have offered, and if requested, provided the Trustee security or indemnity satisfactory to it 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) the Required Holders have not given the Trustee a direction inconsistent with such written request within such 60-day period.

Subject to certain restrictions contained in the Secured Indenture, including those described above, the Required Holders 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 Secured Indenture or that the Trustee

determines is unduly prejudicial to the rights of any other Holder of a Secured Note or that would involve the Trustee in personal liability, and may take any other action that is not inconsistent with any such direction received from Holders of the Secured Notes (it being understood that the Trustee does not have an affirmative duty to determine whether any action is prejudicial to any Holder).

The Secured Indenture will provide that the Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Secured Indenture, and the Issuer is required, within 20 Business Days upon becoming aware of any Default, to deliver to the Trustee a statement specifying such Default (unless such Default has been cured or waived within such 20-Business Day time period). The Trustee will not be deemed to have knowledge of any Defaults or Events of Default unless written notice of an event, which is in fact a Default, has been delivered to the Trustee at its office specified in the Indenture and such notice references the Notes and the Indenture and states that it is a "Notice of Default."

Any Default or Event of Default resulting from the failure to deliver a notice, report or certificate under the Secured Indenture shall cease to exist and be cured in all respects if the underlying Default or Event of Default giving rise to such notice, report or certificate requirement shall have ceased to exist and/or be cured (including pursuant to this paragraph). For the avoidance of doubt, each of the parties hereto agree that any court of competent jurisdiction may (x) extend or stay any grace period set forth in the Secured Indenture prior to when any actual or alleged Default becomes an actual or alleged Event of Default or (y) stay the exercise of remedies by the Trustee or Holders contemplated by the Secured Indenture or otherwise upon the occurrence of an actual or alleged Event of Default, in each case of clauses (x) and (y), in accordance with the requirements of applicable law.

No Personal Liability of Directors, Managers, Officers, Members, Partners, Employees and Equityholders

No past, present or future director, manager, officer, employee, incorporator, member, partner or direct or indirect equityholder of the Issuer or any Restricted Subsidiaries or of any of their direct or indirect parent companies (other than in such equityholder's capacity as an Issuer or a Guarantor) shall have any liability, for any obligations of the Issuers or the Guarantors under the Secured Notes, the Guarantees, the Secured Indenture or the Security Documents or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Secured Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Secured Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

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

(1) the rights of Holders of Secured Notes to receive payments in respect of the principal of, premium, if any, and interest on the Secured Notes when such payments are due solely out of the trust created pursuant to the Secured Indenture;

(2) the Issuers' obligations with respect to Secured Notes concerning issuing temporary Secured Notes, registration of such Secured Notes, mutilated, destroyed, lost or stolen Secured Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Secured Indenture.

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

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

(1) the Issuers shall irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Secured Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof, in such amount as will be sufficient, in the opinion of an Independent Financial Advisor, without consideration of any reinvestment to pay the principal of, premium, if any, and interest due on such Secured 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 Secured Notes and the Issuers must specify whether such Secured Notes are being defeased to maturity or to a particular redemption date; *provided,* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Secured Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the ***"Applicable Premium Deficit"***) only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least one Business Day prior to the date of the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

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

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

  (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

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

(3) in the case of Covenant Defeasance, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the beneficial owners of the Secured 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 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 Covenant Defeasance had not occurred;

(4) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Secured Indenture) to which the Issuers or any Guarantor is a party or by which the Issuers or any Guarantor is bound (other than that resulting 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 other Indebtedness, and, in each case, the granting of Liens in connection therewith);

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

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

Satisfaction and Discharge

The Secured Indenture will be discharged and will cease to be of further effect as to all Secured Notes (other than certain rights of the Trustee and the Notes Collateral Agent and the Issuers' obligations with respect thereto), when either:

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

(2) (a) all Secured 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 Issuers, and the Issuers have 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 Secured Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment to pay and discharge the entire indebtedness on the Secured Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided,* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Secured Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least one Business Day prior to the date of the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) the Issuers have paid or caused to be paid all sums payable by it under the Secured Indenture; and

(c) the Issuers have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Secured Notes at maturity or the redemption date, as the case may be.

In addition, the Issuers must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, (i) the Secured Indenture, any Guarantee, the Secured Notes and the Security Documents may be amended or supplemented with the consent of the Required Holders (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Secured Notes) and (ii) any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Secured Notes (which shall be considered waived only with respect to Secured Notes held by consenting Holders), except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Secured Indenture, any Guarantee, the Secured Notes or the Security Documents may be waived with the consent of the Required Holders (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Secured Notes).

Notwithstanding anything in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Secured Indenture to the contrary, for purposes of determining whether the Required Holders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents or any departure by the Issuers or any Guarantor therefrom, unless the action in question affects any Affiliated Holder in a disproportionately adverse manner than its effect on the other Holders, or any plan of reorganization pursuant to any applicable bankruptcy, insolvency or similar proceeding, (ii) otherwise acted on any matter related to the Secured Indenture, the Secured Notes, the Security Documents or the Guarantees or (iii) directed or required the Trustee, the Notes Collateral Agent or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Secured Indenture, the Secured Notes, the Security Documents or the Guarantees, no Affiliated Holder shall have any right to consent (or not consent), otherwise act or direct or require the Trustee, the Notes Collateral Agent or any Holder to take (or refrain from taking) any such action and all Secured Notes held by any Affiliated Holders shall be deemed to be not outstanding for all purposes of calculating whether the Required Holders have taken any actions.

Notwithstanding anything in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Secured Indenture to the contrary, for purposes of determining whether the Required Holders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents or any departure by the Issuers or any Guarantor therefrom, (ii) otherwise acted on any matter related to the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents or (iii) directed or required the Trustee, the Notes Collateral Agent or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Secured Indenture, the Secured Notes, the Security Documents or the Guarantees, all Secured Notes held or beneficially owned by Debt Fund Affiliates may not account for more than 49.9% (pro rata among such Debt Fund Affiliates) of the Secured Notes of consenting Holders included in determining whether the Required Holders have consented to any action pursuant to this "Amendment, Supplement and Waiver" section.

Notwithstanding anything to the contrary in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Secured Indenture, for purposes of determining whether the Required Holders or any of the Holders, as applicable, have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents or any departure by the Issuer or any Guarantor therefrom, (ii) otherwise acted on any matter related to the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents or (iii) directed or required the Trustee or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents, all Secured Notes held or beneficially owned by any Holder (or beneficial owner) or any Affiliate of such Holder (or beneficial owner), shall not, subject to the proviso to this paragraph below, account for more than 20.0% of the Secured Notes outstanding at any time (with respect to any Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)), the "***Voting Cap***") included in determining whether the Required Holders or any of the Holders, as applicable, have consented to any action (or refrained from taking any action) or provided any consent or waiver pursuant to this "Amendment, Supplement and Waiver" section. All Secured Notes held or beneficially owned by any Holder (or beneficial owner) or any Affiliate of such Holder (or beneficial owner) in excess of the Voting Cap shall be deemed to not be outstanding for all purposes of calculating whether the Required Holders, or with respect to any other action which requires the consent of the Holders, the Holders, as applicable, have taken any action (or refrained from taking any action) or provided any consent or waiver; *provided* that, notwithstanding the foregoing, the Issuer may, in its sole discretion, consent to an increase of the Voting Cap for any individual Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)) from time to time, which increase shall become effective with respect to the Voting Cap solely for such Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)) (and

not, for the avoidance of doubt, with respect to the Voting Cap for any other Holder (or beneficial owner) or the Affiliates of any other Holder (or beneficial owner)) upon written notice to the Trustee.

In connection with any action under the Secured Indenture, the Secured Notes, the Guarantees or the Security Documents that requires a determination of whether the Required Holders or any of the Holders, as applicable, have consented to such action or otherwise acted on any matter or directed the Trustee or the Notes Collateral Agent to undertake any action (or refrain from taking any action), the Issuer shall identify the amount of Secured Notes held or beneficially owned by an Affiliated Holder or a Debt Fund Affiliate, the amount of the Voting Cap and whether the Voting Cap is triggered with respect to such consent, action or direction in an Officer's Certificate delivered to the Trustee and Notes Collateral Agent, upon which the Trustee and Notes Collateral Agent shall be entitled to conclusively rely without investigation.

The Secured Indenture will provide that, without the consent of each affected Holder of a Secured Note (including, for purposes of this paragraph, Secured Notes held or beneficially owned by the Issuer or its Affiliates), an amendment or waiver may not, with respect to any Secured Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Secured 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 Secured Note or alter or waive the provisions with respect to the redemption of such Secured Notes (other than provisions relating to (a) notice periods (to the extent consistent with applicable requirements of clearing and settlement systems) for redemption and conditions to redemption and (b) the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest on any such Secured Note (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on such Secured Notes, except a rescission of acceleration of such Secured Notes by the Required Holders, and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in the Secured Indenture, the Secured Notes or any Guarantee which cannot be amended or modified without the consent of each affected Holder;

(5) make any such Secured Note payable in money other than that stated therein;

(6) make any change in the provisions of the Secured Indenture relating to waivers of past Defaults;

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

(8) amend the contractual right expressly set forth in the Secured Indenture or the Secured Notes of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Secured Notes on or after the due dates therefor;

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

(10) except as expressly permitted by the Secured Indenture, modify the Guarantees of any Subsidiary Guarantor that is a Significant Subsidiary, or any group of Subsidiary Guarantors that, taken together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information"), would constitute a Significant Subsidiary, in any manner materially adverse to the Holders of such Secured Notes.

Notwithstanding the foregoing, without the consent of the Holders of at least 66-2/3% in aggregate principal amount of the Secured Notes then outstanding, no amendment or waiver may make any change in any Security Document or the provisions in the Secured Indenture dealing with Collateral or application of trust proceeds of

the Collateral with the effect of releasing the Liens on all or substantially all of the Collateral which secure the Obligations in respect of the Secured Notes, other than as provided under the terms of the Secured Indenture, the Security Documents or the Pari Passu Intercreditor Agreement.

Notwithstanding the foregoing, the Issuers, any Guarantor (with respect to a Guarantee, the Secured Indenture or the Security Documents to which it is a party), the Trustee and/or the Notes Collateral Agent (and any other agents party thereto (to the extent applicable)), as the case may be, may amend or supplement the Secured Indenture, the Secured Notes, any Guarantee or the Security Documents without the consent of any Holder:

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

(2) to provide for uncertificated Secured Notes in addition to or in place of certificated Secured Notes;

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

(4) to provide for the assumption of the Issuer's, the Co-Issuer'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 materially adversely affect the legal rights under the Secured Indenture of any such Holder;

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

(7) to provide for the issuance of Additional Secured Notes in accordance with the terms of the Secured Indenture;

(8) to evidence and provide for the acceptance and appointment under the Secured Indenture of a successor Trustee, a successor Notes Collateral Agent or a successor paying agent thereunder (or any other applicable agent) pursuant to the requirements thereof;

(9) to add an obligor or a Guarantor under the Secured Indenture;

(10) to conform the text of the Secured Indenture, the Secured Notes, any Guarantees or the Security Documents to any provision of this "Description of Secured Notes";

(11) to make any amendment to the provisions of the Secured Indenture relating to the transfer and legending of Secured Notes as permitted by the Secured Indenture, including, without limitation to facilitate the issuance and administration of the Secured Notes; *provided, however*, that such amendment does not materially and adversely affect the rights of Holders to transfer Secured Notes;

(12) to release any Guarantor from its Guarantee pursuant to the Secured Indenture when permitted or required by the Secured Indenture;

(13) to release and discharge any Lien securing the Secured Notes when permitted or required by the Secured Indenture or the Security Documents;

(14) to comply with the rules of any applicable securities depositary;

(15) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Trustee or the Notes Collateral Agent for the benefit of the Holders, as additional security for the payment and performance of all or any portion of the Pari Passu Notes Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Notes Collateral Agent pursuant to the Secured Indenture, any of the Security Documents or otherwise;

(16) to add Additional Pari Passu Secured Parties to any Security Documents;

(17) (A) to enter into any intercreditor agreement having substantially similar terms with respect to the Holders as those set forth in the Pari Passu Intercreditor Agreement, taken as a whole, or any joinder

thereto, (B) to enter into the Junior Lien Intercreditor Agreement or any intercreditor agreement having substantially similar terms with respect to the Holders as those set forth in the Junior Lien Intercreditor Agreement, taken as a whole, or any joinder thereto, (C) to enter into the ABL/Fixed Asset Intercreditor Agreement or any intercreditor agreement having substantially similar terms with respect to the Holders as those set forth in the ABL/Fixed Asset Intercreditor Agreement, taken as a whole, or any joinder thereto and (D) to enter into any amendment or supplement to any intercreditor agreement to add other debt representatives as party thereto and to make such other changes to the applicable intercreditor agreement, as in the good faith determination of the Issuer, are required to effectuate the foregoing;

(18) in the case of any Security Document, to include therein any legend required to be set forth therein pursuant to the Pari Passu Intercreditor Agreement or any other intercreditor agreement or to modify any such legend as required by the Pari Passu Intercreditor Agreement or any other intercreditor agreement; and

(19) to provide for the succession of any parties to the Security Documents (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplementing or other modification from time to time of the Senior Secured Credit Facilities or any other agreement that is not prohibited by the Secured Indenture.

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

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under, "—Repurchase at the option of Holders" or "—Certain Covenants," or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any legal rights of any Holders of the Secured Notes to receive payment of principal of or premium, if any, or interest on the Secured Notes or to institute suit for the enforcement of any payment on or with respect to such Holder's Secured Notes.

Notices

Notices given by publication (including posting of information as contemplated by the covenant described under "Certain Covenants—Reports and Other Information") will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting. Notices sent by overnight delivery service will be deemed given when delivered and notices given electronically will be deemed given when sent. Notice otherwise given in accordance with the procedures of DTC will be deemed given on the date sent to DTC.

Concerning the Trustee

The Secured Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Issuers or a Guarantor, 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 Secured Indenture will provide that the Required Holders will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee and the Notes Collateral Agent, subject to certain exceptions. The Secured Indenture will provide that in case an Event of Default shall occur (which shall not be cured) of which the Trustee has received written notice or a responsible officer of the Trustee has actual knowledge, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. Neither the Trustee nor the Notes Collateral

Agent will be under any obligation to exercise any of its rights or powers under the Secured Indenture at the request of any Holder of the Secured Notes, unless such Holder shall have offered, and if requested, provided, to the Trustee and the Notes Collateral Agent, as applicable, security and indemnity satisfactory to the Trustee and Notes Collateral Agent, as applicable, against any loss, liability or expense.

Governing Law

The Secured Indenture, the Secured Notes and any Guarantee will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

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

"***ABL Priority Collateral***" means all Collateral identified as "ABL Collateral", "ABL Priority Collateral" or a similar defined term in a Senior ABL Credit Agreement or an ABL/Fixed Asset Intercreditor Agreement, including, but not limited to, the following:

(1) accounts (other than to the extent constituting identifiable proceeds of Fixed Asset Priority Collateral), chattel paper and payment intangibles;

(2) deposit accounts (and all balances, cash, checks and other negotiable instruments, funds and other evidences of payment held therein), securities accounts (and all balances, cash, checks, securities, securities entitlements, financial asset and instruments (whether negotiable or otherwise), funds and other evidences of payment held therein), and commodities accounts (and all balances, cash, checks, securities, securities entitlements, financial asset and instruments (whether negotiable or otherwise), other than a deposit account, securities account or commodities account containing exclusively identifiable proceeds of Fixed Asset Priority Collateral;

(3) all inventory;

(4) to the extent evidencing, governing, securing or otherwise reasonably related to any of the foregoing, all documents, general intangibles, instruments, investment property (other than Capital Stock), commercial tort claims, letters of credit, letter of credit rights and supporting obligations;

(5) all books, records and documents related to the foregoing (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing); and

(6) all proceeds and products of any or all of the foregoing in whatever form received, including proceeds of business interruption and other insurance and claims against third parties.

"Acquired Indebtedness" means, with respect to any specified Person,

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

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

"Acquisition" means the transactions directly or indirectly related to or contemplated pursuant to the Acquisition Agreement.

"Acquisition Agreement" means the purchase and sale agreement, dated as of June 5, 2021, by and among Mozart Buyer LP, Mozart RE Debt Merger Sub Inc., Mozart Holdco, Inc. and Medline Industries, Inc. and the other parties thereto, as amended, modified and supplemented from time to time.

"***Acquisition Consideration***" shall mean, in connection with any acquisition, the aggregate amount (as valued at the fair market value of such acquisition at the time such acquisition is made) of, without duplication: (a) the purchase consideration paid or payable for such acquisition, whether payable at or prior to the consummation of such acquisition or deferred for payment at any future time, whether or not any such future payment is sub-ject to the occurrence of any contingency, and including any and all payments representing the purchase price and any assumptions of Indebtedness and/or guarantee obligations, "earn-outs" and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent up-on the revenues, income, cash flow or profits (or the like) of any Person or business and (b) the aggregate amount of Indebtedness assumed in connection with such acquisition; provided in each case, that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP (as determined at the time of the consummation of such acquisition) to be established in respect thereof by the Company or its Restricted Subsidiaries.

"Acquisition Date" means the date of consummation of the Acquisition.

"***Additional Pari Passu Obligations***" means any Indebtedness having Pari Passu Lien Priority relative to the Secured Notes with respect to the Collateral and is not secured by any other assets; *provided* that an authorized representative of the holders of such Indebtedness shall have executed a joinder to the Pari Passu Intercreditor Agreement. For the avoidance of doubt, any Senior ABL Revolving Credit Obligations shall not be considered Additional Pari Passu Obligations.

"***Additional Pari Passu Secured Parties***" means the holders of any Additional Pari Passu Obligations and any trustee, authorized representative or agent of such Additional Pari Passu Obligations.

"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. No Person shall be an "Affiliate" of the Issuer or any Subsidiary solely because it is an unrelated portfolio operating company of an Investor. 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.

"***Affiliated Holder***" means, at any time, any Holder that is a direct or indirect holding company of Holdings or the Issuer or an Investor (including portfolio companies of the Investors notwithstanding the exclusion in the definition of "Investors") (other than Holdings, the Issuer or any of its Subsidiaries and other than any Debt Fund Affiliate) or a Non-Debt Fund Affiliate of an Investor at such time.

"Alternative RE Borrower" means, prior to the consummation of the Transactions, Mozart RE Debt Merger Sub Inc., and, upon the consummation of the Transactions, Mozart Real Estate Holdings, LP, and in each case not including any of their respective subsidiaries.

"Alternative RE Term Loan Facility" means an up to $2,200 million senior secured U.S. dollar denominated term loan facility that may be drawn on or prior to the Acquisition Date in lieu of all or a portion of borrowings under CMBS Loans.

"***Applicable Asset Sale Percentage***" means, (1) 100.0% if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be greater than 4.25 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the

applicable Asset Sale, (2) 50.0% if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be less than or equal to 4.25 to 1.00 and greater than 3.75 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the applicable Asset Sale and (3) 0.0%, if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be less than or equal to 3.75 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the applicable Asset Sale and in each case calculated after giving pro forma effect to such Asset Sale and any related prepayment.

"Applicable Premium" means, with respect to any Secured Note on any Redemption Date, the greater of: (1) 1.0% of the principal amount of such Secured Note, and (2) the excess, if any, of (a) the present value at such Redemption Date of (i) the redemption price of such Secured Note at , 2024 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption"), plus (ii) all required remaining scheduled interest payments due on such Secured Note through , 2024 (excluding accrued but unpaid interest to, but excluding, the Redemption Date), computed using a discount rate equal to the Applicable Treasury Rate, as of such Redemption Date plus 50 basis points, over (b) the then outstanding principal amount of such Note. The Issuer shall calculate, or cause the calculation of, the Applicable Premium, and the Trustee shall have no duty to calculate, or verify the Issuer's calculations of, the Applicable Premium.

"Applicable Treasury Rate" means, at the time of computation, the weekly average (for the most recently completed week for which such information is available as of the date that is two Business Days prior to the Redemption Date) of the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in Federal Reserve Statistical Release H.15 with respect to each applicable day during such week 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 not equal to the constant maturity of a United States Treasury security for which a yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except 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 shall be used; provided that if such rate is less than zero, the Applicable Treasury Rate shall be zero.

"***Approved Commercial Bank***" means a commercial bank with a consolidated combined capital and surplus of at least $5,000,000,000.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions (including by way of a Sale and Lease-Back Transaction), of Collateral (each referred to in this definition as a ***"disposition"***); or

(2) the issuance or sale of Equity Interests of the Co-Issuer or any Subsidiary Guarantor (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with, or in a manner not prohibited by, the covenant described under "—Certain Covenants—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) (i) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, non-core, surplus, damaged, unnecessary, uneconomic, no longer commercially desirable, used, unsuitable or worn out equipment, inventory or other property or any disposition of inventory, goods or

other assets held for sale or no longer used or useful, or economically practical to maintain in the conduct of the business of the Issuer or any of its Restricted Subsidiaries and (ii) write-off or write-down of any unrecoupable loans or advances;

(b) (i) the disposition of all or substantially all of the assets of the Issuer or any Restricted Subsidiary in a manner permitted pursuant to or not prohibited by the provisions described above under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets" or (ii) any disposition that constitutes, or, in the case of a Permitted Change of Control, is made in connection with, a Change of Control or a Permitted Change of Control pursuant to the Secured Indenture;

(c) (i) any Permitted Investment and the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments," or (ii) any disposition the proceeds of which are used to fund a Permitted Investment or the making of a Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments";

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with a fair market value not to exceed the greater of (i) $400.0 million and (ii) 15.0% of LTM EBITDA;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary, including pursuant to any Intercompany License Agreement;

(f) any swap or exchange of like property for use in a Similar Business;

(g) (i) the lease, assignment, sub-lease, license, sub-license or cross-license of any real or personal property in the ordinary course of business or consistent with industry practices or (ii) any dispositions and/or terminations of leases, sub-leases, licenses or sub-licenses (including the provision of software under an open source license), which (A) do not materially interfere with the business of the Issuer and its Subsidiaries (taken as a whole) or (B) relate to closed facilities or the discontinuation of any product or service line;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (or a Restricted Subsidiary which owns an Unrestricted Subsidiary so long as such Restricted Subsidiary owns no assets other than the Equity Interests of such Unrestricted Subsidiary);

(i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by the Secured Indenture, and transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(j) dispositions of (i) accounts receivable, or participations therein, or Securitization Assets (including any discount and/or forgiveness thereof and sales to factors or similar third parties) or in connection with the collection or compromise thereof and (ii) receivables, or participations therein, or Securitization Assets and related assets (or the Equity Interests in a Subsidiary, all or substantially all of the assets of which are receivables, or participations therein, or Securitization Assets and related assets) pursuant to or in connection with any Qualified Securitization Facility;

(k) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Completion Date, including Sale and Lease-Back Transactions and asset securitizations permitted by the Secured Indenture;

(l) the sale, discount or other disposition of inventory, accounts receivable, notes receivable, equipment or other assets in the ordinary course of business or consistent with past practice or the conversion of accounts receivable to notes receivable;

(m) the licensing, sub-licensing or cross-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practices;

(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 or consistent with industry practices;

(o) the unwinding or termination of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures or non-Wholly Owned Subsidiary to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse, cancellation or abandonment of intellectual property rights, which in the reasonable good faith determination of the Issuer are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole or are no longer used or useful or economically practicable or commercially reasonable to maintain;

(r) the granting of a Lien that is permitted under the covenant described above under "—Certain Covenants—Liens";

(s) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(t) dispositions in connection with or that constitute Permitted Intercompany Activities and related transactions;

(u) transfers of property subject to Casualty Events upon receipt of the Net Proceeds of such Casualty Event; *provided* that any net Cash Equivalents received by the Issuers or any Subsidiary Guarantor in respect of such Casualty Event shall be deemed to be Net Proceeds of an Asset Sale, and such Net Proceeds shall be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales";

(v) any disposition to a Captive Insurance Subsidiary;

(w) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (10)(b) under the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(x) the disposition of any assets (including Equity Interests) (i) acquired in a transaction after the Completion Date, which assets are not used or useful in the core or principal business of the Issuer and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust or other regulatory authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition;

(y) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person;

(z) any sale, transfer or other disposition to effect the formation of any Subsidiary that has been formed upon the consummation of a Division; *provided* that any disposition or other allocation of assets (including any Equity Interests of such Subsidiary) in connection therewith is otherwise not prohibited by the Secured Indenture;

(aa) dispositions of real estate assets and related assets (i) in the ordinary course of business or consistent with past practice in connection with relocation activities for employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, any direct or indirect parent company or Subsidiary, (ii) in connection with any CMBS Loan or the Alternative RE Term Loan Facility, including any CMBS Reorganization Transactions or in connection with the repayment in whole or in part of any CMBS Loan or the Alternative RE Term Loan Facility or (iii) in connection with any Foreign RE Loan, including any Foreign RE Loan Reorganization Transactions or in connection with the repayment in whole or in part of any Foreign RE Loans;

(bb) any dispositions of assets in connection with the closing or sale of an office in the ordinary course of business of the Issuer and its Subsidiaries, which consist of leasehold interests in the premises of such office, the equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such office;

(cc) the sale of motor vehicles and information technology equipment purchased at the end of an operating lease and resold thereafter;

(dd) dispositions pursuant to any Sale and Lease-Back Transaction or lease-leaseback transaction;

(ee) any dispositions in connection with the Transactions;

(ff) dispositions of ABL Priority Collateral;

(gg) Dispositions of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien;

(hh) nominal issuances of Equity Interests of Foreign Subsidiaries in an aggregate amount not to exceed 2.00% of all issued and outstanding Equity Interests of such Foreign Subsidiary on a fully diluted basis;

(ii) sales or dispositions of Equity Interests of any Foreign Subsidiary in order to qualify members of the governing body of such Subsidiary if required by applicable law;

(jj) samples, including time-limited evaluation software, provided to customers or prospective customers;

(kk) de minimis amounts of equipment provided to employees;

(ll) [Reserved];

(mm) to the extent allowable under Section 1031 of the Code or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(nn) Dispositions of any asset between or among the Issuer and/or Restricted Subsidiaries as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (mm) above;

(oo) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value per fiscal year not to exceed the greater of (i) $400.0 million and (ii) 15.0% of LTM EBITDA; provided that 100% of the unused amount of dispositions, issuances or sales permitted pursuant to this clause (oo) may be carried forward to succeeding fiscal years and utilized to make dispositions, issuances or sales pursuant to this clause (oo);

(pp) any other disposition of property or assets or any issuance or sale of Equity Interests of any Restricted Subsidiary so long as, after giving pro forma effect to such transaction, the Consolidated Total Debt Ratio shall be no greater than 5.95 to 1.00 or the Consolidated Total Debt Ratio is equal to or less than immediately prior to such disposition.

In the event that a transaction (or a portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

In the event that a transaction (or a portion thereof) meets the criteria of more than one of the categories of permitted Asset Sale described in clauses (a) through (pp) above or the Net Proceeds of which are being applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales," the Issuer, in its sole discretion, may divide or classify, and may from time to time redivide and reclassify, such permitted Asset Sale (or any portion thereof) and will only be required to include the amount and type of such permitted Asset Sale in one or more of the above clauses or to apply the Net Proceeds of which in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"Available RP Capacity Amount" means 200% of (i) the amount of Restricted Payments that may be made at the time of determination pursuant to clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10) and (11) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" *minus* (ii) the sum of the amount of the Available RP Capacity Amount utilized by the Issuer or any Restricted Subsidiary to (A) make Restricted Payments in reliance on clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10) and (11)(i) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments", (B) incur Indebtedness pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and (C) make Permitted Investments in reliance on clause (36) of the definition thereof *plus* (iii) the aggregate principal amount of Indebtedness prepaid prior to or substantially concurrently at such time, solely to the extent such Indebtedness was incurred pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (it being understood that the amount under this clause (iii) shall only be available for use pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock").

"***Bank Collateral Agent***" means Bank of America, N.A., in its capacity as collateral agent for the lenders and other secured parties under the Senior Secured Credit Facilities, together with its successors and permitted assigns under the Senior Secured Credit Facilities.

"Bank Products" means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, automatic clearinghouse transfer transactions, controlled disbursements, foreign exchange facilities, stored value cards, merchant services, electronic funds transfer and other cash management or similar arrangements.

"Blackstone Funds" means, individually or collectively, Blackstone Inc. and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by Blackstone Inc. or one or more of its Affiliates, or any successor of any of the foregoing.

"Board" with respect to a Person means the board of directors, board of managers, sole member or managing member or other governing body of such Person, or if such Person is owned or managed by a single entity or has a general partner, the board of directors, board of managers, sole member or managing member or other governing body of such entity or general partner, or in each case, any duly authorized committee thereof, and the term ***"director"*** means a member of the applicable Board.

"***Borrowing Base***" at any given time means an amount equal to:

(a) 90% of the face amount of all accounts receivable owned by the Issuer and its Restricted Subsidiaries; *plus*

(b) 90% of the book value of all inventory owned by the Issuer and its Restricted Subsidiaries; *plus*

(c) 100% of all cash held in a deposit account pledged or to be pledged for the benefit of the lenders under a Senior ABL Credit Agreement;

in each case, of the Issuer and its Restricted Subsidiaries in accordance with GAAP, as of the most recently ended fiscal month internally available to the Issuer immediately preceding the date of determination and measured as of the date of incurrence or establishment of commitments (at the Issuer's election).

The Borrowing Base shall be calculated on a pro forma basis to include any accounts receivable and inventory owned by an entity that is to be merged with or into or acquired by the Issuer or a Restricted Subsidiary or is to become a Restricted Subsidiary on the date of determination or any cash of such entity that will become subject to clause (c) above.

"Business Day" means each day which is not a Legal Holiday.

"Business Expansion" means (a) each facility which is either a new facility, branch, store or office or an expansion, relocation, remodeling or substantial modernization of an existing facility, branch, store or office owned by the Issuer or a Restricted Subsidiary and (b) each creation or expansion into new markets (in one or a series of related transactions) of a business unit to the extent such business unit commences operations or each expansion (in one or a series of related transactions) of business into a new market.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of 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 Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"Captive Insurance Subsidiary" means (i) any Subsidiary of the Issuer operating for the purpose of (a) insuring the businesses, operations or properties owned or operated by the Issuer or any of its Subsidiaries, including their future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, and related benefits and/or (b) conducting any activities or business incidental thereto (it being understood and agreed that activities which are relevant or appropriate to qualify as an insurance company for U.S. federal or state tax purposes or other national, regional or local tax purposes shall be considered "activities or business incidental thereto") or (ii) any Subsidiary of any such insurance subsidiary operating for the same purpose described in clause (i) above.

"Carlyle Funds" means, individually or collectively, The Carlyle Group Inc. and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by The Carlyle Group Inc. or one or more of its Affiliates, or any successor of any of the foregoing.

"Cash Equivalents" means:

(1) United States dollars;

(2) (a) Canadian dollars, pounds sterling, yen, euros or any national currency of any participating member state of the EMU; or

(b) in such other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business or consistent with past practice or industry norm;

(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 such 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, demand deposits, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $100 million (or the foreign currency equivalent as of the date of determination);

(5) repurchase obligations for underlying securities of the types described in clauses (3), (4), (7) and (8) entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at least P-2 by Moody's, at least A-2 by S&P or at least F-2 by Fitch (or, if at any time none of Moody's, S&P or Fitch 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 funds having a rating of at least P-2, A-2 or F-2 from Moody's, S&P or Fitch, respectively (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency);

(8) readily marketable direct obligations issued by, or unconditionally guaranteed by, any state, commonwealth or territory of the United States or any political subdivision, public instrumentality or taxing authority thereof with maturities of 24 months or less from the date of acquisition;

(9) readily marketable direct obligations issued by, or unconditionally guaranteed by, any foreign government or any political subdivision, public instrumentality or taxing authority thereof, in each case (other than in the case of such obligations issued or guaranteed by any participating member state of the EMU) having an Investment Grade Rating from Moody's, S&P or Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(10) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated A (or the equivalent thereof) or better by S&P, A2 (or the equivalent thereof) or better by Moody's or F-2 by Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency);

(11) securities with maturities of 24 months or less from the date of acquisition backed by standby letters of credit issued by any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(12) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P, "A2" or higher from Moody's or "F-2" or higher from Fitch with maturities of 24 months or less from the date of acquisition; and

(13) investment funds investing at least 90% of their assets in currencies, instruments or securities of the types described in clauses (1) through (12) above.

In the case of Investments by any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (1) through (8) and clauses (10), (11), (12) and (13) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (b) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (13) and in this paragraph.

In addition, in the case of Investments by any Captive Insurance Subsidiary, Cash Equivalents shall also include (a) such Investments with average maturities of twelve months or less from the date of acquisition in issuers rated BBB- (or the equivalent thereof) or better by S&P or Baa3 (or the equivalent thereof) or better by Moody's, in each case at the time of such Investment and (b) any Investment with a maturity of more than twelve months that would otherwise constitute Cash Equivalents of the kind described in any of clauses (1) through (13) of this definition or clause (a) above, if the maturity of such Investment was twelve months or less; provided that the effective maturity of such Investment does not exceed 15 years.

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.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Secured Indenture regardless of the treatment of such items under GAAP.

"Casualty Event" means any event that gives rise to the receipt by the Issuers or any Subsidiary Guarantor of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change of Control" means the occurrence of any of the following after the Completion Date (and excluding, for the avoidance of doubt, the Transactions):

(1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions (other than by merger, consolidation or amalgamation), of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than any Permitted Holder, the Issuer, the Co-Issuer or any Guarantor; provided that such sale, lease, transfer, conveyance or other disposition shall not constitute a Change of Control unless any Person (other than any Permitted Holder or a Holding Company) or Persons (other than any Permitted Holders or a Holding Company) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act as in effect on the Completion Date), directly or indirectly, of more than 50.0%, on a

fully diluted basis, of the total voting power of the Voting Stock of the transferee Person in such sale, lease, transfer, conveyance or other disposition of assets, as the case may be; or

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other than any Permitted Holders) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date), 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 as in effect on the Completion Date) of more than 50.0%, on a fully diluted basis, of the total voting power of the Voting Stock of the Issuer directly or indirectly through any of its direct or indirect parent holding companies, unless the Permitted Holders otherwise have the right (pursuant to contract, proxy or otherwise), directly or indirectly, to designate, nominate or appoint directors (or similar position) having a majority of the aggregate votes on the Board of the Issuer,

in each case, other than in connection with any transaction or series of transactions in which the Issuer shall become a Subsidiary of a Holding Company (including Qualified IPO Reorganization Transactions).

Notwithstanding the preceding or any provision of Rule 13d-3 or 13d-5 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock subject to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of Voting Stock or other securities of such other Person's parent entity (or related contractual rights) unless it owns 50.0% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent entity having a majority of the aggregate votes on the Board of such parent entity and (iv) the right to acquire Voting Stock (as long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

"Change of Control Triggering Event" means a Change of Control, unless the Consolidated Total Debt Ratio after giving pro forma effect to such Change of Control is either not greater than (i) 6.45 to 1.00 or (ii) the Consolidated Total Debt Ratio immediately prior to such Change of Control; *provided* that, notwithstanding anything herein to the contrary, when calculating the Consolidated Total Debt Ratio for purposes of this definition, the Issuer shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios in connection with a Limited Condition Transaction.

"CMBS Assets" means, collectively, all real property and related assets owned by the Issuer and its Subsidiaries located in the United States.

"CMBS Borrower Subsidiary" means any Subsidiary of the Issuer (i) party to a CMBS Loan, indenture or other financing secured or supported by interests in CMBS Assets and other real property, (ii) any Subsidiary of a Person described in the foregoing clause (i) or (iii) otherwise designated by the Issuer as a "CMBS Borrower Subsidiary" from time to time.

"CMBS Loans" means, collectively, one or more mortgage, mezzanine or other loans or other indebtedness secured or supported by interests in one or more CMBS Assets.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"***Collateral***" means all of the assets and property of the Issuers or any Guarantor, whether real, personal or mixed securing or purported to secure any Secured Notes Obligations, other than Excluded Assets.

"***Collateral Agent***" means (1) in the case of any Senior Secured Credit Facility Obligations, the Bank Collateral Agent, (2) in the case of the Secured Notes Obligations, the Notes Collateral Agent and (3) in the case of any Additional Pari Passu Obligations, Senior ABL Revolving Credit Obligations or other secured debt not prohibited by the Secured Indenture, the collateral agent, administrative agent or trustee with respect thereto.

"Completion Date" means the Issue Date or, if the Escrow Conditions have not been satisfied on or prior to the Issue Date, the Escrow Release Date.

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees, including, without limitation, the amortization of capitalized fees or costs related to any Qualified Securitization Facility of such Person and the amortization of media development costs, intangible assets, content databases, internal labor costs, deferred financing fees or costs, debt issuance costs, commissions, fees and expenses and Capitalized Software Expenditures 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 cash interest expense of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness to the extent included in the calculation of Consolidated Total Indebtedness, 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) [reserved], (d) the interest component of Financing 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 (o) annual agency or similar fees paid to the administrative agents, collateral agents and other agents under any Credit Facilities, (p) any additional interest with respect to failure to comply with any registration rights agreement owing with respect to any securities, (q) costs associated with obtaining Hedging Obligations, (r) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase or acquisition accounting in connection with the Transactions, any acquisition or other transaction, (s) penalties and interest relating to taxes, (t) any "additional interest" or "liquidated damages" with respect to other securities for failure to timely comply with registration rights obligations, (u) amortization or expensing of deferred financing fees, amendment and consent fees, debt issuance costs, commissions, fees, expenses and discounted liabilities and any other amounts of non-cash interest, (v) any expensing of bridge, commitment and other financing fees and any other fees related to the Transactions, any acquisitions after the Completion Date or other transaction, (w) Securitization Fees, commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Qualified Securitization Facility, (x) any accretion of accrued interest on discounted liabilities and any prepayment, make-whole or breakage premium, penalty or cost, (y) interest expense attributable to a parent entity resulting from push-down accounting and (z) any lease, rental or other expense in connection with a Non-Financing Lease Obligation); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding and any pay in kind interest); less

(3) interest income of such Person and its Restricted Subsidiaries for such period.

For purposes of this definition, interest on a Financing 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 Financing Lease Obligation in accordance with GAAP (or, if not implicit, as otherwise determined in accordance with GAAP). Notwithstanding the foregoing, no interest payable in connection with any CMBS Loan or Foreign RE Loan shall be included in calculating Consolidated Interest Expense pursuant hereto.

"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* that, without duplication:

(1) any extraordinary, exceptional, one-time, infrequent, non-operating, unusual or nonrecurring gains, losses or expenses (including all fees and expenses relating thereto) (including any extraordinary, exceptional, one-time, infrequent, non-operating, unusual or nonrecurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, exceptional unusual or nonrecurring items, charges or expenses (including relating to any multi-year strategic initiatives)), costs associated with preparations for, and implementation of, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and other Public Company Costs, Transaction Expenses, Permitted Change of Control Costs, restructuring and duplicative running costs, restructuring charges or reserves (including any restructuring charge relating to any Tax Restructuring), earn-out payments or other consideration paid or payable in connection with an acquisition to the extent recorded as cash compensation expense, relocation costs, start-up or initial costs for any project or new production line, division or new line of business, facility consolidation and closing costs, severance costs and expenses, one-time charges (including compensation charges), payments made pursuant to the terms of change in control agreements that the Issuer or a Subsidiary or a parent entity of the Issuer had entered into with any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, a Subsidiary or a parent entity of the Issuer, pre-opening, opening, consolidation, discontinuation, re-configuration, integration, ramp-up costs, moving and closing costs and expenses for locations, facilities and stores, losses, costs or cost inefficiencies related to facility or property disruptions or shutdowns, signing, retention and completion bonuses, recruiting costs, costs incurred in connection with any strategic initiatives, transition costs, litigation and arbitration costs, charges, fees and expenses (including settlements), expenses in connection with one-time rate changes, costs incurred in connection with acquisitions, investments and dispositions, travel and out-of-pocket costs, professional fees for legal, accounting and other services, human resources costs (including relocation bonuses), litigation and arbitration costs, charges, fees and expenses (including settlements), management transition costs, advertising costs, losses associated with temporary decreases in business volume and expenses related to maintaining underutilized personnel, non-recurring product and intellectual property development, other business optimization expenses or reserves (including costs and expenses relating to business optimization programs and new systems design and costs or reserves associated with improvements to IT and accounting functions, retention charges (including charges or expenses in respect of incentive plans), system establishment costs and implementation costs) and costs, charges or expenses attributable to the implementation of cost-savings initiatives or operating expense reductions, product margin synergies and other synergies and similar initiatives and other expenses relating to the realization of synergies, and curtailments or modifications to pension and post-retirement employee benefit plans shall be excluded;

(2) at the election of the Issuer with respect to any quarterly period, the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies (including, but not limited to, the impact of Accounting Standards Update 2016-12 Revenue from Contracts with Customers (Topic 606) or similar revenue recognition policies promulgated or that become effective after the Completion Date) during any such period shall be excluded;

(3) any net after-tax effect of gains or losses on (i) disposal, abandonment or discontinuance of disposed, abandoned or discontinued operations, as applicable, and any accretion or accrual of discontinued

liabilities on the disposal of such disposed, abandoned and discontinued operation and (ii) facilities or distribution centers that have been closed during such period, shall be excluded;

(4) any net after-tax effect of gains or losses (less all fees, expenses and charges relating thereto) attributable to (i) asset dispositions (including dispositions of books of business, client lists or related goodwill in connection with the departure of related employees or producers) or abandonments or the sale or other disposition of any Capital Stock of any Person or (ii) returned surplus assets of any pension plan, in each case other than in the ordinary course of business shall be excluded;

(5) 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,* that Consolidated Net Income of such Person shall be increased by the amount of dividends or distributions or other payments (other than Excluded Contributions pursuant to clause (2) thereof) that are actually paid in Cash Equivalents (including all cash paid from the CMBS Borrower Subsidiaries or Foreign RE Borrower Subsidiaries to the Issuer or any of its Subsidiaries or to the extent converted, or having the ability to be converted, into Cash Equivalents), or that could, in the reasonable determination of the Issuer, have been distributed, to such Person or a Restricted Subsidiary thereof in respect of such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(a) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than the Co-Issuer or any 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 (other than restrictions in the Secured Notes or the Secured Indenture), unless such restriction with respect to the payment of dividends or similar distributions has been legally waived or released (or such Person reasonably believes such restriction could be waived or released and is using commercially reasonable efforts to pursue such waiver or release) or such restriction is not prohibited pursuant to "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; *provided* that Consolidated Net Income of such Person will be increased by the amount of dividends or other distributions or other payments actually paid in Cash Equivalents (or to the extent converted, or having the ability to be converted, into Cash Equivalents) to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's consolidated financial statements pursuant to GAAP (including in the inventory (including any impact of changes to inventory valuation policy methods, including changes in capitalization of variances), property and equipment, software, loans and leases, goodwill, intangible assets, in-process research and development, deferred revenue and debt line items thereof) resulting from the application of recapitalization accounting or purchase or acquisition accounting, as the case may be, in relation to the Transactions or any consummated acquisition, joint venture investment or other transaction or the amortization or write-off or write-down of any amounts thereof, net of taxes, shall be excluded;

(8) any after-tax effect of income (loss) from the extinguishment or conversion of (i) Indebtedness, (ii) Hedging Obligations or (iii) other derivative instruments shall be excluded;

(9) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to goodwill, intangible assets, long-lived assets, investments in debt and equity securities and investments recorded using the equity method or as a result of a change in law or regulation, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(10) any equity-based or non-cash compensation or similar charge or expense or reduction of revenue including any such charge, expense or amount arising from grants of stock appreciation or similar rights, stock options, restricted stock, profits interests or other rights or equity- or equity-based incentive programs ***("equity incentives"),*** any other management or employee benefit plan or agreement, pension plan or other long-term or post-employment plan, any one-time cash charges associated with the equity incentives or other long-term incentive compensation plans (including under deferred compensation arrangements of the Issuer or any of its direct or indirect parent entities or subsidiaries), roll-over, acceleration, or payout of Equity Interests by future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or business partners of the Issuer or any of its direct or indirect parent entities or subsidiaries, and any cash awards granted to future, present or former employees, directors, officers, managers, members, partners, independent contractors, consultants or business partners of the Issuer and its Subsidiaries or any of its direct or indirect parent entities in replacement for forfeited awards, shall be excluded;

(11) any fees, costs, expenses, premiums or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, recapitalization, Investment, Asset Sale, disposition, option buyout, incurrence or repayment of Indebtedness (including such fees, expenses, premiums or charges related to (A) the offering and issuance of the Secured Notes, the Unsecured Notes and other securities and the syndication and incurrence of any Credit Facilities (including any Senior ABL Credit Agreement) and (B) the rating of the Secured Notes, the Unsecured Notes, other securities or any Credit Facilities (including any Senior ABL Credit Agreement) by the Rating Agencies), issuance of Equity Interests of the Issuer or its direct or indirect parent entities, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Secured Notes, the Unsecured Notes and other securities and any Credit Facilities (including any Senior ABL Credit Agreement)) or other transaction and including, in each case, any such transaction consummated on or prior to the Completion Date and any such transaction undertaken but not completed, any Public Company Costs and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful or consummated (including, for the avoidance of doubt the effects of expensing all transaction related expenses in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic No. 805, *Business Combinations),* shall be excluded;

(12) accruals and reserves that are established or adjusted in connection with the Transactions or after the closing of the Transactions, any acquisition or other Investment or transaction that are so required to be established or adjusted as a result of such acquisition or transaction in accordance with GAAP or changes as a result of modifications of accounting policies shall be excluded;

(13) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period), shall be excluded;

(14) any noncash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or any other applicable accounting principle relating to the expensing of equity-related compensation, shall be excluded;

(15) any net pension or post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards No. 87, 106 and 112; and any other items of a similar nature, shall be excluded;

(16) income or expense related to changes in the fair value of contingent liabilities recorded in connection with the Transactions or any acquisition or other Investment shall be excluded;

(17) all discounts, commissions, fees and other charges (including interest expense) associated with any Qualified Securitization Facility shall be excluded;

(18) the effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates) shall be excluded;

(19) any accruals or obligations accrued related to workers' compensation programs to the extent that expenses deducted in the calculation of net income exceed the net amounts paid in cash related to workers' compensation programs in that period;

(20) the amount of any cash tax benefits related to the tax amortization of intangible assets in such period shall be included;

(21) the following items shall be excluded:

(a) any realized or unrealized net gain or loss (after any offset) resulting in such period from Hedging Obligations and the application of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging* or any other comparable applicable accounting standard,

(b) any realized or unrealized net gain or loss (after any offset) resulting in such period from currency translation or transaction gains or losses including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Hedging Obligations for currency exchange risk and those resulting from intercompany Indebtedness) and any other foreign currency translation or transactions gains and losses to the extent such gains or losses are non-cash items,

(c) any adjustments resulting for the application of Accounting Standards Codification Topic No. 460, *Guarantees*, or any comparable applicable accounting standard,

(d) at the election of the Issuer with respect to any quarterly period, effects of adjustments to accruals and reserves during a prior period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks,

(e) earn-out, non-compete and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments;

(f) the impact of capitalized, accrued or accredited or pay in kind interest or principal on Subordinated Shareholder Funding; and

(22) if such Person is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes for such period or any portion thereof, the amount of distributions actually made to any direct or indirect parent company of such Person in respect of such period in accordance with clause (20) of the second paragraph under the caption "—Certain Covenants—Limitation on Restricted Payments" shall be included in calculating Consolidated Net Income as though such amounts had been paid as taxes directly by such Person for such period.

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 received or due from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Secured Indenture.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only (other than clause (2)(d) of the first paragraph thereof), there shall be

excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Issuer and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Issuer and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (2)(d) thereof.

"Consolidated Pari Passu Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral on a *pari passu* basis with the Secured Notes or Senior ABL Revolving Credit Obligations, as applicable, as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral on a *pari passu* basis with the Secured Notes or Senior ABL Revolving Credit Obligations, as applicable, as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Secured Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Total Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Total Indebtedness" means, as of any date of determination, an amount equal to the aggregate amount of all outstanding Senior Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis consisting of Senior Indebtedness for borrowed money, Obligations in respect of Financing

Lease Obligations and debt obligations evidenced by bonds, notes, debentures, promissory notes and similar instruments, as determined in accordance with GAAP (including discounts for any original issue discount in connection with such Indebtedness but excluding for the avoidance of doubt all undrawn amounts under revolving credit facilities and letters of credit, and all obligations relating to Qualified Securitization Facilities and Non-Financing Lease Obligations and excluding the effects of any discounting of Indebtedness resulting from the application of repurchase or purchase or acquisition accounting in connection with the Transactions, any acquisition or other transaction); *provided,* that Consolidated Total Indebtedness shall not include Indebtedness in respect of (A) any letter of credit, except to the extent of unreimbursed amounts under standby letters of credit, *provided* that any unreimbursed amounts under commercial letters of credit shall not be counted as Consolidated Total Indebtedness until five Business Days after such amount is drawn, (B) Hedging Obligations, and (C) the Alternative RE Term Loan Facility, any CMBS Loan or any Foreign RE Loan. The U.S. Dollar Equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. Dollar Equivalent principal amount of such Indebtedness.

"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) for the purchase or payment of any such primary obligation; or

  (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Controlled Investment Affiliate" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"***Controlling Collateral Agent***" means, with respect to any Shared Collateral, (1) until the earlier of (a) the Discharge of Pari Passu Obligations that are Senior Secured Credit Facility Obligations and (b) the Non-Controlling Collateral Agent Enforcement Date, the Bank Collateral Agent and (2) from and after the earlier of (a) the Discharge of Pari Passu Obligations that are Senior Secured Credit Facility Obligations and (b) the Non-Controlling Collateral Agent Enforcement Date, the Major Non-Controlling Collateral Agent.

"***Controlling Secured Parties***" means, with respect to any Shared Collateral, the Series of Pari Passu Secured Parties whose Collateral Agent is the Controlling Collateral Agent for such Shared Collateral.

"Credit Facilities" means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Secured Credit Facilities and any Senior ABL Credit Agreement, or other financing arrangements (including, without limitation, commercial paper facilities, agreements 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, in whole or in part, and any indentures, agreements, credit facilities or commercial paper facilities that replace, refund, supplement, extend, amend, restate or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, supplemental, extending, amended, restating or refinancing facility, arrangement, agreement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof *(provided* that such increase in borrowings or issuances 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, trustee, lender or group of lenders or other holders or investors.

"***Cumulative Retained Asset Sale Proceeds***" means the cumulative portion (since the Completion Date) of the net proceeds of Asset Sales or any disposition that does not constitute an "Asset Sale" not applied or not required to be applied pursuant to the second paragraph of the covenant described under "—Repurchase at the option of Holders—Asset Sales" and the Net Proceeds of any disposition not otherwise prohibited by the covenant described under "—Repurchase at the option of Holders—Asset Sales", including those Net Proceeds not required to be applied pursuant to the second paragraph of the covenant described under "—Repurchase at the option of Holders—Asset Sales" due to the Applicable Asset Sale Percentage being less than 100%.

"***Customary Bridge Loans***" means customary bridge loans with a maturity date of no longer than one year; *provided* that, subject to customary conditions, such bridge loans would either be converted into or required to be exchanged for permanent financing in the form of a loan, note, security or other Indebtedness (a) the Weighted Average Life to Maturity of which is not shorter than the Weighted Average Life to Maturity of the Secured Notes and (b) the final maturity date of which is not earlier than the maturity date of the Secured Notes, in each case, on the date of the incurrence of such bridge loans.

"***Debt Fund Affiliate***" means (i) any fund or client managed by, or under common management with GSO Capital Partners LP, Blackstone Real Estate Special Situations Advisors L.L.C. and Blackstone Tactical Opportunities Fund L.P., (ii) any fund or client managed by an adviser within the credit focused division of Blackstone Inc. or Blackstone ISG-I Advisors L.L.C., (iii) The Blackstone Strategic Opportunity Funds (including masters, feeders, on-shore, offshore and parallel funds), (iv) funds and accounts managed by Blackstone Alternative Solutions, L.L.C. or its Affiliates and (v) any other Affiliate of the Permitted Holders or the Issuer that is a bona fide debt fund or an investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured or waived prior to becoming an Event of Default.

"***Derivative Instrument***" means, with respect to a Person, any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person's investment in the Secured Notes (other than a Regulated Bank or Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Secured Notes and/or the creditworthiness of an Issuer and/or any one or more of the Guarantors (the "***Performance References***").

"Designated Non-cash Consideration" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale, redemption, conversion or repurchase of or collection or payment on such Designated Non-cash Consideration. A particular item of Designated

Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in exchange for consideration in the form of Cash Equivalents in compliance with "Repurchase at the Option of Holders—Asset Sales."

"Designated Preferred Stock" means Preferred Stock of the Issuer or any direct or indirect parent company 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 the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (2) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments."

"***Discharge***" means, with respect to any Collateral, the date on which such Series of Pari Passu Obligations is no longer secured by such Collateral. The term "***Discharged***" shall have a corresponding meaning.

"***Discharge of Pari Passu Obligations***" means, with respect to any Collateral, the Discharge of the applicable Pari Passu Obligations with respect to such Collateral; *provided* that a Discharge of Pari Passu Obligations shall not be deemed to have occurred in connection with a refinancing of such Pari Passu Obligations with additional Pari Passu Obligations secured by such Collateral under an additional Pari Passu Document which have been designated in writing by the applicable Collateral Agent (under the Pari Passu Obligations so refinanced) or by the Issuer, in each case, to each other Collateral Agent as "Pari Passu Obligations" for purposes of the Pari Passu Intercreditor Agreement.

"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 for Capital Stock of such Person or any direct or indirect parent entity thereof that would not otherwise constitute Disqualified Stock, and other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable or exchangeable at the option of the holder thereof (other than solely for Capital Stock of such Person or as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Secured Notes or the date the Secured Notes are no longer outstanding; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer or its Subsidiaries or by any such plan to such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or a direct or indirect parent entity of the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability or otherwise in accordance with any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement; *provided, further,* that any Capital Stock held by any future, current or former employee, director, officer, member, partner, manager, consultant or independent contractor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries, any of its direct or indirect parent entities or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of the Issuer or any direct or indirect parent of the Issuer (or the compensation committee thereof), in each case pursuant to any equity option or equity appreciation rights plan, any management, director and/or employee equity ownership or incentive plan, equity subscription plan or subscription agreement, employment termination agreement or any other employment agreement or equity holders' agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or any direct or indirect parent of the Issuer or in order to satisfy applicable statutory or regulatory obligations; and provided, further, however, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"***Division***" means the division of the assets, liabilities and/or obligations of a Person (the "***Dividing Person***") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Domestic Subsidiary" means, with respect to any Person, any Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

"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 with respect to clauses (f), (h), (k), (m) and the applicable pro forma adjustments in clause (o)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) (x) provision for taxes based on income, profits or capital, including, without limitation, federal, state, municipal, foreign, franchise and similar taxes and sales taxes (such as the Delaware franchise tax, the Pennsylvania capital tax, Texas margin tax and provincial capital taxes paid in Canada) and withholding taxes (including any future taxes or other levies which replace or are intended to be in lieu of such taxes and any penalties and interest related to such taxes or arising from tax examinations), (y) if such Person is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes for such period or any portion thereof, the amount of distributions actually made to any direct or indirect parent company of such Person in respect of such period in accordance with clause (20) of the second paragraph under the caption "—Certain Covenants—Limitation on Restricted Payments" and (z) the net tax expense associated with any adjustments made pursuant to clauses (1) through (22) of the definition of "Consolidated Net Income"; plus

(b) Fixed Charges of such Person for such period (including (w) non-cash rent expense, (x) net losses or any obligations on Hedging Obligations or other derivative instruments, (y) bank fees, letter of credit fees and other financing fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from Consolidated Interest Expense as set forth in clauses (1)(o) through (z) in the definition thereof); plus

(c) Consolidated Depreciation and Amortization Expense of such Person for such period; plus

(d) the amount of any equity-based or non-cash compensation charges or expenses including any such charges or expenses arising from grants of stock appreciation or similar rights, stock options, restricted stock or other rights; plus

(e) any other non-cash charges, expenses or losses, including non-cash losses on the sale of assets and any write-offs or write-downs reducing Consolidated Net Income for such period and any non-cash expense relating to the vesting of warrants (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Issuer may elect not to add back such non-cash charge in the current period and (B) to the extent the Issuer elects to add back such non-cash charge, 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) the amount of any non-controlling interest or minority interest expense or any expense or deduction attributable to non-controlling or minority equity interests of third parties in any non-Wholly Owned Subsidiary; plus

(g) the amount of (x) Board fees, management, monitoring, consulting, transaction, advisory and other fees (including termination fees) and indemnities, costs and expenses paid or accrued in such period to the Investors or otherwise to any member of the Board of Holdings, the Issuer, any Subsidiary of the Issuer or any direct or indirect parent of the Issuer, any Permitted Holder or any

Affiliate of a Permitted Holder, (y) payments made to option holders of the Issuer or any of its direct or indirect parent companies in connection with, or as a result of, any distribution being made to shareholders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, including any cash consideration for any repurchase of equity, in each case to the extent permitted in the Secured Indenture and (z) any fees and other compensation paid to the members of the Board of the Issuer or any of its parent entities; plus

(h) the amount of (x) pro forma adjustments, including pro forma "run rate" cost savings (including sourcing), operating expense reductions, operating improvements (including the entry into material contracts and arrangements) and cost synergies and other synergies (collectively, "***Run Rate Benefits***") related to the Transactions that are reasonably identifiable (it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or expected to be taken, net of the amount of actual benefits realized during such period from such actions) and projected by the Issuer in good faith to result from or relating to actions that have been taken or initiated, or have been committed to be taken or initiated, with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Issuer) within 36 months after the Completion Date (including from any actions taken in whole or in part prior to the Completion Date), net of the amount of actual benefits realized during such period from such actions, and (y) pro forma Run Rate Benefits related to mergers, amalgamations and other business combinations, acquisitions, investments, dispositions, divestitures, restructurings, operating improvements and expense reductions, cost savings initiatives, new or revised contracts, discontinued operations, operational changes, Business Expansions, Tax Restructuring and other similar transactions or initiatives (including the modification and renegotiation of contracts and other arrangements) and including EBITDA pursuant to contracted pricing (at the highest contracted rate) (any such operating improvement, restructuring, cost savings initiative, contract or other transaction, action or initiative, a "***Run Rate Initiative***") that are reasonably identifiable and projected by the Issuer in good faith to result from or relating to actions that have been taken or initiated, or have been committed to be taken or initiated, with respect to which substantial steps have been taken (in each case, including from any steps or actions taken or initiated in whole or in part prior to the Completion Date or the applicable consummation date of such transaction, initiative or event) or are expected to be taken (in the good faith determination of the Issuer) within 36 months after any such Run Rate Initiative is consummated or entered into, net of the amount of actual benefits realized during such period from such actions, in each case, calculated on a pro forma basis as though such cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA had been realized on the first day of such period for which EBITDA is being determined and as if such cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA were realized on the first day of the applicable period for the entirety of such period; *provided* that no cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA shall be added pursuant to this clause (h) to the extent duplicative of any expenses or charges otherwise added to EBITDA, whether through a pro forma adjustment or otherwise, for such period; plus

(i) (A) the amount of any fee, loss, charge, expense, cost, accrual or reserve of any kind incurred or accrued in connection with sales of receivables and related assets in connection with any Qualified Securitization Facility and (B) Securitization Fees and the amount of loss on sale of receivables and related assets to the Securitization Subsidiary in connection with Securitization Facility; plus

(j) any costs or expense incurred by the Issuer or a Restricted Subsidiary or a direct or indirect parent entity of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement; plus

(k) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of EBITDA pursuant to clause (2) below for any previous period and not added back; plus

(l) any losses, charges, expenses, costs or other payments (including all fees, expenses or charges related thereto) (i) from disposed, abandoned or discontinued operations, (ii) in respect of facilities no longer used or useful in the conduct of the business of the Issuer or its Restricted Subsidiaries, abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations and (iii) attributable to business dispositions or asset dispositions (other than in the ordinary course of business) as determined in good faith by the Issuer; plus

(m) at the option of the Issuer with respect to any applicable period, an amount equal to the net change in deferred revenue at the end of such period from the deferred revenue at the end of the previous period; plus

(n) compensation expense attributable to positive investment income with respect to funded deferred compensation account balances; plus

(o) adjustments, exclusions and add-backs (but not including, for the avoidance of doubt, any deductions) (x) used in connection with or reflected in the calculation of "Further Adjusted EBITDA" as set forth in "Summary—Summary Historical and Pro Forma Consolidated Financial Information" contained in this offering memorandum to the extent such adjustments continue to be applicable during the period in which EBITDA is being calculated and other adjustments, exclusions and add-backs of a similar nature to the foregoing, in each case applied in good faith by the Issuer and (y) identified or set forth in any quality of earnings report or analysis prepared by independent registered public accountants of recognized national or international standing or any other accounting or valuation firm in connection with any acquisition, merger, consolidation, Investment or other transaction not prohibited by the Secured Indenture; plus

(p) the amount of any gains or losses arising from embedded derivatives in the customer contracts of the Issuer or a Restricted Subsidiary and any gain or loss attributable to mark-to-market adjustments in the valuation of pension liabilities, including actuarial gain or loss on pension and post-retirement plans, curtailments and settlements; plus

(q) charges, expenses or losses incurred in connection with any Tax Restructuring; plus

(r) charges relating to the sale of products in new locations, including start-up costs, initial testing and registration costs in new markets, the cost of feasibility studies, travel costs for employees engaged in activities relating to any or all of the foregoing and the allocation of general and administrative support in connection with any or all of the foregoing; plus

(s) costs related to the implementation of operational and reporting systems and technology initiatives and one-time Public Company Costs; plus

(t) charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and charges relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, employees', consultants', directors' or managers' compensation, fees and expense reimbursement, charges relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees and listing fees; and

(2) decreased (without duplication) by the following, in each case to the extent included in determining Consolidated Net Income for such period:

(a) non-cash gains (including non-cash gains on the sale of assets) 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 and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase EBITDA in such prior period; plus

(b) any net income from disposed, abandoned, closed or discontinued operations or attributable to business dispositions or asset dispositions (other than in the ordinary course of business) as determined in good faith by the Issuer; plus

(c) the reduction in compensation expense attributable to investment loss with respect to funded deferred compensation account balances; plus

(d) claims paid by the Issuer or any Captive Insurance Subsidiary and administrative expenses paid to any Captive Insurance Subsidiary;

(3) increased or decreased (without duplication) by, as applicable, any non-cash adjustments resulting from the application of FASB Interpretation No. 45 Guarantees, or any comparable applicable accounting standard.

"EMU" means the economic and monetary union as contemplated in the Treaty on European Union.

"Equityholding Vehicle" means any direct or indirect parent entity of the Issuer and any equityholder thereof through which future, present or former employees, directors, officers, managers, members or partners of the Issuer or any of its Subsidiaries or direct or indirect parent entities hold Capital Stock of the Issuer or such parent entity.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale or issuance of Capital Stock or Preferred Stock (excluding Disqualified Stock) of the Issuer or any of its direct or indirect parent companies other than:

(1) public offerings with respect to the Issuer's or any direct or indirect parent company's common equity registered on Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale or issuance that constitutes an Excluded Contribution.

"euro" means the single currency of participating member states of the EMU.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder (and with respect to the definitions of "Change of Control" and "Permitted Holders" only, as in effect on the Issue Date).

"Excluded Contribution" means Net Cash Proceeds, marketable securities or Qualified Proceeds received by the Issuer after the Completion Date from:

(1) contributions to its common equity capital;

(2) dividends, distributions, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries;

(3) Subordinated Shareholder Funding; and

(4) the sale (other than to a Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer or any direct or indirect parent entity to the extent contributed as common equity capital to the Issuer,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate, which are (or were) excluded from the calculation set forth in clause (2) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments."

"fair market value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"Financing Lease Obligation" means an obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP; *provided* that any obligations of the Issuer or its Restricted Subsidiaries either existing on the Completion Date or created prior to any recharacterization described below (i) that were not included on the consolidated balance sheet of the Issuer as financing or capital lease obligations and (ii) that are subsequently recharacterized as financing or capital lease obligations or indebtedness due to a change in accounting treatment or otherwise, shall for all purposes under the Secured Indenture (including, without limitation, the calculation of Consolidated Net Income and EBITDA) not be treated as financing or capital lease obligations, Financing Lease Obligations or Indebtedness. Notwithstanding the foregoing, at any time on or following the Completion Date, the Issuer may elect that "GAAP" as used in this definition shall mean GAAP as in effect on January 1, 2015. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

"***Fixed Asset Priority Collateral***" means all Collateral, other than ABL Priority Collateral.

"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 such Person or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit, working capital or letter of credit facility) 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 substantially concurrently 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, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock (in each case, including a pro forma application of the net proceeds therefrom), as if the same had occurred at the beginning of the applicable four-quarter period, subject, for the avoidance of doubt, to the paragraphs contained in "—Certain Covenants—Certain Compliance Calculations"; *provided, however,* that the pro forma calculation of Fixed Charges for purposes of the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (and for the purposes of other provisions of the Secured Indenture that refer to such first paragraph) shall not give effect to any Indebtedness being incurred on such date (or on such other subsequent date which would otherwise require pro forma effect to be given to such incurrence) pursuant to the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (other than Secured Indebtedness incurred pursuant to subclause (2) of the proviso to clause (14) thereof).

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations (as determined in accordance with GAAP), operational

changes, Business Expansions, new or revised contracts and other transactions that have been made by or involving the Issuer or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or substantially concurrently with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, Business Expansions, new or revised contracts and other transactions (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; *provided* that at the election of the Issuer, such pro forma adjustments shall not be required to be determined to the extent the aggregate consideration paid in connection with such acquisition or other transaction was less than the greater of (i) $120.0 million and (ii) 5.0% of LTM EBITDA. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion or other transaction that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction 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, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction (including the Transactions), the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer or its Restricted Subsidiaries (and may include, for the avoidance of doubt, cost savings, operating expense reductions and product margin, and other synergies resulting from such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction (including the Transactions) which is being given *pro forma* effect) calculated in accordance with and permitted by clauses (1)(h) and (1)(o) of the definition of "EBITDA." If any Indebtedness bears a floating or formula 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 Financing Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication:

(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 (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign RE Assets" means, collectively, those certain interests in real property and related assets owned by the Issuer and its Subsidiaries located outside the United States.

"Foreign RE Loans" means, collectively, one or more mortgage, mezzanine or other loans or indebtedness secured or supported by interests in one or more Foreign RE Assets.

"Foreign RE Borrower Subsidiary" means any Subsidiary of the Issuer (i) party to a Foreign RE Loan, indenture or other financing secured or supported by interests in Foreign RE Assets and other real property, (ii) any Subsidiary of a Person described in the foregoing clause (i) or (iii) otherwise designated by the Issuer as a "Foreign RE Borrower Subsidiary" from time to time.

"Foreign Subsidiary" means (i) any Subsidiary of the Issuer that is not a Domestic Subsidiary and (ii) any direct or indirect Domestic Subsidiary that is a direct or indirect Subsidiary of a direct or indirect Foreign Subsidiary that is a CFC.

"FSHCO Subsidiary" means any Subsidiary substantially all of the assets of which consist of Equity Interests and/or Indebtedness of one or more Foreign Subsidiaries that are CFCs or Subsidiaries that are FSHCO Subsidiaries.

"GAAP" means, at the election of the Issuer, (1) generally accepted accounting principles in the United States of America, as in effect from time to time (***"U.S. GAAP"***) if the Issuer's financial statements are at such time prepared in accordance with U.S. GAAP or (2) the accounting standards and interpretations adopted by the International Accounting Standard Board, as in effect from time to time (***"IFRS"***) if the Issuer's financial statements are at such time prepared in accordance with IFRS, it being understood that, for purposes of the Secured Indenture, (a) all references to codified accounting standards specifically named in the Secured Indenture shall be deemed to include any successor, replacement, amendment or updated accounting standard under U.S. GAAP or IFRS, as applicable, (b) neither U.S. GAAP nor IFRS shall include the policies, rules and regulations of the SEC, the American Institute of Certified Public Accountants, the International Accounting Standards Board or any other applicable regulatory or governing body applicable only to public companies, (c) any calculation or determination in the Secured Indenture that requires the application of GAAP across multiple quarters need not be calculated or determined using the same accounting standard for each constituent quarter, (d) all calculations or determinations in the Secured Indenture shall be made without giving effect to any election under FASB Accounting Standards Topic 825, *Financial Instruments*, or any successor thereto or comparable accounting principle, to value any Indebtedness or other liabilities at "fair value" (as defined therein) and (e) in the event that the Issuer makes an election referred to in the definition of "Financing Lease Obligations", the accounting for operating leases and financing or capital leases under U.S. GAAP as in effect on January 1, 2015 (including, without limitation, Accounting Standards Codification 840) shall apply for the purpose of determining compliance with the provisions of the Secured Indenture, including the definition of Financing Lease Obligation.

For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not (1) be treated as an incurrence of Indebtedness or (2) have the effect of rendering invalid any payment, Investment or other action made prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any incurrence of Indebtedness incurred prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to incur $1.00 of additional Indebtedness) if such payment, Investment, incurrence or other action was valid under the Secured Indenture on the date made, incurred or taken, as the case may be.

If there occurs a change in IFRS or U.S. GAAP, as the case may be, and such change would cause a change in the method of calculation of any term or measure used in the Secured Indenture (an ***"Accounting Change"***), then the Issuer may elect that such term or measure shall be calculated as if such Accounting Change had not occurred.

"Grantor" means the Issuer and any Guarantor.

"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 Issuer's Obligations under the Secured Indenture and the Secured Notes.

"Guarantor" means Holdings and each Subsidiary Guarantor.

"H&F Funds" means, individually or collectively, Hellman & Friedman LLC and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by Hellman & Friedman LLC or one or more of its Affiliates, or any successor of any of the foregoing.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (1) any rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar agreements or transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (2) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a ***"Master Agreement"***), including any such obligations or liabilities under any Master Agreement.

"Holder" means the Person in whose name a Secured Note is registered on the registrar's books.

"Holding Company" means any Person so long as the Issuer is a direct or indirect Subsidiary of such Person, and at the time the Issuer became a Subsidiary of such Person, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date) (other than any Permitted Holder), shall have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act as in effect on the Completion Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such Person.

"Holdings" means Medline Intermediate, LP, if it is the direct parent of the Issuer, or, if not, the entity (or combination of entities) that directly or indirectly own 100% of the issued and outstanding Equity Interests in the Issuer and assumes all of the obligations of "Holdings" under the Secured Indenture and the applicable Security Documents, in each case, pursuant to a supplemental indenture or other applicable documents or instruments.

"Immediate Family Members" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother- in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), the estates of such individual and such other individuals above and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation, trust or fund that is controlled by any of the foregoing individuals or any donor-advised foundation, trust or fund of which any such individual is the donor.

"Indebtedness" means, with respect to any Person, without duplication:

(1) any indebtedness of such Person, whether or not contingent:

(a) representing the principal in respect of borrowed money;

(b) representing the principal in respect of obligations 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 principal component in respect of obligations to pay the deferred and unpaid balance of the purchase price of any property (including Financing Lease Obligations) which purchase price is due more than one year from the date of incurrence of the obligation in respect thereof, except (i) obligations in respect of a commercial or trade letter of credit, current trade or other ordinary course payables or liabilities or accrued expenses (but not any refinancings, extensions, renewals, or replacements thereof) incurred in the ordinary course of business and maturing within 365 days after the incurrence thereof, (ii) any earn-out obligations or purchase price adjustments, unless not paid within sixty (60) days after such obligation becomes due and payable and such obligation is treated as a liability on the balance sheet (excluding the footnotes thereto), (iii) accruals for payroll and other liabilities accrued in the ordinary course of business, (iv) liabilities associated with customer prepayments and deposits and (v) obligations resulting from take-or-pay contracts entered into in the ordinary course of business or consistent with past practices or industry norm; or

(d) representing the 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; *provided* that Indebtedness of any direct or indirect parent of the Issuer appearing upon the balance sheet of the Issuer solely by reason of push-down accounting under GAAP shall be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, 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 first Person), 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; *provided* that the amount of any such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination and (b) the amount of such Indebtedness of such third Person;

provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, (b) Non-Financing Lease Obligations, Qualified Securitization Facilities, straight-line leases, operating leases, Sale and Lease-Back Transactions or lease lease-back transactions, (c) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Completion Date or in the ordinary course of business or consistent with past practice, (d) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (e) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (f) any obligations attributable to the

exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (g) accrued expenses and royalties, (h) Capital Stock and Disqualified Stock, (i) any obligations in respect of workers' compensation claims, unemployment insurance, retirement, post-employment or termination obligations (including pensions and retiree medical care), pension fund obligations or contributions or similar claims, or social security or wage taxes or contributions, (j) deferred or prepaid revenues, (k) any asset retirement obligations, (l) any liability for taxes, (m) Subordinated Shareholder Funding or (n) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; *provided, further,* that Indebtedness shall be calculated without giving effect to the effects of Financial Accounting Standards Board Accounting Standards Codification Topic No. 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Secured Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally or internationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"Initial CMBS Financing" means the borrowings under the CMBS Loans and/or the Alternative RE Term Loan Facility in connection with the Acquisition.

"Initial Purchasers" means the initial purchasers of the Secured Notes on the Issue Date.

"Intercompany License Agreement" means any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, intellectual property rights transfer agreement, any related agreements or other similar agreements, in each case where all parties to such agreement are one or more of the Issuer or a Restricted Subsidiary.

"***Investment Grade Event***" means (1) the Issuer has obtained a rating or, to the extent such Rating Agency will not provide a rating, an advisory or prospective rating from either Rating Agency that reflects an Investment Grade Rating with respect to the Secured Notes after giving effect to the proposed release of the Collateral securing the Secured Notes; and (2) no Event of Default shall have occurred and be continuing with respect to any Series of the Secured Notes.

"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 if the applicable securities are not then rated by Moody's or S&P 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 the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 90% of its assets 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 future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, in each case made in the ordinary course of business or consistent with past practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

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 the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer; and

(3) if the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount, as of any date of determination, of (i) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date, minus any payments in cash or Cash Equivalents actually received by such investor representing interest in respect of such Investment, but without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (ii) any Investment in the form of a guarantee shall be equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof, as determined in good faith by the Company, (iii) any Investment in the form of a transfer of Equity Interests or other non-cash property or services by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair market value of such Equity Interests or other property or services as of the time of the transfer, minus, any payments actually received by such investor representing a Return in respect of such Investment, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (iv) any Investment (other than any Investment referred to in clause (i), (ii) or (iii) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness or other securities of any other Person shall be the original cost of such Investment, except that the amount of any Investment in the form of an acquisition shall be the Acquisition Consideration, minus the amount of any portion of such Investment that has been repaid to the investor as a Return in respect of such Investment, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment

"Investors" means each of (a) the Blackstone Funds and any of their Affiliates (other than any portfolio operating companies), (b) the Carlyle Funds and any of their Affiliates (other than any portfolio operating companies), (c) the H&F Funds and any of their Affiliates (other than any portfolio operating companies), (d) the Mills Family Investors and certain other Persons that have rolled over or invested equity in Holdings (or other direct or indirect parent company of the Issuer) as of the Completion Date and any of their Affiliates or Immediate Family Members and (e) concurrently with and following the consummation of any Permitted Change of Control, any Permitted Acquiror.

"IPO Listco" means a wholly owned Subsidiary of Holdings or any parent entity of Holdings formed in contemplation of any Qualified IPO to become an IPO Entity.

"***IPO Shell Company***" means each of IPO Listco and any IPO Subsidiary.

"***IPO Subsidiary***" means a wholly owned subsidiary of IPO Listco formed in contemplation of, and to facilitate, a Qualified IPO Reorganization Transaction and a Qualified IPO.

"Issue Date" means , 2021.

"***Junior Lien Collateral Agent***" means the Junior Lien Representative for the holders of any initial Junior Lien Obligations.

"***Junior Lien Documents***" means the credit and Security Documents governing the Junior Lien Obligations, including, without limitation, the related Junior Lien Security Documents and Junior Lien Intercreditor Agreement.

"***Junior Lien Intercreditor Agreement***" has the meaning set forth under "Security for the Secured Notes—Junior Lien Intercreditor Agreement."

"***Junior Lien Obligations***" means the Obligations with respect to Indebtedness permitted to be incurred under the Secured Indenture, which is by its terms intended to be secured by the Collateral with a Junior Lien Priority relative to the Secured Notes; *provided* such Lien is permitted to be incurred under the Secured Indenture; *provided*, *further*, that the holders of such Indebtedness or their Junior Lien Representative shall become party to the Junior Lien Intercreditor Agreement and any other applicable intercreditor agreements. For the avoidance of doubt, any Senior ABL Revolving Credit Obligations shall not be considered Junior Lien Obligations.

"***Junior Lien Priority***" means Indebtedness that is secured by a Lien on the Collateral that is junior in priority to the Liens on the Collateral securing the Secured Notes Obligations and is subject to a Junior Lien Intercreditor Agreement (it being understood that junior Liens are not required to rank equally and ratably with other junior Liens, and that Indebtedness secured by junior Liens may be secured by Liens that are senior in priority to, or rank equally and ratably with, or junior in priority to, other Liens constituting junior Liens). For the avoidance of doubt, any Senior ABL Revolving Credit Obligations shall not be considered to have Junior Lien Priority.

"***Junior Lien Representative***" means any duly authorized representative of any holders of Junior Lien Obligations, which representative is named as such in the Junior Lien Intercreditor Agreement or any joinder thereto.

"***Junior Lien Secured Parties***" means the holders from time to time of any Junior Lien Obligations, the Junior Lien Collateral Agent and each other Junior Lien Representative.

"***Junior Lien Security Agreement***" means any security agreement covering a portion of the Collateral to be entered into by the Issuer, the Guarantors and a Junior Lien Representative.

"***Junior Lien Security Documents***" means, collectively, the Junior Lien Intercreditor Agreement, the Junior Lien Security Agreement, other security agreements relating to the Collateral and instruments filed and recorded in appropriate jurisdictions to preserve and protect the Liens with Junior Lien Priority on the Collateral (including, without limitation, financing statements under the Uniform Commercial Code of the relevant states) applicable to the Collateral, as amended, amended and restated, modified, renewed or replaced from time to time.

"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, at the place of payment in respect of the Secured Notes. If a payment date is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue on such payment for the intervening period.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority 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 Non-Financing Lease Obligations be deemed to constitute a Lien.

"Limited Condition Transaction" means (1) any Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise and which may include, for the avoidance of doubt, a transaction that may constitute a Change of Control) or other transaction, (2) any incurrence, issuance, prepayment, redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock, (3) any Restricted Payment, (4) any Asset Sale or a disposition excluded from the definition of "Asset Sale", (5) a Permitted Change of Control and (6) any other transaction or plan undertaken or proposed to be undertaken in connection with any of the preceding clauses (1)-(5).

"***Long Derivative Instrument***" means a Derivative Instrument (i) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with positive changes to the Performance References and/or (ii) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with negative changes to the Performance References.

"LTM EBITDA" means EBITDA of the Issuer measured for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, with such pro forma adjustments giving effect to such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, Business Expansions, new or revised contracts and other transactions, as applicable, since the start of such period and on or prior to or substantially concurrently with the date of determination as are consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"Management Stockholders" means the future, present or former employees, directors, officers, managers, members or partners (and their Controlled Investment Affiliates and Immediate Family Members) of the Issuer (or its direct or indirect parent entities) or any Restricted Subsidiary who are or become direct or indirect holders of Equity Interests of the Issuer or any direct or indirect parent companies of the Issuer, including any such future, present or former employees, directors, officers, managers, members or partners owning through an Equityholding Vehicle.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Issuer (or any direct or indirect parent entity) on the date of the declaration of a Restricted Payment permitted pursuant to clause (9) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Material Subordinated Indebtedness" shall mean Subordinated Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount exceeding the greater of (x) $1,000.0 million and (y)40.0% of LTM EBITDA.

"Material Subordinated Shareholder Funding" shall mean Subordinated Shareholder Funding of the Issuer or any Restricted Subsidiary in an aggregate principal amount exceeding the greater of (x) $1,000.0 million and (y) 40.0% of LTM EBITDA.

"Mills Family Investors" means (i) the holders of direct or indirect equity interests of Medline Industries, LP (formerly known as Medline Industries, Inc.) prior to the consummation of the Acquisition that are members of the Mills family and (ii) their Controlled Investment Affiliates and Immediate Family Members.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Cash Proceeds" means the aggregate Cash Equivalents proceeds received in respect of any Subordinated Shareholder Funding, Equity Offering, sale of Equity Interests or other applicable transaction, in each case net of underwriting fees or discounts in respect in such Equity Offering, sale or other transaction, if applicable.

"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 Equivalents proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale or Casualty Event, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of (1) the costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting, consulting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions and fees, any relocation expenses incurred as a result thereof, other fees and expenses, including survey costs, title, search and recordation expenses and title insurance premiums, (2) taxes, including tax distributions paid pursuant to clause (20) of the second paragraph under the caption "—Limitation on Restricted Payments," paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under the Secured Indenture (including transfer taxes, deed or mortgage recording taxes and estimated taxes payable in connection with any repatriation of funds and after taking into account any available tax credits or deductions and any tax sharing arrangements), (3) amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness or amounts required to be applied to the repayment of Indebtedness secured by a Lien on such assets and required to be paid as a result of such transaction, (4) the pro rata portion of Net Proceeds thereof (calculated without regard to this clause (4)) attributable to minority interests and not available for distribution to or for the account of the Issuer and its Restricted Subsidiaries as a result thereof, (5) any costs associated with unwinding any related Hedging Obligations in connection with such transaction, (6) any deduction of appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, (7) any portion of the purchase price from an Asset Sale placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Sale or otherwise in connection with such Asset Sale; *provided*, that upon the termination of that escrow (other than in connection with a payment in respect of any such adjustment or satisfaction of indemnities), Net Proceeds will be increased by any portion of funds in the escrow that are released to the Issuer or any of its Restricted Subsidiaries and (8) the amount of any liabilities (other than Indebtedness in respect of the Senior Secured Credit Facilities, the Unsecured Notes and the Secured Notes) directly associated with such asset being sold and retained by the Issuer or any of its Restricted Subsidiaries; *provided*, that (x) the proceeds realized in any single transaction or series of related transactions shall not constitute Net Proceeds unless the amount of such proceeds exceeds the greater of (i) $360.0 million and (ii) 15.0% of LTM EBITDA and (y) only the aggregate amount of proceeds (excluding, for the avoidance of doubt, Net Proceeds described in the preceding clause (x)) in excess of the greater of (i) $720.0 million and (ii) 30.0% of LTM EBITDA in any fiscal year shall constitute "Net Proceeds" under this definition. It is understood that if all or any portion of such proceeds are from an Asset Sale of ABL Priority Collateral (including indirect Asset Sales of ABL Priority Collateral due to the sale of Capital Stock of a Person), such portion shall not for purposes of this Secured Indenture, constitute Net Proceeds.

Any non-cash consideration received in connection with any Asset Sale that is subsequently converted to cash shall become Net Proceeds only at such time as it is so converted.

Net Proceeds denominated in a currency other than U.S. dollars shall be the U.S. Dollar Equivalent of such Net Proceeds.

"***Net Short***" means, with respect to a Holder or beneficial owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of the (x) the value of its Secured Notes plus (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014 ISDA Credit Derivatives Definitions) to have occurred with respect to the Issuers or any Guarantor immediately prior to such date of determination.

"***Non-Controlling Collateral Agent***" means, at any time with respect to any Shared Collateral, any Collateral Agent that is not the Controlling Collateral Agent at such time with respect to such Shared Collateral.

"***Non-Controlling Collateral Agent Enforcement Date***" has the meaning set forth under "Security—Pari Passu Intercreditor Agreement."

"***Non-Controlling Secured Parties***" means, with respect to any Shared Collateral, the Pari Passu Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

"***Non-Debt Fund Affiliate***" means any Affiliate of Holdings other than (a) Holdings, the Issuer or any Subsidiary of the Issuer, (b) any Debt Fund Affiliates and (c) any natural person.

"Non-Financing Lease Obligation" means a lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt, a straight-line or operating lease shall be considered a Non-Financing Lease Obligation.

"***Notes Collateral Agent***" means Wilmington Trust, National Association, in its capacity as collateral agent for the holders of the Secured Notes Obligations under the Security Documents and any successor pursuant to the provisions of the Secured Indenture and the Security Documents.

"***Notes Secured Parties***" means the Trustee, the Notes Collateral Agent and the Holders of the Secured Notes.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, any member of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President, Vice President or Assistant Vice President, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of a Person or any other officer of such Person designated by any such individuals. Unless otherwise specified, reference to an "Officer" means an Officer of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person. Unless otherwise specified, reference to an "Officer's Certificate" means a certificate signed on behalf of the Issuer by an Officer of the Issuer.

"Opinion of Counsel" means a written opinion (which opinion may be subject to customary assumptions and exclusions) from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of, or outside counsel to, the Issuer or a Guarantor.

"***Pari Passu Documents***" means the indenture, credit, guarantee and Security Documents governing the Pari Passu Obligations.

"***Pari Passu Intercreditor Agreement***" has the meaning set forth under "Security for the Secured Notes—Pari Passu Intercreditor Agreement."

"***Pari Passu Lien Priority***" means, relative to specified Indebtedness, having equal Lien priority on specified Collateral and subject to the Pari Passu Intercreditor Agreement.

"***Pari Passu Notes Obligations***" means Obligations in respect of the Secured Notes, the Secured Indenture, the Guarantees and the Security Documents relating to the Secured Notes.

"***Pari Passu Obligations***" means, collectively, (1) the Senior Secured Credit Facility Obligations, (2) the Pari Passu Notes Obligations and (3) each Series of Additional Pari Passu Obligations.

"***Pari Passu Secured Parties***" means (1) the Senior Secured Credit Facility Secured Parties, (2) the Notes Secured Parties and (3) any Additional Pari Passu Secured Parties.

"***Pari Passu Security Documents***" means the Security Documents and any other agreement, document or instrument pursuant to which a Lien is granted or purported to be granted securing Pari Passu Obligations or under which rights or remedies with respect to such Liens are governed, in each case to the extent relating to the collateral securing the Pari Passu Obligations.

"***Permitted Acquiror***" means any Person or group whose acquisition of beneficial ownership constitutes a Permitted Change of Control.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange, including as a deposit for future purchases, of Related Business Assets or a combination of Related Business Assets and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided,* that any Cash Equivalents received in excess of the value of any Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"Permitted Change of Control" means any Change of Control that does not constitute a Change of Control Triggering Event.

"Permitted Change of Control Costs" means all fees, costs and expenses incurred or payable by the Issuer (or any direct or indirect parent of the Issuer) or any of its Restricted Subsidiaries in connection with a Permitted Change of Control.

"Permitted Holders" means any of (i) each of the Investors, (ii) each of the Management Stockholders (including any Management Stockholders holding Equity Interests through an Equityholding Vehicle), (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of the Issuer or any of its direct or indirect parent companies, acting in such capacity, (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date) of

which any of the foregoing, any Holding Company, Permitted Plan or any Person or group that becomes a Permitted Holder specified in the last sentence of this definition are members and any member of such group; *provided,* that in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (i) through (iv), collectively, have beneficial ownership of more than 50.0% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies held by such group, (v) any Holding Company and (vi) any Permitted Plan. Any Person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer or Alternative Offer is made or waived in accordance with the requirements of the Secured Indenture or (ii) a Permitted Change of Control will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Intercompany Activities" means any transactions (A) between or among the Issuer and its Restricted Subsidiaries that are entered into in the ordinary course of business of the Issuer and its Restricted Subsidiaries and, in the good faith judgment of the Issuer are necessary or advisable in connection with the ownership or operation of the business of the Issuer and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, purchasing, insurance and hedging arrangements; (ii) management, technology and licensing arrangements; and (iii) customer loyalty and rewards programs, (B) between or among the Issuer, its Restricted Subsidiaries and any Captive Insurance Subsidiary, (C) constituting Qualified IPO Reorganization Transactions, (D) constituting CMBS Reorganization Transactions, (E) constituting Foreign RE Loan Reorganization Transactions or (F) constituting Tax Restructuring.

"Permitted Investments" means:

(1) any Investment in the Issuer or any of its Restricted Subsidiaries;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent all or 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 or other assets) if as a result of such Investment:

   (a) such Person becomes a Restricted Subsidiary (including by means of a Division); 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 all or substantially all of its assets (or such division, business unit or product line or other assets) to, or is liquidated into, the Issuer or a Restricted Subsidiary,

   and, in each case, any Investment held by such Person; provided, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(4) any Investment in securities 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 Completion Date or made pursuant to binding commitments in effect on the Completion Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment or binding commitment existing on the Completion Date; provided, that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Completion 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 Secured Indenture;

(6) any Investment acquired by the Issuer 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 or consistent with past practice;

(b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade creditor, supplier or customer); or

(c) in satisfaction of judgments against other Persons; or

(d) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Hedging Obligations permitted under clause (10) of the second paragraph of the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(8) any Investment in a Similar Business having an aggregate fair market value taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding not to exceed the greater of (a) $1,000.0 million and (b) 40.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; provided, however, that if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (8);

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding of the Issuer or any of its direct or indirect parent companies; provided, that such Equity Interests will not increase the amount available for Restricted Payments under clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments";

(10) guarantees of Indebtedness permitted under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," performance guarantees and Contingent Obligations and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with the covenant described under "—Certain Covenants—Liens";

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (5), (10) and (23) of such paragraph);

(12) Investments consisting of (i) purchases or other acquisitions of inventory, supplies, material or equipment, (ii) the leasing, sub-leasing, licensing, sub-licensing, cross-licensing or contribution of intellectual property or pursuant to joint marketing arrangements with other Persons or (iii) the contribution, assignment, licensing, sub-licensing or other Investment of intellectual property or other general intangibles pursuant to any Intercompany License Agreement and any other Investments made in connection therewith;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding not to exceed the greater of (a)

$1,200.0 million and (b) 50.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; provided, however, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13);

(14) Investments in or relating to a Securitization Subsidiary in connection with a Qualified Securitization Facility (including the contribution or lending of cash and Cash Equivalents to Securitization Subsidiaries to finance the purchase of assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or other service providers not in excess of the greater of (a) $240.0 million and (b) 10.0% of LTM EBITDA outstanding at any one time;

(16) loans and advances to future, present or former employees, directors, officers, managers, members, partners, independent contractors, consultants or other service providers (a) for business-related travel or entertainment expenses, moving expenses and other similar expenses or payroll advances, in each case incurred in the ordinary course of business or consistent with industry practices or (b) to fund such Person's purchase of Equity Interests of the Issuer or any direct or indirect parent company thereof or in any management equity vehicle so investing in such Equity Interests;

(17) (a) advances, loans or extensions of trade credit in the ordinary course of business or consistent with past practice or industry norm by the Issuer or any of its Restricted Subsidiaries, (b) Investments constituting deposits, prepayments and/or other credits to suppliers and (c) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client and customer contracts and loans or advances made to, and guarantees with respect to obligations of, distributors, suppliers, licensors and licensees in the ordinary course of business or consistent with past practice or industry norm;

(18) 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 or consistent with past practice;

(19) (a) Investments made as part of, or in connection with, the Transactions and (b) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice;

(20) Investments made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing client and customer contacts;

(21) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(22) repurchases of the Secured Notes or the Unsecured Notes and loans or securities issued under Credit Facilities;

(23) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(24) Investments consisting of promissory notes issued by the Issuer or any Restricted Subsidiary to future, present or former employees, directors, officers, managers, members, partners, independent contractors

or consultants of the Issuer or any of its Subsidiaries or their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Issuer or any direct or indirect parent thereof, to the extent the applicable Restricted Payment is permitted by the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(25) 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 consistent with past practice or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(26) any Investment by any Captive Insurance Subsidiary in connection with the provision of insurance to the Issuer or any of its Subsidiaries, which Investment is made in the ordinary course of business or consistent with past practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(27) Investments made in connection with Permitted Intercompany Activities and related transactions;

(28) Investments made after the Completion Date in joint ventures of the Issuer or any of its Restricted Subsidiaries existing on the Completion Date;

(29) Investments in joint ventures or non-Wholly Owned Subsidiaries of the Issuer or any of its Restricted Subsidiaries, taken together with all other Investments made pursuant to this clause (29) that are at that time outstanding not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments;

(30) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a Casualty Event;

(31) earnest money deposits required in connection with any acquisition or Investment permitted under the Secured Indenture (or similar transactions);

(32) Investments to the extent required by applicable rules under the Exchange Act or by any governmental authority, including any Investment made in order to avoid any early warning or notice requirements under such rules or requirements;

(33) contributions to a "rabbi" trust for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or other service providers or other grantor trusts subject to claims of creditors in the case of bankruptcy of the Issuer or any of its Restricted Subsidiaries;

(34) (a) pension fund and other employee benefit plan obligations and liabilities and (b) Investments of assets relating to any non qualified deferred payment plan or similar employee compensation plan in the ordinary course of business, consistent with past practice or consistent with industry norm;

(35) any other Investment, so long as, after giving pro forma effect to such Investment, either (a) the Consolidated Total Debt Ratio shall be no greater than 6.45 to 1.00 or the Consolidated Total Debt Ratio is equal to or less than immediately prior to such Investment or (b) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Investment is made would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such Investment;

(36) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (36) that are at that time outstanding not to exceed the Available RP Capacity

Amount (determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *plus* the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; *provided, however*, that if any Investment pursuant to this clause (36) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (36);

(37) Investments made in connection with a Permitted Change of Control;

(38) to the extent constituting an Investment, Investments consisting of escrow deposits to secure indemnification obligations in connection with (i) a disposition or (ii) an acquisition of any business, assets or a Subsidiary not prohibited by the Secured Indenture;

(39) guarantee obligations of the Issuer or any Restricted Subsidiary in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Issuer or any Restricted Subsidiary to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(40) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this definition of "Permitted Investments";

(41) Investments in deposit accounts and securities accounts in the ordinary course of business or consistent with past practice or industry norm;

(42) deposits in the ordinary course of business or consistent with past practice or industry norm to secure the performance of Non-Financing Lease Obligations or utility contracts, or in connection with obligations in respect of tenders, statutory obligations, surety, stay and appeal bonds, bids, licenses, leases, government contracts, trade contracts, performance and return-of-money bonds, completion guarantees and other sim-ilar obligations (exclusive of obligations for the payment of borrowed money) incurred in the ordinary course of business or consistent with past practice or industry norm;

(43) acquisitions by the Issuer or any Restricted Subsidiary of obligations of one or more directors, officers, employees, member or management or consultants or independent contractors of Holdings, the Issuer or any of its Restricted Subsidiaries, in connection with such Person's acquisition of Equity Interests of any direct or indirect parent thereof, so long as no cash is actually advanced by the Issuer or any of its Subsidiaries to such Person in connection with the acquisition of any such obligations;

(44) loans and advances to customers in the ordinary course of business or consistent with past practice or industry norm in respect of the payment of insurance premiums;

(45) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or industry norm; and

(46) non cash Investments made in connection with tax planning and reorganization activities.

For purposes of determining compliance with this definition, in the event that a proposed Investment (or a portion thereof) meets the criteria of clauses (1) through (46) above, the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Investment (or a portion thereof) between such clauses (1) through (46) in any manner that otherwise complies with this definition.

"Permitted Liens" means, with respect to any Person:

(1) pledges, deposits or security by such Person under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation or other insurance

related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, 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 or consistent with past practice;

(2) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, mechanics' and other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, that are unfiled and no other action has been taken to enforce such Lien or that are being contested in good faith by appropriate actions 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 (including any Lien imposed by any pension authority or similar Liens) not yet overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate actions 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, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers acceptances issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice;

(5) minor survey exceptions, minor encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects and irregularities in title and similar encumbrances) 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 interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole, and exceptions on title policies insuring Liens granted on any collateral;

(6) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (4), (12), (13), (14), (23), (25), (29) or (31) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided,* that (a) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock to be incurred pursuant to clause (4) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" extend only to the assets so purchased, leased, expanded, constructed, installed, replaced, repaired or improved (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof); *provided, further,* that individual financings of assets provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders or their affiliates; (b) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (13) thereof relate only to Obligations relating to Refinancing Indebtedness that (x) is secured by Liens on all or a portion of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the Indebtedness being refinanced; *provided further* that individual financings of assets

provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders or their affiliates; or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under clauses (3) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing), (4), (12) or (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; (c) Liens securing Indebtedness permitted to be incurred pursuant to clauses (14)(b) and (31) thereof shall only be permitted if such Liens are limited to all or a part of the same property or assets, including Capital Stock acquired (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements or any thereof), or of a Person acquired or merged or consolidated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness relates; and (d) Liens securing Indebtedness permitted to be incurred pursuant to clauses (23) and (25) thereof shall only be permitted if such Liens extend only to the assets of Restricted Subsidiaries of the Issuer that are not the Co-Issuer or a Guarantor (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof);

(7) Liens existing on the Completion Date (excluding Liens securing the Senior Secured Credit Facilities), including Liens securing any Refinancing Indebtedness of any Indebtedness secured by such Liens;

(8) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Subsidiary; *provided,* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided, further,* that such Liens may not extend to any other property or other assets owned by the Issuer or any of its Restricted Subsidiaries;

(9) Liens on property or other assets at the time the Issuer or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries; *provided,* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided, further,* that the Liens may not extend to any other property owned by the Issuer or any of its Restricted Subsidiaries;

(10) Liens securing Obligations relating to any Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or a 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 (x) Hedging Obligations and (y) obligations in respect of Bank Products;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar trade obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, sub-leases, licenses or sub-licenses granted to others in the ordinary course of business or consistent with past practice which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole;

(14) Liens arising from Uniform Commercial Code (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens on vehicles or equipment of the Issuer or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice;

(17) Liens on receivables, Securitization Assets and related assets incurred in connection with Qualified Securitization Facilities;

(18) Liens to secure any modification, refinancing, refunding, restatement, exchange, extension, renewal or replacement (or successive refinancing, refunding, restatements, exchange, 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), (9), this clause (18) and clauses (39) and (43) hereof; *provided,* that (a) such new Lien shall be limited to all or a part of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the original Lien, and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), this clause (18) and clauses (39) and (43) hereof at the time the original Lien became a Permitted Lien under the Secured Indenture, and (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees or similar fees) and premiums (including tender premiums) and accrued and unpaid interest, related to such modification, refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided in the ordinary course of business or consistent with past practice to secure liability to insurance carriers;

(20) Liens securing obligations in an aggregate principal amount outstanding which does not exceed the greater of (a) $1,200.0 million and (b) 50.0% of LTM EBITDA (in each case, determined as of the date of such incurrence);

(21) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with past practice;

(22) Liens securing judgments, awards, attachments or decrees for the payment of money not constituting an Event of Default under clause (5) under the caption "—Events of Default and Remedies";

(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 or consistent with past practice;

(24) Liens (a) 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, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or consistent with past practice, and (c) in favor of banking or other financial institutions arising as a matter of law or under general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) 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";

(26) Liens encumbering reasonable customary deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice and not for speculative purposes;

(27) Liens that are contractual rights of set-off or netting or rights of pledge (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts of the Issuer or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or consistent with past practice or (c) relating to purchase orders

and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(28) Liens securing obligations owed by the Issuer or any Restricted Subsidiary to any lender under the Senior Secured Credit Facilities or any Affiliate of such a lender in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds;

(29) any encumbrance or restriction (including put and call arrangements, rights of first refusal, tag, drag and similar rights) with respect to Capital Stock of any joint venture, non-Wholly Owned Subsidiary 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 the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(31) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted by the Secured Indenture;

(32) ground leases in respect of real property on which facilities owned or leased by the Issuer or any of its Subsidiaries are located;

(33) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(34) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(35) Liens on the assets and Equity Interests of non-guarantor Restricted Subsidiaries securing Indebtedness of such Subsidiaries that were permitted by the terms of the Secured Indenture to be incurred;

(36) Liens on (i) cash advances or Cash Equivalents in favor of (x) the seller of any property to be acquired in an Investment permitted under the Secured Indenture to be applied against the purchase price for such Investment or (y) the buyer of any property to be disposed of to secure obligations in respect of indemnification, termination fee or similar seller obligations and (ii) consisting of an agreement to dispose of any property in a disposition, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(37) Liens representing (i) any interest or title of a licensor, lessor or sublicensor or sublessor under any lease or license permitted by the Secured Indenture, (ii) any Lien or restriction that the interest or title of such lessor, licensor, sublessor or sublicensor may be subject to, or (iii) the interest of a licensee, lessee, sublicensee or sublessee arising by virtue of being granted a license or lease permitted by the Secured Indenture, or (iv) with respect to intellectual property, software and other technology licenses that is not material to the conduct of the business of the Issuer or its Restricted Subsidiaries, taken as a whole;

(38) deposits of cash with the owner or lessor of premises leased and operated by the Issuer or any of its Subsidiaries in the ordinary course of business of the Issuer and such Subsidiary or consistent with past practice to secure the performance of the Issuer's or such Subsidiary's obligations under the terms of the lease for such premises;

(39) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) permitted to be incurred pursuant to the covenant under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including, without limitation, Indebtedness incurred under one or more Credit Facilities) so long as after giving pro forma effect to such incurrence and such Liens (x) if such Indebtedness is secured by the Collateral on a *pari passu* or crossing lien basis with the Liens securing the Secured Notes, the Consolidated Pari

Passu Debt Ratio would have been equal to or less than 4.75 to 1.00 or the Consolidated Pari Passu Debt Ratio is equal to or less than immediately prior to such incurrence and related transactions or (y) if such Indebtedness is secured by the Collateral on a junior lien basis to the Liens securing the Secured Notes, either (i) the Consolidated Secured Debt Ratio would have been equal to or less than 5.75 to 1.00 or the Consolidated Secured Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (ii) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such incurrence and any related transactions;

(40) Liens securing obligations in respect of (x) Indebtedness and other Obligations permitted to be incurred under one or more Credit Facilities, including the Senior Secured Credit Facilities and any Senior ABL Credit Agreement and any letter of credit facility relating thereto, that was permitted by the terms of the Secured Indenture to be 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" and (y) obligations of the Issuer or any Subsidiary in respect of any Bank Product or Hedging Obligation;

(41) Liens on assets deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets if such sale is otherwise permitted under the Secured Indenture;

(42) Liens on any funds or securities held in escrow accounts or similar arrangements established for the purpose of holding proceeds from issuances of debt securities or incurrences of other Indebtedness by the Issuer or any of its Restricted Subsidiaries issued after the Completion Date, together with any additional funds required in order to fund any payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance or incurrence of such Indebtedness), mandatory redemption or sinking fund payment on such debt securities or other Indebtedness;

(43) Liens securing (a) the Secured Notes (other than any Additional Secured Notes) and the related Guarantees and (b) the Alternative RE Term Loan Facility and any guarantees thereof;

(44) Liens on assets securing any Indebtedness owed to any Captive Insurance Subsidiary by the Issuer or any Restricted Subsidiary;

(45) prior to the Escrow Release Date, Liens on escrow property securing the Unsecured Notes (and the guarantees thereof);

(46) Liens arising in connection with rights of dissenting equityholders pursuant to applicable Law in respect of the Transactions, or any other acquisition or in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest);

(47) Liens on vehicles or equipment of the Issuer or any of the Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice or industry norm;

(48) Liens granted pursuant to a security agreement between the Issuer or any Restricted Subsidiary and a licensee of intellectual property to secure the damages, if any, of such licensee resulting from the rejection of the license of such licensee in a bankruptcy, reorganization or similar proceeding with respect to the Issuer or such Restricted Subsidiary;

(49) Liens on cash and Cash Equivalents arising in connection with the defeasance, satisfaction, discharge or redemption of Indebtedness, so long as such defeasance, satisfaction, discharge or redemption is not prohibited by the terms of the Secured Indenture;

(50) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to which Indebtedness not prohibited by the Secured Indenture is incurred;

(51) Liens on receivables and related assets including proceeds thereof being sold in factoring arrangements entered into in the ordinary course of business or consistent with past practice or industry norm; and

(52) Liens on real property of the Issuer or any Restricted Subsidiary securing Indebtedness permitted under clause (33) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock",

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness. In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Secured Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"Permitted Plan" means any employee benefits plan of the Issuer or any of its Affiliates (including any Equityholding Vehicle) and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

"Person" means any individual, corporation, limited liability company, partnership (including a limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Phantom Equity Plan" means the Medline Industries, Inc. Managing Partner Program effective April 1, 2018, as amended, modified or supplemented from time to time, inclusive of any awards and other agreements or letters issued in respect thereof.

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"***Proceeds***" has the meaning set forth in the Security Agreement.

"Public Company Costs" means costs associated with or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, costs relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, and the rules of national securities exchanges, as applicable to companies with listed equity or debt securities, listing fees, independent directors' compensation, fees and expense reimbursement, costs relating to investor relations (including any such costs in the form of investor relations employee compensation), shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance, legal and other professional fees and/or other costs or expenses, in each case, to the extent arising solely as a result of becoming or being a public company.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, expansion, construction, development, installation, replacement, relocation, renewal, maintenance, upgrade, repair or improvement of property (real or personal), equipment or any other assets, and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Qualified IPO" means any transaction or series of transactions, including a SPAC IPO, that results in, or following which, any common Equity Interests of the Issuer or any direct or indirect parent company, any SPAC

IPO Entity (or its successor by merger, amalgamation or other combination) or any IPO Listco that the Issuer will distribute to its direct or indirect parent company in connection with a Qualified IPO (an "***IPO Entity***") being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom, the European Union or Hong Kong.

"***Qualified IPO Reorganization Transactions"*** means, collectively, the transactions taken prior to and in connection with and reasonably related to consummating a Qualified IPO, including (a) the formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of the Issuer, its Subsidiaries, its direct or indirect parent entities and/or IPO Shell Companies implementing Qualified IPO Reorganization Transactions and certain other reorganization transactions in connection with a Qualified IPO and (ii) customary underwriting agreements in connection with a Qualified IPO and any future follow-on underwritten public offerings of common Equity Interests in an IPO Entity, including the provision by IPO Listco and, if applicable, the Issuer of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in the Issuer or any direct or indirect parent entity with such IPO Subsidiary surviving and holding Equity Interests in the Issuer or any direct or indirect parent entity or the dividend or other distribution by the Issuer of Equity Interests of IPO Shell Companies or other transfer of ownership to the holder of Equity Interests of the Issuer, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of the Issuer or any direct or indirect parent entity in connection with any Qualified IPO Reorganization Transactions, (e) the making of Restricted Payments to (or Investments in) an IPO Shell Company or the Issuer or any Subsidiaries to permit the Issuer to make distributions or other transfers, directly or indirectly, to IPO Listco, in each case solely for the purpose of paying, and solely in the amounts necessary for IPO Listco to pay, Qualified IPO-related expenses and the making of such distributions by the Issuer, (f) the repurchase or redemption by IPO Listco of its Equity Interests from the Issuer, any direct or indirect parent entity or any Restricted Subsidiary, (g) the entry into an exchange agreement, pursuant to which holders of Equity Interests in the Issuer will be permitted to exchange such interests for certain Equity Interests in IPO Listco, (h) any issuance, dividend or distribution of the Equity Interests of the IPO Shell Companies or other disposition of ownership thereof to the IPO Shell Companies and/or the direct or indirect holders of Equity Interests of the Issuer and (i) all other transactions reasonably incidental to, or necessary for the consummation of, the foregoing.

"Qualified Proceeds" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"Qualified Securitization Facility" means any Securitization Facility (a) constituting a securitization financing facility that meets the following conditions: (i) the Board or management of the Issuer or any direct or indirect parent entity shall have determined in good faith that such Securitization Facility is in the aggregate economically fair and reasonable to the Issuer, and (ii) all sales and/or contributions of Securitization Assets and related assets to the applicable Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) or (b) constituting a receivables or payables financing or factoring facility.

"Rating Agencies" means Moody's and S&P or if Moody's or S&P or both shall not make a rating on the Secured Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody's or S&P or both, as the case may be.

"***Regulated Bank***" means an Approved Commercial Bank that is (i) a U.S. depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation; (ii) a corporation organized under section 25A of the U.S. Federal Reserve Act of 1913; (iii) a branch, agency or commercial lending company of a foreign bank operating pursuant to approval by and under the supervision of the Board of Governors under 12 CFR part 211; (iv) a non-U.S. branch of a foreign bank managed and controlled by a U.S. branch referred to in clause (iii); or (v) any other U.S. or non-U.S. depository institution or any branch, agency or similar office thereof supervised by a bank regulatory authority in any jurisdiction.

"Related Business Assets" means assets (other than Cash Equivalents) used or useful in a Similar Business or any securities of a Person received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary.

"***Required Holders***" means the Holders of a majority in principal amount of all the then outstanding Secured Notes; *provided* that (i) to the same extent set forth under the second paragraph of "Amendment, Supplement and Waiver" with respect to the determination of Required Holders, the Secured Notes held or beneficially owned by any Affiliated Holder shall in each case be excluded for purposes of making a determination of Required Holders and (ii) to the same extent set forth under the fourth paragraph of "Amendment, Supplement and Waiver" with respect to the determination of Required Holders, the Notes held or beneficially owned by any Holder or beneficial owner in excess of the Voting Cap applicable to such Holder or beneficial owner and the Affiliates of such Holder or beneficial owner shall in each case be excluded for purposes of making a determination of Required Holders.

"Reserved Indebtedness Amount" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" means, with respect to any Person, at any time, any direct or indirect Subsidiary of such Person (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that upon an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary." Unless the context otherwise requires, any references to Restricted Subsidiary refer to a Restricted Subsidiary of the Issuer.

"***Return***" shall mean, with respect to any Investment, any dividend, distribution, interest, fee, premium, return of capital, repayment of principal, income, profit (from a disposition or otherwise) and any other similar amount received or realized in respect thereof.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.

"Sale and Lease-Back Transaction" means any arrangement providing for the leasing (or similar arrangement) by the Issuer or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing (or similar arrangement); *provided* that any leasing arrangement by any entity other than the Issuer or a Restricted Subsidiary shall not constitute a Sale and Lease-Back Transaction.

"***Screened Affiliate***" means any Affiliate of a Holder or, if the Holder is DTC or DTC's nominee, of a beneficial owner, (i) that makes investment decisions independently from such Holder or beneficial owner and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder or beneficial owner and any other Affiliate of such Holder or beneficial owner that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Issuer or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or beneficial owner or any other Affiliate of such Holder or beneficial owner that is acting in concert with such Holder in connection with its investment in the Secured Notes and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or beneficial owner or any other Affiliate of such Holder or beneficial owner that is acting in concert with such Holders or beneficial owners in connection with its investment in the Secured Notes.

"SEC" means the U.S. Securities and Exchange Commission, or any successor thereto.

"Secured Indebtedness" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien.

"Securitization Assets" means the accounts receivable, royalty or other revenue streams and other rights to payment and any other assets subject to a Qualified Securitization Facility and the proceeds thereof.

"Securitization Facility" means any of one or more receivables, factoring or securitization financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Issuer or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) pursuant to which the Issuer or any of its Restricted Subsidiaries sells or grants a security interest in its accounts receivable, payables or Securitization Assets or assets related thereto to either (a) a Person that is not a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells its accounts receivable, payable or Securitization Assets or assets related thereto to a Person that is not a Restricted Subsidiary.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"Securitization Subsidiary" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"***Security Agreement***" means that certain Security Agreement, dated as of the Completion Date, among the Issuer, the Guarantors and the Notes Collateral Agent.

"***Security Documents***" means, collectively, the Pari Passu Intercreditor Agreement, the Security Agreement, any ABL/Fixed Asset Intercreditor Agreement, any Junior Priority Intercreditor Agreement, other security or intercreditor agreements relating to the Collateral (including, without limitation, financing statements under the Uniform Commercial Code of the relevant states applicable to the Collateral), each for the benefit of the Notes Collateral Agent, as amended, amended and restated, modified, renewed or replaced from time to time.

"***Senior ABL Credit Agreement***" means a credit agreement under which the Issuer or the Guarantors incur Senior ABL Revolving Credit Obligations, including, in each case, any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any appendices, exhibits, annexes or schedules to any of the foregoing (as the same may be in effect from time to time) and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, exchanges or refinancings thereof (whether with the original agents and lenders or other agents or lenders or otherwise, and whether provided under the original credit agreement or other credit agreements or otherwise) and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that extend, replace, refund, renew, defense, exchange or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, exchange 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 ABL Credit Agreement Collateral Agent***" means the collateral agent for the lenders and other secured parties under the Senior ABL Credit Agreement, together with its successors and permitted assigns under the Senior ABL Credit Agreement.

"***Senior ABL Priority Secured Parties***" means the "Secured Parties" as defined (or comparable defined term) in the Senior ABL Credit Agreement.

"***Senior ABL Revolving Credit Obligations***" means the Obligations with respect to Indebtedness permitted to be incurred under the Secured Indenture, which is by its terms intended to be secured by the ABL Priority Collateral with a senior lien priority relative to the Secured Notes; *provided* such Lien is permitted to be incurred under the Secured Indenture.

"Senior Indebtedness" means:

(1) all Indebtedness of the Issuer or any Subsidiary Guarantor outstanding under the Senior Secured Credit Facilities, the Secured Notes and the Unsecured Notes and related guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer or any Subsidiary Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Completion Date or thereafter created or incurred) and all obligations of the Issuer or any Subsidiary Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (x) Hedging Obligations (and guarantees thereof) and (y) obligations in respect of Bank Products (and guarantees thereof) owing to a lender under the Senior Secured Credit Facilities or any Affiliate of such lender (or any Person that was a lender or an Affiliate of such lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided* that such Hedging Obligations and obligations in respect of Bank Products, as the case may be, are permitted to be incurred under the terms of the Secured Indenture;

(3) any other Indebtedness of the Issuer or any Subsidiary Guarantor permitted to be incurred under the terms of the Secured Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Secured Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3); *provided* that Senior Indebtedness shall not include:

   (a) any obligation of such Person to the Issuer or any of its Subsidiaries;

   (b) any liability for federal, state, local or other taxes owed or owing by such Person;

   (c) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

   (d) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

   (e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of the Secured Indenture.

"Senior Secured Credit Facilities" means the Credit Agreement, dated on or about the Completion Date, among the Issuer, the guarantors named therein and Bank of America, N.A., as administrative agent, collateral agent, swing line lender and L/C issuer, and the other agents and lenders named therein, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures, agreements, credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture or agreement that increases the amount borrowable thereunder or alters the

maturity thereof *(provided* that such increase in borrowings is permitted under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds the Issuer or any Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"***Senior Secured Credit Facility Obligations***" means "Obligations" (as defined in the Senior Secured Credit Facilities).

"***Senior Secured Credit Facility Secured Parties***" means "Secured Parties" (as defined in the Senior Secured Credit Facilities).

"***Series***" means (a) with respect to the Pari Passu Secured Parties, each of (i) the Senior Secured Credit Facility Secured Parties (in their capacities as such), (ii) the Notes Secured Parties (in their capacity as such) and (iii) the Additional Pari Passu Secured Parties that become subject to the Pari Passu Intercreditor Agreement after the Completion Date that are represented by a common representative (in its capacity as such for such Additional Pari Passu Secured Parties) and (b) with respect to any Pari Passu Obligations, each of (i) the Senior Secured Credit Facility Obligations, (ii) the Pari Passu Notes Obligations and (iii) the Additional Pari Passu Obligations incurred pursuant to any applicable agreement, which, pursuant to any joinder agreement, are to be represented under the Pari Passu Intercreditor Agreement by a common representative (in its capacity as such for such Additional Pari Passu Obligations).

"***Shared Collateral***" means, at any time, Collateral in which the holders of two or more Series of Pari Passu Obligations hold a valid and perfected security interest at such time. If more than two Series of Pari Passu Obligations are outstanding at any time and the holders of less than all Series of Pari Passu Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of Pari Passu Obligations that hold a valid and perfected security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a valid and perfected security interest in such Collateral at such time.

"***Short Derivative Instrument***" means a Derivative Instrument (i) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with positive changes to the Performance References and/or (ii) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with negative changes to the Performance References.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02, clauses (w)(1)(i) or (ii) of Regulation S-X promulgated pursuant to the Securities Act, as such regulation is in effect on the Completion Date.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Issuer or any of its Restricted Subsidiaries on the Completion Date, and any reasonable extension thereof, or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary, synergistic or related to, or a reasonable extension, development or expansion of, the businesses in which the Issuer and its Restricted Subsidiaries are engaged or propose to be engaged on the Completion Date.

"***SPAC IPO***" means the acquisition, purchase, merger, amalgamation or other combination of the Issuer or any direct or indirect parent company, by, or with, a publicly traded special purpose acquisition company or targeted acquisition company or any entity similar to the foregoing (a "***SPAC IPO Entity***") that results in any common Equity Interests of the Issuer, any direct or indirect parent company of the Issuer or such SPAC IPO Entity (or its successor by merger, amalgamation or other combination) being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

"Subordinated Indebtedness" means, with respect to the Secured Notes,

(1) any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Secured Notes, and

(2) any Indebtedness of any Subsidiary Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Secured Notes.

"Subordinated Shareholder Funding" means collectively, any funds provided to the Issuer or any Restricted Subsidiary by a direct or indirect parent entity of the Issuer or a Permitted Holder in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a direct or indirect parent entity of the Issuer or a Permitted Holder, together with any security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding, *provided* that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the maturity of the Secured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any direct or indirect parent entity of the Issuer or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the maturity of the Secured Notes, payment of cash, interest, cash withholding amounts or other cash gross ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the maturity of the Secured Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or pursuant to an intercreditor agreement is fully subordinated and junior in right of payment to the Secured Notes pursuant to any subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"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 50.0% 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 controlling general partner or otherwise controls such entity.

For the avoidance of doubt, unless otherwise specified, any entity that is owned at a 50.0% or less level (as described above) shall not be a "Subsidiary" for any purpose under the Secured Indenture, regardless of whether such entity is consolidated on the Issuer's or any Restricted Subsidiary's financial statements. Unless the context otherwise requires, any references to Subsidiary refer to a Subsidiary of the Issuer.

"Subsidiary Guarantor" means each Restricted Subsidiary of the Issuer, if any, that Guarantees the Secured Notes in accordance with the terms of the Secured Indenture; *provided* that upon release or discharge of such Restricted Subsidiary from its Guarantee in accordance with the Secured Indenture, such Restricted Subsidiary ceases to be a Subsidiary Guarantor.

"Support and Services Agreement" means the management services or similar agreements or the management services provisions contained in an investor rights agreement or other equityholders' agreement, as the case may be, between one or more of the Investors or certain of the management companies associated with one or more of the Investors or their advisors or Affiliates, if applicable, and the Issuer (and/or its direct or indirect parent companies or Subsidiaries), as in effect from time to time.

"Tax Restructuring" means any reorganizations and other transactions entered into among the Issuer (or any direct or indirect parent entity thereof) and/or its Restricted Subsidiaries for tax planning (as determined by the Issuer in good faith) so long as such reorganizations and other transactions do not impair the value of the Secured Notes and the Guarantees, taken as a whole, in any material respect.

"Taxes" shall mean all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"Transaction Expenses" means any fees or expenses incurred or paid by the Investors, the Issuer or any of its (or their) Affiliates in connection with the Transactions (including payments to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants as change of control payments, severance payments, consent payments, special or retention bonuses and charges for repurchase or rollover, acceleration or payments of, or modifications to, stock option or other equity-based awards (including the payments of amounts due in connection with the Phantom Equity Plan), expenses in connection with hedging transactions related to the Senior Secured Credit Facilities and any original issue discount or upfront fees), the Support and Services Agreement, the Secured Indenture, the Unsecured Indenture, the Secured Notes, the Unsecured Notes, the Security Documents, the Loan Documents (as defined in the Senior Secured Credit Facilities), the Initial CMBS Financing and the transactions contemplated hereby and thereby.

"Transactions" means the Acquisition, the making of the equity investment by the Investors on the Acquisition Date, the issuance of the Secured Notes and the Guarantees, the issuance of the Unsecured Notes and related guarantees on the Issue Date, the borrowings under, and the entry into, the Senior Secured Credit Facilities and the Initial CMBS Financing on or prior to Acquisition Date (or the borrowing of CMBS Loans to refinance the Alternative RE Term Loan Facility), the payment of Transaction Expenses and other transactions contemplated by the Share Purchase Agreement or in connection therewith or incidental thereto as described in this offering memorandum.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb).

"Uniform Commercial Code" or "***UCC***" means (i) the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or (ii) the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it applies to any item or items of Collateral. References in the Secured Indenture and the other Security Documents to specific sections of the Uniform Commercial Code are based on the Uniform Commercial Code as in effect in the State of New York on the Completion Date. In the event such Uniform Commercial Code is amended or another Uniform Commercial Code described in clause (ii) is applicable, such section reference shall be deemed to be references to the comparable section in such amended or other Uniform Commercial Code.

"Unrestricted Subsidiary" means:

(1) unless otherwise elected by the Issuer in its sole discretion, any CMBS Borrower Subsidiary upon consummation of a CMBS Loan;

(2) unless otherwise elected by the Issuer in its sole discretion, any Foreign RE Borrower Subsidiary upon consummation of a Foreign RE Loan;

(3) any Subsidiary of the Issuer which at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(4) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary 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, the Issuer or any Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that either (a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less or (b) if the Subsidiary to be so designated has total consolidated assets in excess of $1,000, such designation complies with the covenant described under "—Certain Covenants—Limitation on Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Secured Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer will be in Default of such covenant.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, (i) no Default shall have occurred and be continuing and (ii) (x) any outstanding Indebtedness of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including pursuant to clause (14) of the second paragraph thereof treating such redesignation as an acquisition for the purpose of such clause) and shall be deemed to be incurred thereunder and (y) all Liens encumbering the assets of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant "—Certain Covenants—Liens" and shall be deemed to be incurred thereunder, in each case calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period.

Any such designation by the Issuer shall be notified by the Issuer to the Trustee by promptly delivering to the Trustee a copy of the resolution of the Board of the Issuer or any direct or indirect parent of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two business days prior to such determination.

"U.S. Government Securities" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with

respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt; *provided,* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments;

provided, that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the ***"Applicable Indebtedness"***), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Voting Stock of which (other than directors' qualifying shares and shares issued to foreign nationals as required by applicable law) shall at the time be owned by such Person and/or by one or more Wholly Owned Subsidiaries of such Person.

DESCRIPTION OF UNSECURED NOTES

General

Certain terms used in this description are defined under the subheading "—Certain definitions." In this description, (1) the term ***"Issuer"*** refers to (i) prior to the consummation of the Acquisition, Mozart Debt Merger Sub Inc., a Delaware corporation, and not to any of its Subsidiaries or Affiliates and (ii) following the consummation of the Acquisition, Medline Borrower, LP, a Delaware limited partnership, and not any of its Subsidiaries or Affiliates; (2) the term ***"Co-Issuer"*** refers to Medline Co-Issuer, Inc., a Delaware corporation that will be a subsidiary of the Issuer following the consummation of the Acquisition, and not any of its Subsidiaries or Affiliates; (3) the term ***"Issuers"*** refers to (i) prior to the consummation of the Acquisition, the Issuer and (ii) following the consummation of the Acquisition, the Issuer and the Co-Issuer, collectively, and (4) the term "***Holdings***" refers to Medline Intermediate, LP, a Delaware limited partnership (and its successors in interest), and the direct parent company of the Issuer following the Transactions, and not to any of its Subsidiaries; and (5) the terms ***"we," "our"*** and ***"us"*** each refer to the Issuer and its consolidated Subsidiaries.

The Issuers will issue $4,000.0 million aggregate principal amount of % senior notes due 2029 (the ***"Unsecured Notes"***) under an indenture (the ***"Unsecured Indenture"***) to be dated as of the Issue Date among the Issuers, the Guarantors and Wilmington Trust, National Association, as trustee (in such capacity, the ***"Trustee"***). The Unsecured Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuers will not be required to, nor do they currently intend to, offer to exchange the Unsecured Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Unsecured Notes for resale under the Securities Act. The Unsecured Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act. Accordingly, the terms of the Unsecured Notes include only those stated in the Unsecured Indenture. The Issuers do not intend to list the Unsecured Notes on any securities exchange.

The Issuers will also issue $3,770.0 million aggregate principal amount of % senior Unsecured Notes due 2029 (the ***"Secured Notes"***) under an indenture (the ***"Secured Indenture"***) to be dated as of the Issue Date among the Issuers, the Guarantors and Wilmington Trust, National Association, as trustee and collateral agent. The Secured Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuers will not be required to, nor do they currently intend to, offer to exchange the Secured Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Secured Notes for resale under the Securities Act. The Secured Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act. Accordingly, the terms of the Secured Notes include only those stated in the Secured Indenture. The Issuers do not intend to list the Secured Notes on any securities exchange.

If the closing of this offering of the Unsecured Notes occurs prior to the Acquisition Date, then, pending the satisfaction of the Escrow Conditions, the gross proceeds of the offering of the Unsecured Notes will be placed in a segregated escrow account (the ***"Escrow Account"***). If the Escrow Conditions are not satisfied on or prior to the Outside Date (as defined below) (or such earlier date as the Issuer notifies the Escrow Agent (as defined below) in writing that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or the Issuer notifies the Escrow Agent in writing that the Acquisition Agreement has been terminated), the Unsecured Notes offered hereby will be subject to a Special Mandatory Redemption at a redemption price of 100% of the issue price of the Unsecured Notes offered hereby, plus accrued and unpaid interest to, but not including, the Special Mandatory Redemption Date (as defined below). See "—Escrow of Gross Proceeds; Mandatory Redemption." The funds in the Escrow Account will be released and applied to pay for any such redemption and any unpaid fees or expenses of the Escrow Agent and the Trustee, with any excess amounts to be released to the Issuer. The gross proceeds of the offering of the Secured Notes will also be placed in a segregated escrow account pending the satisfaction of the Escrow Conditions if the closing of the offering of the Secured Notes occurs prior to the Acquisition Date. See "Description of Secured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

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

Brief Description of the Unsecured Notes

Prior to the Escrow Release Date (if the Escrow Conditions are not satisfied on or prior to the Issue Date), the Unsecured Notes will be senior secured obligations of the Issuer secured only by a first priority security interest in the Escrow Account and all amounts on deposit therein. From and after the Completion Date, the Unsecured Notes will be:

- general senior unsecured obligations of the Issuers;
- equal in right of payment with any existing and future Senior Indebtedness of the Issuers;
- senior in right of payment to any future Indebtedness of the Issuers that is expressly subordinated in right of payment to the Unsecured Notes;
- effectively subordinated to all existing and future Secured Indebtedness of the Issuers, including the Senior Secured Credit Facilities and the Secured Notes, to the extent of the value of the collateral securing such Secured Indebtedness; and
- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of the Issuer's Subsidiaries that do not guarantee the Unsecured Notes.

Guarantees

Prior to the Escrow Release Date (if the Escrow Conditions are not satisfied on or prior to the Issue Date), the Unsecured Notes will be guaranteed only by Holdings. From and after the Completion Date, Holdings and certain of the Issuer's Restricted Subsidiaries (as detailed below) will guarantee the Unsecured Notes. The Issuer's existing or future Foreign Subsidiaries, existing or future FSHCO Subsidiaries, any future Securitization Subsidiaries or any future Captive Insurance Subsidiaries are not expected to guarantee the Unsecured Notes, other than certain Domestic Subsidiaries that are direct or indirect Subsidiaries of a Foreign Subsidiary.

The Guarantors, as primary obligors and not merely as sureties, will jointly and severally guarantee, fully and unconditionally, 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 Issuers under the Unsecured Indenture and the Unsecured Notes, whether for payment of principal of, premium, if any, or interest on the Unsecured Notes or expenses, indemnification or otherwise, on the terms set forth in the Unsecured Indenture by executing the Unsecured Indenture or a supplement thereto.

As further described in "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," in the future, certain additional Restricted Subsidiaries of the Issuer that guarantee certain Indebtedness of the Issuers or any Subsidiary Guarantor will guarantee the Unsecured Notes, subject to certain exceptions and subject to release and discharge as described in this "Description of Unsecured Notes."

Each of the Guarantees will be:

- a general senior unsecured obligation of such Guarantor;
- equal in right of payment with any existing and future Senior Indebtedness of such Guarantor;

- senior in right of payment to any future Indebtedness of such Guarantor that is expressly subordinated in right of payment to the Guarantee of such Guarantor;
- effectively subordinated to all existing and future Secured Indebtedness of such Guarantor, including the guarantees of the Senior Secured Credit Facilities and the Secured Notes, to the extent of the value of the collateral securing such Secured Indebtedness; and
- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of such Guarantor's Subsidiaries that do not guarantee the Unsecured Notes (other than the Issuers).

As of June 26, 2021, on a pro forma basis after giving effect to the Transactions:

- the Issuer and the Guarantors would have had approximately $14,772 million in total indebtedness outstanding (excluding approximately $18 million of issued and undrawn letters of credit), none of which would have been subordinated and of which approximately $10,770 million would have been senior secured indebtedness, consisting of $7,000 million of borrowings under the New Term Loan Facilities and approximately $3,770 million of the Secured Notes;
- the Issuer would have had approximately $982 million of availability to incur additional secured indebtedness under the New Revolving Credit Facility (after giving effect to approximately $18 million of letters of credit expected to be outstanding thereunder); and
- the CMBS Borrower Subsidiaries would have had approximately $2,230 million of secured indebtedness outstanding under the CMBS Loan (and/or the Alternative RE Borrower would have had up to $2,200 million of borrowings outstanding under the Alternative RE Term Loan Facility borrowed in lieu thereof).

From and after the Completion Date, all of the Issuer's Subsidiaries (other than the CMBS Borrower Subsidiaries) are expected to be "Restricted Subsidiaries" unless designated as Unrestricted Subsidiaries in accordance with the Unsecured Indenture. Under certain circumstances, we will be permitted to designate certain of our existing and future subsidiaries as "Unrestricted Subsidiaries." As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the Initial CMBS Financing through CMBS Loans in full), our Unrestricted Subsidiaries (which we initially expect to be only the CMBS Borrower Subsidiaries) represented approximately 7.8% of our total assets and 11.3% of our total liabilities and had no revenue other than the payments under the Master Lease (as defined under "Certain Relationships and Related Party Transactions—Master Lease"). Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Unsecured Indenture and will not guarantee the Unsecured Notes.

As of and for the twelve months ended June 26, 2021, on a pro forma basis after giving effect to the Transactions (assuming we consummate the Initial CMBS Financing through CMBS Loans in full), after intercompany eliminations, our non-guarantor Subsidiaries represented approximately 11.3% of our revenues, 14.3% of our Adjusted EBITDA, 13.9% of our total assets and 13.0% of our total liabilities. In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any of our non-guarantor Subsidiaries, such non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or a Guarantor. As a result, all of the existing and future liabilities of our non-guarantor Subsidiaries, including any claims of trade creditors, will be structurally senior to the Unsecured Notes and the Guarantees. The Unsecured Indenture does not limit the amount of liabilities that are not considered Indebtedness which may be incurred by the Issuer or its Restricted Subsidiaries, including the non-guarantor Subsidiaries. As of the Completion Date, Holdings and each Restricted Subsidiary of the Issuer that guarantees the Senior Secured Credit Facilities will guarantee the Unsecured Notes.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance 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. If a Guarantee was 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 our Indebtedness and the Notes—Federal and state fraudulent transfer laws permit a court, under certain circumstances, to void the notes and the guarantees, and the liens securing the secured notes and the related guarantees, subordinate claims in respect of the notes, the guarantees and the liens securing the secured notes and the related guarantees and/or require holders of the notes to return payments received from us in respect of the guarantees and the liens and, if that occurs, you may not receive any payments on the notes."

Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Unsecured 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.

Each Guarantor may consolidate with, amalgamate or merge with or into or wind up into, or consummate a Division as a Dividing Person, or sell all or substantially all its assets to the Issuer or another Guarantor without limitation or any other Person upon the terms and conditions set forth in the Unsecured Indenture. See "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets."

Each Guarantee by a Guarantor will provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) in the case of a Subsidiary Guarantor, any sale, exchange, issuance, disposition or transfer (by merger, amalgamation, consolidation, dividend, distribution or otherwise) of (i) the Capital Stock of such Subsidiary Guarantor, after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all the assets of such Subsidiary Guarantor, in each case if such sale, exchange, issuance, disposition or transfer is made in compliance with or is not prohibited by the applicable provisions of the Unsecured Indenture (including any amendments thereof);

(2) the release or discharge of the guarantee by, or direct obligation of, such Guarantor of Indebtedness under the Senior Secured Credit Facilities, or the release or discharge of such other guarantee or direct obligation that resulted in the creation of such Guarantee, except a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision, and that if any such Guarantee is so reinstated, such Guarantee shall also be reinstated to the extent that such Guarantor would then be required to provide a Guarantee pursuant to the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries");

(3) in the case of a Subsidiary Guarantor, the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of the Unsecured Indenture or the occurrence of any event following which the Subsidiary Guarantor is no longer a Restricted Subsidiary in compliance with the applicable provisions of the Unsecured Indenture;

(4) upon the merger, amalgamation, consolidation or Division of any Guarantor with and into the Issuer, the Co-Issuer or another Guarantor or upon the liquidation or winding up of such Guarantor, in each case, in compliance with or in a manner not prohibited by the applicable provisions of the Unsecured Indenture;

(5) the occurrence of a Covenant Suspension Event;

(6) as described under "—Amendment, Supplement and Waiver";

(7) the exercise by the Issuers of their legal defeasance option or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the discharge of the Issuers' obligations under the Unsecured Indenture in accordance with the terms of the Unsecured Indenture; or

(8) in the case of Holdings, if Holdings ceases to be the direct parent of the Issuer as a result of a transaction or designation permitted pursuant to the definition of "Holdings".

Notwithstanding clause (5) above, if, after any Covenant Suspension Event, a Reversion Date shall occur, then the Suspension Period with respect to such Covenant Suspension Event shall terminate and all actions reasonably necessary to provide that the Unsecured Notes shall have been unconditionally guaranteed by each Guarantor (to the extent such guarantee is required by the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries") shall be taken within 90 days after such Reversion Date or as soon as reasonably practicable thereafter.

Upon any occurrence giving rise to a release of a Guarantee, as specified above, the Trustee, subject to receipt of an Officer's Certificate from the Issuer and at the Issuers' expense, will execute such documents reasonably requested by the Issuer in order to evidence or effect such release, discharge and termination in respect of such Guarantee. None of the Issuers, the Trustee or any Guarantor will be required to make a notation on the notes to reflect any such release, discharge or termination. The Trustee shall not be liable for any such release undertaken in reliance upon any such Officer's Certificate.

Principal, Maturity and Interest

The Issuers will issue an aggregate principal amount of $4,000.0 million of Unsecured Notes on the Issue Date. The Unsecured Notes will mature on , 2029.

Subject to compliance with the covenant described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuers may issue additional Unsecured Notes (***"Additional Unsecured Notes"***) from time to time after this offering under the Unsecured Indenture. The Unsecured Notes offered hereby and any Additional Unsecured Notes subsequently issued under the Unsecured Indenture will be treated as a single class for all purposes under the Unsecured Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*, *however*, that a separate CUSIP or ISIN will be issued for the Additional Unsecured Notes, unless the Unsecured Notes and the Additional Unsecured Notes are treated as fungible for U.S. federal income tax purposes. Unless the context requires otherwise, references to ***"Unsecured Notes"*** for all purposes of the Unsecured Indenture and this "Description of Unsecured Notes" include any Additional Unsecured Notes that are actually issued.

The Unsecured Notes will be issued in minimum denominations of $2,000 and any integral multiples of $1,000 in excess thereof.

Interest on the Unsecured Notes will accrue at the rate of % per annum. Interest on the Unsecured Notes will be payable semi-annually in arrears on each and commencing on , 2022 to the Holders of Unsecured Notes of record on the immediately preceding and (whether or not a Business Day), respectively. Interest on the Unsecured 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. If the Issuers delivers global notes to the Trustee for cancellation on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Unsecured Note is registered at the close of business on such record date in accordance with the applicable procedures of The Depository Trust Company (***"DTC"***), and no additional interest will be payable to Holders whose Unsecured Notes will be subject to redemption by the Issuers. Interest on the Unsecured Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payment of Principal, Premium and Interest

Cash payments of principal of, premium, if any, and interest on, the Unsecured Notes will be payable at the office or agency of the Issuers maintained for such purpose (the "***paying agent***") or, at the option of the Issuers,

cash payment of interest on the Unsecured Notes may be made through the paying agent by check mailed to the Holders of the Unsecured Notes at their respective addresses set forth in the register of Holders; *provided,* that (a) all cash payments of principal, premium, if any, and interest with respect to the Unsecured Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made through the paying agent by wire transfer of immediately available funds to the accounts specified by the registered Holder or Holders thereof and (b) all cash payments of principal, premium, if any, and interest with respect to certificated Unsecured Notes may, at the option of the Issuers, be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the applicable Holder elects payment by wire transfer by giving written notice to the Trustee or the paying agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). Until otherwise designated by the Issuers, the Issuers' office or agency will be the office of the Trustee maintained for such purpose.

Paying Agent, Registrar and Transfer Agent for the Unsecured Notes

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

The Issuer will also maintain one or more registrars and transfer agents for the Unsecured Notes. The initial registrar and transfer agent will be the Trustee. The registrar will maintain a register reflecting ownership of the Unsecured Notes outstanding from time to time. The paying agent will make payments on, and the transfer agent will facilitate transfer of, the Unsecured Notes on behalf of the Issuer.

The Issuer may change the paying agent, the registrar or the transfer agent without prior notice to the Holders. the Issuer or any of its Subsidiaries may act as a paying agent, registrar or transfer agent.

Transfer and Exchange

A Holder may transfer or exchange Unsecured Notes in accordance with the Unsecured Indenture. The registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Unsecured Notes. Holders will be required to pay all taxes due on transfer. The Issuer and the transfer agent will not be required to transfer or exchange any Unsecured Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Alternate Offer or an Asset Sale Offer. Also, the Issuer and the transfer agent will not be required to transfer or exchange any Unsecured Note for a period of 15 days before the delivery of a notice of redemption of Unsecured Notes to be redeemed or between record date and payment date. The registered Holder of an Unsecured Note will be treated as the owner of the Unsecured Note for all purposes.

Escrow of Gross Proceeds; Special Mandatory Redemption

If the Issue Date occurs prior to the Acquisition Date, concurrently with the closing of the offering of the Unsecured Notes on the Issue Date, the Issuer will enter into an escrow agreement (the ***"Escrow Agreement"***) with the Trustee and Wilmington Trust, National Association, as escrow agent (in such capacity, the ***"Escrow Agent"***), pursuant to which the Issuer will deposit (or cause to be deposited) the gross proceeds of the offering of the Unsecured Notes into the Escrow Account. The Issuer will grant to the Trustee, for its benefit and the benefit of the Holders of the Unsecured Notes, a first priority security interest in the Escrow Account and all amounts on deposit therein to secure the Obligations under the Unsecured Notes. The ability of the Holders of the Unsecured Notes to realize upon such funds or securities held in the applicable Escrow Account may be subject to certain bankruptcy law limitations in the event of a bankruptcy of the Issuer.

The Issuer will only be entitled to direct the Escrow Agent to release the funds held in the Escrow Account in accordance with the terms of the Escrow Agreement. Pursuant to the Escrow Agreement, the Escrow Agent

will release funds held in the Escrow Account (the ***"Release"***) to, or at the order of, the Issuer (the date of such release being referred to as the ***"Escrow Release Date"***) upon delivery by the Issuer to the Escrow Agent and the Trustee of an Officer's Certificate addressed to the Escrow Agent and the Trustee on or prior to March 5, 2022 (the ***"Outside Date"***), certifying that the following conditions (collectively, the ***"Escrow Conditions"***) will be met substantially concurrently with or promptly following the Release on the Escrow Release Date:

(i) (A) the funds held in the Escrow Account will be used to consummate, or in connection with the consummation or financing of, the Acquisition, (B) the Acquisition will be consummated substantially concurrently with the release of the funds from the Escrow Account and (C) the conditions precedent to borrowing under the Senior Secured Credit Facilities shall have been, or substantially concurrently shall be, satisfied or waived in all material respects; and

(ii) each of the Issuer's domestic Wholly Owned Subsidiaries that are Restricted Subsidiaries that guarantees obligations under the Senior Secured Credit Facilities on the Escrow Release Date shall become a Guarantor of the Unsecured Notes.

In the event that (a) the Escrow Agent has not received the Officer's Certificate described above on or prior to the Outside Date, (b) the Issuer shall notify the Escrow Agent in writing that in its reasonable judgment the Acquisition will not be consummated on or prior to the Outside Date or (c) the Issuer shall notify the Escrow Agent in writing that the Acquisition Agreement has been terminated (each such event described in clauses (a), (b) and (c) above being a ***"Mandatory Redemption Event"***), the Issuer will redeem the Unsecured Notes (the ***"Special Mandatory Redemption"***) at a price (the ***"Special Mandatory Redemption Price"***) equal to 100.0% of the issue price of the Unsecured Notes plus accrued and unpaid interest from the Issue Date, or from the most recent date to which interest has been paid or provided for, to, but not including, the date of such redemption (the ***"Special Mandatory Redemption Date"***), which shall be the third Business Day following the Mandatory Redemption Event (or such date as may be required by the applicable procedures of DTC).

On or prior to the Special Mandatory Redemption Date, funds will be liquidated and released from the Escrow Account in order to consummate the Special Mandatory Redemption.

The Escrow Account is not expected to include cash to fund any accrued and unpaid interest owing to Holders of the Unsecured Notes, which is included in the Special Mandatory Redemption Price. In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the funds held in the Escrow Account, one or more of the Investors will be required to fund the accrued and unpaid interest owing to the Holders of the Unsecured Notes plus other amounts needed to discharge the Unsecured Indenture, pursuant to a commitment provided by them. Alternatively, in lieu of a commitment provided by the Investors, the Escrow Agreement may, at the option of the Issuer, provide that on the Issue Date and on the date that is three Business Days prior to each monthly anniversary of the Issue Date (in each case, unless the Escrow Release Date or Outside Date has occurred), the Issuers will deposit (or cause to be deposited) to the Escrow Account an amount of U.S. dollars equal to one month of interest on the Unsecured Notes (as calculated in accordance with the terms of the Unsecured Indenture). The Escrow Agreement will provide that on the date that is three Business Days prior to the Outside Date (unless the Escrow Release Date has occurred), the Issuers will deposit (or cause to be deposited) to the Escrow Account an amount of U.S. dollars sufficient to pay all regularly scheduled interest that would accrue on the Unsecured Notes to, but excluding, the third Business Day following the Outside Date plus other amounts, if any, needed to discharge the Unsecured Indenture.

If at any time the Escrow Account contains funds having an aggregate value in excess of the Special Mandatory Redemption Price as determined by the Issuer, such excess cash may be released to or at the direction of the Issuer.

By its acceptance of the Unsecured Notes, each Holder shall be deemed to authorize and direct the Trustee to enter into and perform its obligations under, if any, the Escrow Agreement.

Activities Prior to the Release

Prior to the Escrow Release Date, the primary activities of the Issuer will be restricted to obtaining financing for the Acquisition (including issuing the Unsecured Notes and the Secured Notes), issuing capital stock to, and receiving capital contributions from, Holdings or any other direct or indirect parent entity or owner, performing its obligations in respect of the Unsecured Notes and the Secured Notes under the Unsecured Indenture and the Secured Indenture, the Escrow Agreement and the escrow agreement relating to the Secured Notes and the purchase agreement with the Initial Purchasers, performing its obligations under any other document relating to financing for the Acquisition, performing any obligations under the Acquisition Agreement and redeeming or repaying the Unsecured Notes, the Secured Notes and any other financing for the Acquisition, if applicable, and conducting such other activities as are necessary or appropriate in connection with the Transactions or to carry out the activities described above.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described under "—Escrow of Gross Proceeds; Mandatory Redemption," the Issuer will not be required to make any mandatory redemption or sinking fund payment with respect to the Unsecured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Unsecured Notes as described under the caption "—Repurchase at the Option of Holders." As market conditions warrant, we and our direct and indirect equity holders, including the Investors, their respective Affiliates and members of our management, may from time to time seek to purchase our outstanding debt securities or loans, including the Unsecured Notes, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, including the Unsecured Indenture, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our credit facilities, or through other sources. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series. In addition, any such purchases made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which amounts may be material, and in related adverse tax consequences to us.

Optional Redemption

Except as set forth below, the Issuer will not be entitled to redeem the Unsecured Notes at its option prior to , 2024. Prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem the Unsecured Notes, in whole or in part, upon notice as described under "—Selection and Notice," at a redemption price equal to 100% of the principal amount of the Unsecured Notes redeemed plus the Applicable Premium as of, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption (the ***"Redemption Date"***), subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date.

On and after , 2024, the Issuer may, at its option, at any time and from time to time, redeem the Unsecured Notes, in whole or in part, upon notice as described under "—Selection and Notice," at the redemption prices (expressed as percentages of principal amount of the Unsecured Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, thereon to, but excluding, 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 falling prior to or on the Redemption Date, if redeemed during the twelve-month period beginning on of each of the years indicated below:

Year	Redemption Price
2024	%
2025	%
2026 and thereafter	100.000%

In addition, prior to , 2024, the Issuer may, at its option, at any time and from time to time, redeem an aggregate principal amount of Unsecured Notes not to exceed the amount of the Net Cash Proceeds received by the Issuer from one or more Equity Offerings or a capital contribution to the Issuer made with the Net Cash Proceeds of one or more Equity Offerings, upon notice as described under "—Selection and Notice," at a redemption price equal to (i) % of the aggregate principal amount of the Unsecured Notes redeemed, plus (ii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date; *provided* that (1) the amount redeemed shall not exceed 40% of the aggregate principal amount of the Unsecured Notes issued under the Unsecured Indenture (including any Additional Unsecured Notes); (2) at least the lesser of (x) 50% of the aggregate principal amount of the Unsecured Notes originally issued under the Unsecured Indenture on the Issue Date and (y) $500.0 million aggregate principal amount of the Unsecured Notes remains outstanding immediately after the occurrence of each such redemption (unless, in either case, all Unsecured Notes are redeemed or repurchased or to be redeemed or repurchased substantially concurrently); and (3) each such redemption occurs within 270 days of the date of closing of the applicable Equity Offering.

In addition, at any time on and after , 2022 and on or prior to , 2024, the Issuer may, at its option, redeem all, but not less than all, of the Unsecured Notes outstanding under the Unsecured Indenture (including any Additional Unsecured Notes) with an amount not to exceed the Net Cash Proceeds received by the Issuer from any Qualified IPO or a capital contribution to the Issuer made with the Net Cash Proceeds of any Qualified IPO, upon notice as described under "—Selection and Notice," at a redemption price equal to % of the principal amount of the Unsecured Notes being redeemed, plus accrued and unpaid interest, if any, to, but excluding, 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 falling prior to or on the Redemption Date.

Notwithstanding the foregoing, in connection with any tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer for the Unsecured Notes, if Holders of not less than 90% in aggregate principal amount of the then outstanding Unsecured Notes validly tender and do not validly withdraw such Unsecured Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Unsecured Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 60 days following such purchase date, to redeem all Unsecured Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such offer (which may be less than par and excluding any early tender or incentive fee in such offer) plus, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date. In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Unsecured Notes have validly tendered and not validly withdrawn Unsecured Notes in a tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, Unsecured Notes owned by an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, or any Debt Fund Affiliate, shall be deemed to be outstanding for the purposes of such tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable.

Notice of any redemption or offer to purchase, whether in connection with an Equity Offering, Change of Control, Alternate Offer, Asset Sale Offer or other transaction or event or otherwise, may, at the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, be given prior to the completion or occurrence thereof, and any such redemption, offer to purchase or notice may, at the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, be subject to one or more conditions precedent (including conditions precedent applicable to different amounts of Unsecured Notes redeemed), including, but not limited to, completion or occurrence of the related Equity Offering, Change of Control, Asset Sale or other transaction or event, as the case may be. The Issuer may redeem Unsecured Notes pursuant to one or more of the relevant provisions in the Unsecured Indenture, and a

single notice of redemption may be delivered with respect to redemptions made pursuant to different provisions. Any such notice may provide that redemptions made pursuant to different provisions may have different Redemption Dates or may specify the order in which redemptions taking place on the same Redemption Date are deemed to occur. In addition, if such redemption or offer to purchase is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) discretion, the redemption or repurchase date may be delayed until such time (including more than 60 days after the date the notice of redemption or offer to purchase was sent) as any or all such conditions shall be satisfied (or waived by the Issuer (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) in its sole discretion), 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 (or waived by the Issuer (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) in its sole discretion) by the redemption or purchase date, or by the redemption or purchase date so delayed, or that such notice or offer may be rescinded at any time in the Issuer's (or, in the case of a Change of Control Offer, a third party making such Change of Control Offer) sole discretion. In addition, the Issuer may provide in such notice or offer to purchase that payment of the redemption or purchase price and performance of the Issuer's obligations with respect to such redemption or offer to purchase may be performed by another Person.

The Issuers, Holdings, their direct and indirect equityholders, including the Investors, any of its Subsidiaries and their respective Affiliates and members of our management may acquire the Unsecured Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise.

Selection and Notice

If the Issuer is redeeming or purchasing less than all of the Unsecured Notes issued under the Unsecured Indenture at any time, selection of the Unsecured Notes to be redeemed or purchased will be made in accordance with applicable procedures of DTC; *provided* that no Unsecured Notes in denominations of $2,000 or less can be redeemed or purchased in part.

Notices of redemption or purchase shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 days (except as set forth in the sixth paragraph under "—Optional Redemption" or in connection with a special mandatory redemption described under "—Escrow of Gross Proceeds; Mandatory Redemption") but not more than 60 days (except as set forth in the sixth paragraph under "—Optional Redemption") before the redemption date to each Holder 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 or a satisfaction and discharge of the Unsecured Indenture with respect to the Unsecured Notes. The Issuer may provide in any redemption or purchase notice that payment of the redemption price and the performance of the Issuer's obligations with respect to such redemption or purchase may be performed by another Person. If any Unsecured Note is to be redeemed in part only, any notice of redemption that relates to such Unsecured Note shall state the portion of the principal amount thereof that has been or is to be redeemed.

With respect to Unsecured Notes represented by certificated notes, the Issuer will issue a new Unsecured Note in a principal amount equal to the unredeemed portion of the original Unsecured Note in the name of the Holder upon cancellation of the original Note; *provided* that new Unsecured Notes will only be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Unsecured Notes called for redemption or purchase become due on the date fixed for redemption or purchase, unless such redemption or purchase is conditioned on the happening of a future event. On and after the Redemption Date or purchase date, unless the Issuer defaults in the payment of the redemption or purchase price, interest ceases to accrue on the Unsecured Notes called for redemption or purchase.

Repurchase at the Option of Holders

Change of Control Triggering Event

The Unsecured Indenture will provide that if a Change of Control Triggering Event occurs after the Completion Date, unless the Issuer has previously or concurrently sent a redemption notice with respect to all the outstanding Unsecured Notes as described under "—Optional Redemption," the Issuers will make an offer to purchase all of the Unsecured 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, but excluding, the date of purchase, subject to the right of Holders of the Unsecured Notes of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the purchase date. Within 60 days following any Change of Control Triggering Event, the Issuers will send (or cause to be sent) notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder of Unsecured 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 Triggering Event," and that all Unsecured Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(2) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 60 days from the date such notice is sent (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 Triggering Event as described below;

(3) that any Unsecured Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuer defaults in the payment of the Change of Control Payment, all Unsecured 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 Unsecured Notes purchased pursuant to a Change of Control Offer will be required to surrender such Unsecured Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Unsecured Notes completed or otherwise in accordance with the procedures of DTC, 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 whose Unsecured Notes are being purchased only in part will be issued new Unsecured Notes and such new Unsecured Notes will be equal in principal amount to the unpurchased portion of the Unsecured Notes surrendered. The unpurchased portion of the Unsecured Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess thereof;

(7) if such notice is delivered prior to the occurrence of a Change of Control Triggering Event, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering Event and shall describe each such condition, and, if applicable, shall state that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the notice is sent) as any or all such conditions shall be satisfied or waived, or that such repurchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice or offer may be rescinded at any time in the Issuer's sole discretion if the Issuer determines that any or all of such conditions will not be satisfied or waived;

(8) any other instructions, as determined by the Issuer, consistent with this Change of Control Triggering Event covenant, that a Holder must follow; and

(9) that Holders will be entitled to withdraw their tendered Unsecured Notes and their election to require the Issuers to purchase such Unsecured Notes; provided that the paying agent receives, not later than the close of business on the tenth Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission or letter setting forth the name of the holder of the Unsecured Notes, the principal amount of Unsecured Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Unsecured Notes, or a specified portion thereof, and its election to have such Unsecured Notes purchased.

While the Unsecured Notes are in global form and the Issuers makes an offer to purchase all of the Unsecured Notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of the Unsecured Notes or withdraw such election through the facilities of DTC, subject to its rules and regulations.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Unsecured 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 Unsecured Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Unsecured Indenture by virtue thereof. Notwithstanding the foregoing, the Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

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

(1) accept for payment all Unsecured Notes issued by it or portions thereof validly 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 Unsecured Notes or portions thereof so tendered and not validly withdrawn; and

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

The Senior Secured Credit Facilities will provide, and future credit agreements or other agreements relating to Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control or a Change of Control Triggering Event under the Unsecured Indenture). In addition, the Secured Notes will contain a change of control provision similar to the provisions described in this "—Change of Control Triggering Event" section. If we experience a change of control event that triggers a default under the Senior Secured Credit Facilities or any such future Indebtedness or results in a requirement to offer to repurchase the Secured Notes, we could seek a waiver of such default or seek to refinance the Senior Secured Credit Facilities, the Secured Notes and/or such future Indebtedness. In the event we do not obtain such a waiver or do not refinance the Senior Secured Credit Facilities, the Secured Notes and/or such future Indebtedness, such default or failure to repurchase any tendered Secured Notes could result in amounts outstanding under the Senior Secured Credit Facilities, the Secured Notes or such future Indebtedness being declared due and payable and/or cause a Securitization Facility or other financing arrangements to be wound down.

Our ability to pay cash to the Holders of Unsecured Notes following the occurrence of a Change of Control Triggering Event may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases.

The Change of Control Triggering Event purchase feature of the Unsecured Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent

management. 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 Triggering Event under the Unsecured 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, in the case of Secured Indebtedness, "—Certain Covenants—Liens." Such restrictions in the Unsecured Indenture can be waived only with the consent of the Required Holders. Except for the limitations contained in such covenants, however, the Unsecured Indenture will not contain any covenants or provisions that may afford Holders of the Unsecured Notes protection in the event of a highly leveraged transaction.

The Issuers will not be required to make a Change of Control Offer following a Change of Control Triggering Event if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Unsecured Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Unsecured Notes validly tendered and not validly withdrawn under such Change of Control Offer or (ii) in connection with or in contemplation of any Change of Control Triggering Event, the Issuers (or any Affiliate of the Issuers) have made an offer to purchase (an ***"Alternate Offer"***) any and all Unsecured Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Unsecured Notes properly tendered in accordance with the terms of the Alternate Offer.

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

A Change of Control Offer or Alternate Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Unsecured Indenture, Unsecured Notes and/or Guarantees (but the Change of Control Offer and the Alternate Offer may not condition tenders on the delivery of such consents).

The definition of ***"Change of Control"*** includes a disposition of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to certain Persons. Although there is a limited body of case law interpreting the phrase ***"substantially all,"*** there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of ***"all or substantially all"*** of the assets of the Issuer and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control Triggering Event has occurred and whether a Holder may require the Issuers to make an offer to repurchase the Unsecured Notes as described above.

The provisions under the Unsecured Indenture relating to the Issuer's obligation to make an offer to repurchase the Unsecured Notes as a result of a Change of Control Triggering Event, including the definition of ***"Change of Control,"*** may be waived or modified with the written consent of the Required Holders.

Asset Sales

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

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including, but not limited to, by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with, such Asset Sale) at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by the Issuer 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, with respect to any Asset Sale in excess of the greater of (x) $720.0 million and (y) 30.0% of LTM EBITDA, either (i) at least 75% of the consideration for such Asset Sale, together with all other Asset Sales since the Completion Date (on a cumulative basis), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents or (ii) at least 50% of the consideration for such Asset Sale received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; provided that the amount of:

(a) the greater of the principal amount and the carrying value of any liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated 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 reflected on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuer) of the Issuer or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Unsecured Notes (other than intercompany liabilities owing to a Restricted Subsidiary being disposed of), that are (i) assumed by the transferee of any such assets (or a third party in connection with such transfer) pursuant to a written agreement which releases or indemnifies the Issuer or such Restricted Subsidiary from such liabilities or (ii) otherwise cancelled or terminated in connection with the transaction;

(b) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee that are converted or reasonably expected by the Issuer acting in good faith to be converted by the Issuer or such Restricted Subsidiary into Cash Equivalents (to the extent of the Cash Equivalents received or expected to be received) or by their terms are required to be satisfied for Cash Equivalents within 180 days following the closing of such Asset Sale; and

(c) any Designated Non-cash Consideration received by the Issuer 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) $840.0 million and (ii) 35.0% of LTM EBITDA (net of any non-cash consideration converted into Cash Equivalents) at the time of the receipt of such Designated Non-cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be Cash Equivalents for purposes of this provision and for no other purpose.

Within 24 months after the later of (A) the date of any Asset Sale pursuant to the foregoing paragraph and (B) the receipt of any Net Proceeds of such Asset Sale, the Issuer or such Restricted Subsidiary, at its option, may apply an amount not to exceed the Applicable Asset Sale Percentage of the Net Proceeds from such Asset Sale (the "***Applicable Proceeds***"),

(1) to reduce or offer to reduce Indebtedness (through a redemption, prepayment, repayment or purchase, as applicable) as follows:

(a) Obligations under a Credit Facility to the extent such Obligations were incurred under clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(b) Obligations under Secured Indebtedness (other than Indebtedness owed to the Issuer or a Restricted Subsidiary);

(c) Obligations under the Unsecured Notes or any other unsecured Senior Indebtedness of the Issuer or any Restricted Subsidiary; *provided* that if the Issuer or any Restricted Subsidiary shall so

reduce any unsecured Senior Indebtedness other than the Unsecured Notes, the Issuer or such Restricted Subsidiary will either (A) reduce Obligations under the Unsecured Notes on a pro rata basis with such other unsecured Senior Indebtedness by, at its option, (x) redeeming Unsecured Notes as described under "—Optional Redemption" or (y) purchasing Unsecured Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par), or (B) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Unsecured Notes on a ratable basis with such other unsecured Senior Indebtedness for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, thereon up to the principal amount of Unsecured Notes to be repurchased;

(d) Obligations of a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor, other than Indebtedness owed to the Issuer or any Restricted Subsidiary; or

(e) to the extent such Applicable Proceeds are from an Asset Sale of property or assets of a Restricted Subsidiary that is not a Subsidiary Guarantor, Obligations of an Issuer or a Subsidiary Guarantor other than Subordinated Indebtedness and other than Indebtedness owed to the Issuer or any Restricted Subsidiary;

provided that to the extent the Issuer or any Restricted Subsidiary makes an offer to redeem, prepay, repay or purchase any Obligations pursuant to any of the foregoing clauses (a)-(e) at a price of no less than 100% of the principal amount thereof, to the extent the relevant creditors do not accept such offering, the Issuer and the Restricted Subsidiaries will be deemed to have applied an amount of the Applicable Proceeds equal to such amount not so accepted in such offer, and such amount shall not increase the amount of Excess Proceeds (and such amount shall instead constitute Declined Proceeds); or

(2) except with respect to any Asset Sale consummated in reliance on clause (2)(ii) of the first paragraph of this covenant, 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 the Issuer 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 or continues to constitute a Restricted Subsidiary, (b) capital expenditures or (c) acquisitions of other properties or assets that, in each of (a), (b) and (c), are used or useful in a Similar Business or replace the businesses, properties and/or assets that are the subject of such Asset Sale; *provided* that the Issuer may elect to deem Investments, capital expenditures or acquisitions within the scope of the foregoing clauses (a), (b) or (c), as applicable, that occur prior to the receipt of the Applicable Proceeds to have been made in accordance with this clause (2) so long as such deemed Investments, capital expenditures or acquisitions shall have been made no earlier than the earliest of (x) the notice of such Asset Sale to the Trustee, (y) the execution of a definitive agreement relating to such Asset Sale or (z) 180 days prior to the consummation of such Asset Sale; or

(3) any combination of the foregoing;

provided, that a binding commitment or letter of intent entered into not later than the end of such 24-month period shall be treated as a permitted application of the Applicable Proceeds from the date of such commitment or letter of intent so long as the Issuer, or such Restricted Subsidiary enters into such commitment or letter of intent with the good faith expectation that such Applicable Proceeds will be applied to satisfy such commitment or letter of intent within six months of the end of such 24-month period (an ***"Acceptable Commitment"***) or, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Applicable Proceeds are applied in connection therewith, the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a ***"Second Commitment"***) within six months of such cancellation or termination; *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such Applicable Proceeds are applied, then such Applicable Proceeds shall constitute Excess Proceeds.

Notwithstanding any other provisions of this covenant, (i) to the extent that the application of any or all of the Applicable Proceeds of any Asset Sale or Casualty Event by a Restricted Subsidiary that is not a Subsidiary

Guarantor (a ***"Non-Guarantor Disposition"***) (A) is (x) prohibited or delayed by or would violate or conflict with applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other organizational or administrative impediments from being repatriated to the United States (including for the avoidance of doubt restrictions, prohibitions or impediments relating to financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming and/or cross-streaming of Cash Equivalents intra-group and relating to the fiduciary and/or statutory duties of the directors (or equivalent Persons) of the Issuer and/or any of its Subsidiaries) or would conflict with the fiduciary and/or statutory duties of such Subsidiary's directors (or equivalent Persons), or (B) would result in, or could reasonably be expected to result in, a risk of personal or criminal liability for any officer, director, employee, manager, member of management or consultant of such Subsidiary, an amount equal to the portion of such Applicable Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Restricted Subsidiary that is not a Subsidiary Guarantor; provided that if at any time within one year following the date on which the respective payment would otherwise have been required, such repatriation of any of such affected Applicable Proceeds is permitted under the applicable local law, the applicable organizational document or agreement or the applicable other impediment, an amount equal to such amount of Applicable Proceeds so permitted to be repatriated will be promptly applied (net of any taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) in compliance with this covenant or (ii) to the extent that the Issuer has determined in good faith that repatriation of any or all of the Applicable Proceeds of any Non-Guarantor Disposition could have a material adverse tax or cost consequence with respect to such Applicable Proceeds (which for the avoidance of doubt, includes, but is not limited to, any prepayment whereby doing so the Issuer, any Restricted Subsidiary or any of their respective Affiliates and/or their equityholders would incur a tax liability, including as a result of a tax dividend, a deemed dividend pursuant to Code Section 956 or a withholding tax), the Applicable Proceeds so affected may be retained by the applicable Restricted Subsidiary that is not a Subsidiary Guarantor and an amount equal to such Applicable Proceeds will not be required to be applied in compliance with this covenant. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in the Unsecured Indenture shall be construed to require the Issuer or any Subsidiary to repatriate cash.

Any Applicable Proceeds (other than any amounts excluded from this covenant as set forth in the immediately preceding paragraph) that are not invested or applied as provided and within the time period set forth in the second preceding paragraph in excess of the Excess Proceeds Threshold will be deemed to constitute "***Excess Proceeds***"*; provided* that any amount of Applicable Proceeds offered to Holders of the Unsecured Notes pursuant to clause (1)(c) of the second preceding paragraph shall not be deemed to be Excess Proceeds without regard to whether such offer is accepted by any Holders and any amount of Applicable Proceeds offered to Holders pursuant to clause (1)(c) of the second preceding paragraph that are not accepted shall be deemed to be Declined Proceeds. When the aggregate amount of such Applicable Proceeds exceeds the greater of (i) $720.0 million and (ii) 30.0% of LTM EBITDA in any fiscal year (the "***Excess Proceeds Threshold***"), the Issuer shall make an offer (an "***Asset Sale Offer***") to all Holders of the Unsecured Notes and, if required or permitted by the terms of any Indebtedness that ranks pari passu in right of payment with the Notes (***"Pari Passu Indebtedness"***), to the holders of such Pari Passu Indebtedness, to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Unsecured Notes and such Pari Passu Indebtedness that is, with respect to the Unsecured Notes only, in an amount equal to $1,000, or an integral multiple of $1,000 in excess thereof, that may be purchased out of the Excess Proceeds at an offer price, in the case of the Unsecured Notes, in cash in an amount equal to 100% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Unsecured Indenture, and in the case of such Pari Passu Indebtedness, at the offer price required by the terms thereof, in accordance with the procedures set forth in the agreement(s) governing such Pari Passu Indebtedness. The Issuers will commence an Asset Sale Offer with respect to such Excess Proceeds within 20 Business Days after the date that Excess Proceeds exceed the Excess Proceeds Threshold by delivering to the Holders the notice required pursuant to the terms of the Unsecured Indenture, with a copy to the Trustee. The Issuers may satisfy the foregoing obligations with respect to any Applicable Proceeds

by making an Asset Sale Offer with respect to such Applicable Proceeds prior to the time period that may be required by the Unsecured Indenture with respect to all or a part of the available Applicable Proceeds (the "***Advance Portion***") in advance of being required to do so by the Unsecured Indenture (an "***Advance Offer***").

To the extent that the aggregate amount (or accreted value, if applicable) of Unsecured Notes and such Pari Passu Indebtedness, as the case may be, tendered pursuant to an Asset Sale Offer is less than the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) ("***Declined Proceeds***") for any purposes not otherwise prohibited under the Unsecured Indenture. If the aggregate principal amount (or accreted value, if applicable) of Unsecured Notes or such Pari Passu Indebtedness, as the case may be, surrendered by such holders thereof exceeds the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers shall purchase the Unsecured Notes (subject to applicable DTC procedures as to global notes) and such Pari Passu Indebtedness, as the case may be, on a pro rata basis based on the aggregate principal amount (or accreted value, if applicable) of the Unsecured Notes or such Pari Passu Indebtedness, as the case may be, tendered with adjustments as necessary so that no Unsecured Notes or such Pari Passu Indebtedness, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Sale Offer (or Advance Offer), the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) that resulted in the requirement to make an Asset Sale Offer shall be reset to zero (regardless of whether there are any remaining Excess Proceeds (or Advance Portion) upon such completion). Additionally, the Issuers may, at their option, make an Asset Sale Offer using Applicable Proceeds at any time after the consummation of such Asset Sale. Upon consummation or expiration of any Asset Sale Offer (or Advance Offer), any remaining Applicable Proceeds shall not be deemed Excess Proceeds and the Issuers may use such Applicable Proceeds for any purpose not otherwise prohibited under the Unsecured Indenture.

An Asset Sale Offer or Advance Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Unsecured Indenture, Unsecured Notes and/or Guarantees (but the Asset Sale Offer or Advance Offer may not condition tenders on the delivery of such consents).

Pending the final application of the amount of any Applicable Proceeds pursuant to this covenant, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness, or otherwise use such Applicable Proceeds in any manner not prohibited by the Unsecured Indenture.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Unsecured Notes pursuant to an Asset Sale Offer or an Advance Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Unsecured Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Unsecured Indenture by virtue thereof. Notwithstanding the foregoing, the Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The provisions under the Unsecured Indenture relative to the Issuers' obligation to make an offer to repurchase the Unsecured Notes as a result of an Asset Sale may be waived or modified with the written consent of the Required Holders.

The Senior Secured Credit Facilities will contain, and future credit agreements or other similar agreements to which the Issuers become a party may contain restrictions on the Issuer's ability to repurchase Unsecured Notes. In the event an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Unsecured Notes, the Issuers could seek the consent of its lenders to the repurchase of Unsecured Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such consent or repay such borrowings, the Issuers will remain prohibited from repurchasing Unsecured Notes. In such a case, the Issuers'

failure to repurchase tendered Unsecured Notes would constitute a Default under the Unsecured 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 Unsecured Indenture that will apply to the Issuer and its Restricted Subsidiaries.

If on any date following the Completion Date, (i) the Unsecured Notes have an Investment Grade Rating from either of the Rating Agencies and (ii) no Default has occurred and is continuing under the Unsecured Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a ***"Covenant Suspension Event"*** and the date thereof being referred to as the ***"Suspension Date"***), then, the covenants specifically listed under the following captions in this "Description of Unsecured Notes" section of this offering memorandum will no longer be applicable to the Unsecured Notes (collectively, the ***"Suspended Covenants"***) until the occurrence of the Reversion Date (as defined below):

(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) the entire fourth and sixth paragraphs of "—Merger, Consolidation or Sale of All or Substantially All Assets";

(5) "—Transactions with Affiliates";

(6) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; and

(7) "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries."

During any period that the foregoing covenants have been suspended, the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries.

If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Unsecured Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Unsecured Indenture for any period of time as a result of the foregoing, and on any subsequent date (the ***"Reversion Date"***) both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Unsecured Notes below an Investment Grade Rating (in each case, to the extent given an Investment Grade Rating by such Rating Agency), then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Unsecured 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."*** The Guarantees of the Guarantors will be suspended during the Suspension Period. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from any Asset Sales shall be reset to zero.

During the Suspension Period, the Issuer 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 the "Permitted Liens" definition and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Restricted Subsidiaries prior to such reinstatement will give rise to a Default or

Event of Default under the Unsecured Indenture with respect to the Unsecured Notes, and no Default or Event of Default will be deemed to exist or have occurred as a result of any failure by the Issuer or any Restricted Subsidiary to comply with any of the Suspended Covenants during the Suspension Period; *provided,* that (1) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period (including with respect to a Limited Condition Transaction entered into during the Suspension Period); (2) all Indebtedness incurred or committed, or Disqualified Stock or Preferred Stock issued, during the Suspension Period (or deemed incurred or issued in connection with a Limited Condition Transaction entered into 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"; (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"; (5) no Subsidiary of the Issuer shall be required to comply with the covenant described under "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" after such reinstatement with respect to any guarantee or obligation entered into by such Subsidiary during any Suspension Period; and (6) all Investments made during the Suspension Period (or deemed made in connection with a Limited Condition Transaction entered into during the Suspension Period) will be classified to have been made under clause (5) of the definition of "Permitted Investments."

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Unsecured Indenture, the Unsecured Notes or the Guarantees with respect to the Suspended Covenants, and none of the Issuer or any of its Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period), and (2) following a Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

There can be no assurance that the Unsecured Notes will ever achieve or maintain an Investment Grade Rating. The Trustee shall have no duty to (i) monitor the ratings of the Unsecured Notes, (ii) ascertain whether a Covenant Suspension Event or Reversion Date have occurred, or (iii) notify the Holders of any of the foregoing.

Limited Condition Transactions

When calculating the availability under any basket, test or ratio under the Unsecured Indenture or compliance with any provision of the Unsecured Indenture in connection with any Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transaction excluded from the definition of "Asset Sale"), in each case, at the option of the Issuer, any of its Restricted Subsidiaries, Holdings, a direct or indirect parent entity of the Issuer, or any successor entity of any of the foregoing (including a third party) (the "***Testing Party***," and the election to exercise such option, an ***"LCT***

Election"), the date of determination for availability under any such basket, test or ratio or whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing Default or Event of Default)) under the Unsecured Indenture shall be deemed to be the date (the ***"LCT Test Date"***) either (a) the definitive agreements or letter of intent (or, if applicable, a binding offer, or launch of a "certain funds" tender offer) for such Limited Condition Transaction are entered into (or, if applicable, the date of delivery of a notice, declaration or making of a Restricted Payment or similar event), or (b) solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers or similar law or practices in other jurisdictions apply, the date on which a "Rule 2.7 announcement" of a firm intention to make an offer or similar announcement or determination in another jurisdiction subject to similar laws in respect of a target of a Limited Condition Transaction and, in each case, if, after giving pro forma effect to the Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transaction excluded from the definition of "Asset Sale") and any related pro forma adjustments, disregarding for the purposes of such pro forma calculation any borrowing under a revolving credit, working capital or letter of credit facility), as if they had occurred at the beginning of the most recently ended four full fiscal quarters ending prior to the LCT Test Date for which internal consolidated financial statements of the Issuer are available, the Issuer or any of its Restricted Subsidiaries would have been permitted to take such actions or consummate such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued or incurred at the LCT Test Date or at any time thereafter); *provided,* that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Testing Party may elect, in its sole discretion, to re-determine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date for purposes of such ratios, tests or baskets, (b) except as contemplated in the foregoing clause (a), compliance with such ratios, tests or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence or assumption of Liens, repayments, Restricted Payments, the designation of any Restricted Subsidiaries or Unrestricted Subsidiaries, and Asset Sales or any disposition, issuance or other transactions excluded from the definition of "Asset Sale") and (c) Consolidated Interest Expense for purposes of the Fixed Charge Coverage Ratio will be calculated using an assumed interest rate based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Testing Party in good faith.

For the avoidance of doubt, if the Testing Party has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with, including as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in exchange rates or EBITDA or total assets of the Issuer or the Person subject to such Limited Condition Transaction at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations; *provided* that if such ratios, tests or baskets improve as a result of such fluctuations, such improved ratios, tests and/or baskets may be utilized; (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of a Default or an Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be

continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction (including without limitation a separate Limited Condition Transaction) following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement, the date of notice or offer or date for redemption, purchase or repayment specified in a notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction and any actions or transactions related thereto.

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of the Unsecured Indenture which requires that no Default, Event of Default or specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Testing Party, be deemed satisfied, so long as no Default, Event of Default or specified Event of Default, as applicable, exists on the date of the definitive agreement, the date of notice or offer or date for redemption, purchase or repayment for such Limited Condition Transaction, as applicable. For the avoidance of doubt, if the Testing Party has exercised an LCT Election, and any Default, Event of Default or specified Event of Default occurs following the date the definitive agreements (or, if applicable, the date of delivery of a notice, declaration or making of a Restricted Payment or similar event) for the applicable Limited Condition Transaction were entered into and prior to the consummation of such Limited Condition Transaction, any such Default, Event of Default or specified Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted under the Unsecured Indenture.

Certain Compliance Calculations

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred, assumed or issued, any Lien is incurred or assumed, any Restricted Payment is made or other transaction is undertaken (including a Limited Condition Transaction) in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio or other ratio-based test, such ratio(s) shall be calculated with respect to such incurrence, issuance or other transaction without giving effect to amounts being utilized under any other non-ratio-based basket substantially concurrently. Each item of Indebtedness, Disqualified Stock or Preferred Stock that is incurred, assumed or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, assumed, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio test. For the avoidance of doubt, when testing the availability under a ratio basket for purposes of making a Restricted Payment, Indebtedness (or any portion thereof) incurred, assumed or issued the proceeds of which are being utilized to make a Restricted Payment utilizing a non-ratio basket shall not be given effect.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is committed, incurred, assumed or issued, any Lien is committed, incurred, assumed or issued, any Restricted Payment is made or any other transaction is undertaken (including a Limited Condition Transaction) in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio or other ratio-based test, such ratio(s) shall be calculated without regard to the commitment or incurrence of any Indebtedness under any revolving facility or letter of credit facility (1) immediately prior to or in connection therewith or (2) used to finance working capital needs of the Issuer and its Restricted Subsidiaries (as reasonably determined by the Issuer).

If a proposed action, matter, transaction or amount (or a portion thereof) meets the criteria of more than one applicable basket, permission or threshold under the Unsecured Indenture, the Issuer shall be entitled to divide or

classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such action, matter, transaction or amount (or a portion thereof) between such baskets, permission or thresholds as it shall elect from time to time.

The Unsecured Indenture shall provide that any calculation, test or measure that is determined with reference to the Issuer's financial statements (including, without limitation, EBITDA, Consolidated Interest Expense, Consolidated Net Income, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Fixed Charge Coverage Ratio, Fixed Charges, and clause (2)(a) of the first paragraph under "—Limitation on Restricted Payments") may be determined with reference to the financial statements of a direct or indirect parent entity of the Issuer instead, so long as such calculation, test or measure would not differ by more than an immaterial amount when using the financial statements of such direct or indirect parent entity of the Issuer as compared to if such calculation, test or measure were made using the Issuer's financial statements (as determined in good faith by the Issuer).

Any ratios, tests or baskets required to be satisfied in order for a specific action to be permitted under the Unsecured Indenture shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

If the Issuer or any Restricted Subsidiary takes an action which at the time of the taking of such action would in the good faith determination of the Issuer be permitted under the applicable provisions of the Unsecured Indenture based on the financial statements available at such time, such action shall be deemed to have been made in compliance with the Unsecured Indenture notwithstanding any subsequent adjustments, modifications or restatements made in good faith to such financial statements affecting Consolidated Net Income, EBITDA or other applicable financial metric.

If any restriction, basket, threshold or permission is determined by reference to the greater of a fixed component and a grower component, the Issuer shall not be permitted to utilize the grower component until the first day of the second fiscal quarter of 2022.

CMBS Reorganization Transactions

Nothing in the Unsecured Indenture shall restrict or prevent Holdings, the Issuer or any of its Subsidiaries from effecting any transactions or restructuring in connection with any CMBS Loan, the Alternative RE Term Loan Facility or any other loans or indebtedness in connection with any financing of CMBS Assets (collectively, the ***"CMBS Reorganization Transactions"***), which may include, among things, (x) creating an opco/propco structure (including creating CMBS Borrower Subsidiaries and designating such CMBS Borrower Subsidiaries as Unrestricted Subsidiaries, which for the avoidance of doubt shall not use any basket capacity under the Unsecured Indenture), (y) executing master leases (and the guaranty of any such lease by Holdings, the Issuer or any Restricted Subsidiary) and subleases to affiliates of Issuer or (z) reorganizing or restructuring any of the CMBS Assets, including asset transfers, Restricted Payments, Investments and affiliate transactions in order to transfer CMBS Assets to the CMBS Borrower Subsidiaries.

Foreign RE Loan Reorganization Transactions

Nothing in the Unsecured Indenture shall restrict or prevent Holdings, the Issuer or any of its Subsidiaries from effecting any transactions or restructuring in connection with any Foreign RE Loan (collectively, the "***Foreign RE Loan Reorganization Transactions***"), which may include, among things, (x) creating an opco/propco structure (including creating Foreign RE Borrower Subsidiaries and/or designating such Foreign RE Borrower Subsidiaries as Unrestricted Subsidiaries, which for the avoidance of doubt shall not use any basket capacity under the Unsecured Indenture), (y) executing master leases (and the guaranty of any such lease by Holdings, the Issuer or any Restricted Subsidiary) and subleases to affiliates of Issuer or (z) reorganizing or

restructuring any of the Foreign RE Assets, including asset transfers, Restricted Payments, Investments and affiliate transactions in order to transfer Foreign Assets to the Foreign RE Borrower Subsidiaries (which may include transferring ownership of Foreign RE Assets to Affiliates of Holdings).

Limitation on Restricted Payments

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

(I) declare or pay any dividend or make any payment or distribution on account of the Issuer's, or any of its Restricted Subsidiaries', Equity Interests (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend, payment or distribution payable in connection with any merger, amalgamation or consolidation other than:

  (a) dividends, payments and distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding; or

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

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent company of the Issuer, including any purchase, redemption, defeasance, acquisition or retirement in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or a Restricted Subsidiary;

(III) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Material 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 payment, redemption, purchase, repurchase, defeasance or other acquisition or retirement for value of Material 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 payment, redemption, purchase, repurchase, defeasance or acquisition or retirement;

(IV) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Material Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(V) make any Restricted Investment

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

(1) in the case of a Restricted Payment described under clauses (I) and (II) above and made pursuant to clause (2)(a) of this paragraph, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Payment described under clauses (III), (IV) and (V) above and made pursuant to clause (2)(a) of this paragraph, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" shall have occurred and be continuing or would occur as a consequence thereof; and

(2) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Completion Date (including Restricted Payments permitted by clauses (1) (without duplication) and 6(c) 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) the greater of (i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period and including any predecessor of the Issuer) from the beginning of the fiscal quarter in which the Completion Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment and (ii) the amount calculated pursuant to clause (b) of the definition of "Cumulative Credit" in the Senior Secured Credit Facilities as in effect as of the Completion Date; plus

(b) 100% of the aggregate Net Cash Proceeds and the fair market value of marketable securities or other property received by the Issuer or its Restricted Subsidiaries after the Completion 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) (A) Equity Interests or Subordinated Shareholder Funding of the Issuer, including Treasury Capital Stock (as defined below), but excluding Net Cash Proceeds and the fair market value of marketable securities or other property received from the sale of:

(x) Equity Interests or Subordinated Shareholder Funding of the Issuer to any future, present or former employees, directors, officers, managers, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any direct or indirect parent company of the Issuer or any of the Issuer's Subsidiaries after the Completion 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

(B) to the extent such Net Cash Proceeds, marketable securities or other property are actually contributed to the Issuer or any of its Restricted Subsidiaries, Equity Interests of the Issuer or any of the Issuer's direct or indirect parent companies (excluding contributions of the proceeds from the sale of Designated Preferred Stock of any such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph); or

(ii) Indebtedness of the Issuer or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests or Subordinated Shareholder Funding of the Issuer or a parent company of the Issuer;

provided, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below) applied in accordance with clause (2) of the next succeeding paragraph, (X) Equity Interests or convertible debt securities of the Issuer or a Restricted Subsidiary sold to a Restricted Subsidiary or to the Issuer, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; plus

(c) 100% of (i) the aggregate amount of Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Issuer or a Restricted Subsidiary (including the aggregate principal amount of any Indebtedness of the Issuer or a Restricted Subsidiary contributed to the Issuer or a Restricted Subsidiary for cancellation) or that becomes part of the capital of the Issuer or a Restricted Subsidiary through consolidation, amalgamation or merger following the Completion Date (other than (i) 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," (ii) contributions by a Restricted Subsidiary or the Issuer and (iii) any Excluded Contributions) and (ii) the aggregate principal amount of Indebtedness incurred in reliance on clause (30) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; plus

(d) 100% of the aggregate amount received in Cash Equivalents and the fair market value of marketable securities or other property received by the Issuer or any Restricted Subsidiary by means of:

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

(ii) the issuance, sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of the Equity Interests of, or a dividend or distribution (other than an Excluded Contribution) from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment, but including such Cash Equivalents and fair market value to the extent exceeding the amount of such Investment), in each case, after the Completion Date; or

(iii) any returns, profits, distributions and similar amounts received on account of any Permitted Investment or an Investment otherwise permitted to be incurred under this "Limitation on Restricted Payments" covenant and without duplication of any returns, profits, distributions or similar amounts included in the calculation of such basket; plus

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after the Completion Date, the fair market value (as determined by the Issuer in good faith) of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment made after the Completion Date, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of fair market value; plus

(f) the aggregate amount of Cumulative Retained Asset Sale Proceeds and Declined Proceeds since the Completion Date; plus

(g) the greater of (a) $2,375.0 million and (b) 100.0% of LTM EBITDA.

The foregoing provisions will not prohibit:

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

(2) (a) the redemption, repurchase, defeasance, retirement or other acquisition of any Equity Interests ("Treasury Capital Stock"), including any accrued and unpaid dividends thereon, Subordinated Shareholder Funding or Subordinated Indebtedness of the Issuer or any Restricted Subsidiary or any Equity Interests of any direct or indirect parent company of the Issuer, in exchange for, or in an amount not to exceed the proceeds of, the substantially concurrent sale or issuance (other than to a Restricted Subsidiary) of Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent company of the Issuer to the extent contributed to the Issuer (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), (b) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock, and (c) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (6)(a) or (b) 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 the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the prepayment, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (a) Subordinated Indebtedness of the Issuer or a Subsidiary Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, new Indebtedness of the Issuer or a Subsidiary Guarantor or Disqualified Stock of the Issuer or a Subsidiary Guarantor made within 120 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (b) Disqualified Stock of the Issuer or a Subsidiary Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, Disqualified Stock of the Issuer or a Subsidiary Guarantor made within 120 days of such issuance of Disqualified Stock, that, in each case, is incurred or issued, as applicable, in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, defeased, redeemed, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premium) paid on the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired, defeasance costs and any fees and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock;

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

(c) 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 defeased, redeemed, repurchased, exchanged, acquired or retired (or, if earlier, a date that is at least 91 days after the maturity date of the Unsecured Notes); and

(d) 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 defeased, redeemed, repurchased, exchanged, acquired or retired (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Unsecured Notes);

(4) Restricted Payments to pay for the repurchase, redemption or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent company of the Issuer held by any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies pursuant to any employee, director, officer, manager, member, partner, independent contractor or consultant equity plan or stock option plan or any other employee, director, officer, manager, member, partner, independent contractor or consultant benefit plan or agreement, or any equity subscription or equityholder agreement or any termination agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Issuer or any direct or indirect parent company of the Issuer in connection with such repurchase, retirement or other acquisition), including any Equity Interest received or rolled over by any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, any of its Subsidiaries or any direct or indirect parent company of the Issuer in connection with the Transactions or any other transaction; provided, that the aggregate amount of Restricted Payments made under this clause (4) does not exceed in any calendar year an amount equal to the greater of (a) $480.0 million and (b) 20.0% of LTM EBITDA (which shall increase to the greater of (x) $840.0 million and (y) 35.0% of LTM EBITDA subsequent to the consummation of a Qualified IPO), in each case with unused amounts in any calendar year being carried over to succeeding calendar years; *provided, further,* that such amount in any calendar year under this clause may be increased by an amount not to exceed:

(a) the cash proceeds from the sale or issuance of Equity Interests (other than Disqualified Stock and other than to a Restricted Subsidiary) or Subordinated Shareholder Funding of the Issuer and, to the extent contributed to the Issuer or its Subsidiaries, the cash proceeds from the sale of Equity Interests or Subordinated Shareholder Funding of any of the Issuer's direct or indirect parent companies, in each case to any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies that occurred or occurs after the Completion Date, to the extent the cash proceeds from the sale or issuance of such Equity Interests or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (2) of the preceding paragraph; *plus*

(b) the amount of any cash bonuses otherwise payable to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies that are foregone in exchange for the receipt of Equity Interests of the Issuer or any of its direct or indirect parent companies pursuant to any compensation arrangement, including any deferred compensation plan; *plus*

(c) the cash proceeds of key man life insurance policies received by the Issuer or its Restricted Subsidiaries (or any direct or indirect parent company of the Issuer to the extent contributed to the Issuer or one of its Subsidiaries) after the Completion Date; *less*

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

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a), (b) and (c) of this clause (4) in any calendar year;

and *provided, further,* that (i) cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of

the Issuer, any of the Issuer's direct or indirect parent companies or any of the Issuer's Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Issuer or any of its direct or indirect parent companies and (ii) the repurchase, redemption or other acquisition or retirement for value of Equity Interests deemed to occur upon or in connection with the exercise of options, warrants or similar instruments if such Equity Interests represent 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 Unsecured Indenture;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary 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 or distributions 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 the Issuer after the Completion Date;

(b) the declaration and payment of dividends to any direct or indirect parent company of the Issuer, 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) issued by such parent company after the Completion Date, provided that the amount of dividends paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock; or

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

provided, in the case of each of (a) and (c) 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, the Issuer could incur $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(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 Equivalents or marketable securities (until such proceeds are converted to Cash Equivalents), not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; provided, however, that if any Investment pursuant to this clause (7) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (7);

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable upon or in connection with the exercise or vesting of Equity Interests or any other equity award by any future, present or former employee, director, officer, member of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any Restricted Subsidiary or any direct or indirect parent

company of the Issuer and any repurchases or withholdings of Equity Interests in connection with the exercise or vesting of stock options, warrants or the issuance of restricted stock units or similar equity-based awards or payments in lieu of the issuance of fractional Equity Interests with respect to stock options, warrants, restricted stock units or similar equity-based awards;

(9) Restricted Payments in an amount not to exceed the sum of (A) up to 7.0% per annum of the amount of (x) Net Cash Proceeds from any Equity Offering received by or contributed to the Issuer or any of its Restricted Subsidiaries or (y) in the case of a SPAC IPO, cash held by the Issuer or any of its Restricted Subsidiaries remaining following the consummation of the SPAC IPO and (B) an aggregate amount per annum not to exceed 7.0% of Market Capitalization;

(10) Restricted Payments that are made (a) in an amount that does not exceed the aggregate amount of Excluded Contributions received following the Completion Date or (b) without duplication with clause (a), in an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired after the Completion Date, if the acquisition of such property or assets was financed with Excluded Contributions;

(11) (i) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11)(i) (in the case of Restricted Investments, at the time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of, or have not been converted to, Cash Equivalents)) not to exceed the greater of (a) $1,200.0 million and (b) 50.0% of LTM EBITDA at such time (in the case of a Restricted Investment, determined on the date such Investment is made, with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments); *provided*, *however*, that if any Restricted Payment pursuant to this clause (11)(i) consists of an Investment made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (11)(i); (ii) any principal payment on, or redemption, repurchase, defeasance or other acquisition or retirement for value of, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness or Subordinated Shareholder Funding (A) in an aggregate amount not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA at such time or (B) so long as, after giving pro forma effect to the payment of any Restricted Payment pursuant to this clause (11)(ii), the Consolidated Total Debt Ratio shall be no greater than 6.20 to 1.00 or is equal to or less than immediately prior to such Restricted Payment and any related transactions and (iii) any Restricted Payments, so long as, after giving pro forma effect to the payment of any Restricted Payment pursuant to this clause (11)(iii), the Consolidated Total Debt Ratio shall be no greater than 5.95 to 1.00 or is equal to or less than immediately prior to such Restricted Payment and any related transactions;

(12) distributions or payments of Securitization Fees and purchases of receivables in connection with any Qualified Securitization Facility or any repurchase obligation in connection therewith;

(13) any Restricted Payment made in connection with the Transactions and the fees and expenses related thereto or used to fund amounts owed in connection with the Transactions (including dividends or distributions to any direct or indirect parent company of the Issuer to permit payment by such parent company of such amounts), including the settlement of claims or actions in connection with the Transactions or to satisfy indemnity or other similar obligations or any other earnouts, purchase price adjustments, working capital adjustments and any other payments under the Acquisition Agreement;

(14) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness, Disqualified Stock or Preferred Stock pursuant to provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control Triggering Event" and

"—Repurchase at the Option of Holders—Asset Sales"; provided that if the Issuer shall have been required to make a Change of Control Offer or Asset Sale Offer, as applicable, to purchase the Unsecured Notes on the terms provided in the Unsecured Indenture applicable to Change of Control Offers or Asset Sale Offers, respectively, all Unsecured Notes validly tendered by Holders of such Unsecured Notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value;

(15) the declaration and payment of dividends or distributions by the Issuer to, or the making of loans to, any direct or indirect parent entity of the Issuer or any other Restricted Payment in amounts required for any direct or indirect parent company of the Issuer to pay, in each case without duplication:

(a) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate or other legal existence;

(b) salary, bonus, severance, indemnity and other benefits payable to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of any direct or indirect parent company of the Issuer to the extent such salaries, bonuses, severance, indemnity and other benefits are attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries;

(c) general organizational, operating, administrative, compliance, overhead, insurance and other costs and expenses (including, without limitation, expenses related to auditing or other accounting or tax reporting matters), any costs, expenses and liabilities incurred in connection with any litigation or arbitration attributable to the ownership or operations of the Issuer or its Restricted Subsidiaries, and Public Company Costs;

(d) fees and expenses related to any equity or debt offering, financing transaction, acquisition, divestiture, investment or other non-ordinary course transaction (whether or not successful) of such parent entity; provided that any such transaction was in the good faith judgment of the Issuer intended to be for the benefit of the Issuer and its Restricted Subsidiaries;

(e) amounts payable pursuant to the Support and Services Agreement (including any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole, as compared to the Support and Services Agreement as in effect immediately prior to such amendment or replacement), solely to the extent such amounts are not paid directly by the Issuer or its Subsidiaries;

(f) (i) cash payments in lieu of issuing fractional shares or interests in connection with the exercise of warrants, options, other equity-based awards or other securities convertible into or exchangeable for Equity Interests of the Issuer or any direct or indirect parent company of the Issuer and any dividend, split or combination thereof or any transaction permitted under the Unsecured Indenture and (ii) any conversion request by a holder of convertible Indebtedness and cash payments in lieu of fractional shares or interests in connection with any such conversion and payments on convertible Indebtedness in accordance with its terms;

(g) to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Issuer or its Restricted Subsidiaries; provided, that (A) such Restricted Payment shall be made within 120 days of the closing of such Investment and (B) such direct or indirect parent company shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Issuer or its Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or acquired into the Issuer or its Restricted Subsidiaries (to the extent not prohibited by the covenant described under the caption "—Merger, Consolidation or Sale of All or Substantially All Assets" below) in order to consummate such Investment;

(h) amounts that would be permitted to be paid by the Issuer or its Restricted Subsidiaries under clauses (3), (4), (8), (9), (13) and (14) of the covenant described under "—Transactions with

Affiliates"; provided, that the amount of any dividend or distribution under this clause (15)(h) to permit such payment shall reduce, without duplication, Consolidated Net Income of the Issuer to the extent, if any, that such payment would have reduced Consolidated Net Income of the Issuer if such payment had been made directly by the Issuer and increase (or, without duplication of any reduction of Consolidated Net Income, decrease) EBITDA to the extent, if any, that Consolidated Net Income is reduced under this clause (15)(h) and such payment would have been added back to (or, to the extent excluded from Consolidated Net Income, would have been deducted from) EBITDA if such payment had been made directly by the Issuer, in each case, in the period such payment is made;

(i) amounts in respect of Indebtedness of such direct or indirect parent company of the Issuer which is guaranteed by the Issuer or a Restricted Subsidiary; and

(j) make payments for the benefit of the Issuer or any of its Restricted Subsidiaries to the extent such payments could have been made by the Issuer or any of its Restricted Subsidiaries because such payments (i) would not otherwise be Restricted Payments or (ii) would be Restricted Payments that would be permitted to be made by the Issuer or any of its Restricted Subsidiaries pursuant to this covenant; *provided* that any payment made pursuant to this clause (15)(j) shall, if applicable, reduce capacity under the Restricted Payments exception or basket that would have been utilized if such payment were made directly by the Issuer or such Restricted Subsidiary;

(16) the distribution, by dividend or otherwise, or other transfer of Capital Stock of an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), or Indebtedness owed to the Issuer or a Restricted Subsidiary by an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), in each case, other than Unrestricted Subsidiaries the primary assets of which are Cash Equivalents received as an Investment from the Issuer or a Restricted Subsidiary;

(17) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment so long as the amount of such redemptions are no greater than the amount that constituted such Restricted Payment or Permitted Investment;

(18) payments or distributions to dissenting equityholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with any Permitted Investment or a consolidation, merger or transfer of assets that complies with, or is not prohibited by, the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets";

(19) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any Restricted Subsidiary deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any Restricted Subsidiary, in each case, permitted under the Unsecured Indenture;

(20) with respect to any taxable period for which Holdings is a disregarded entity or a partnership for U.S. federal income tax purposes, distributions to each direct or indirect owner of Holdings which shall be equal to the product of (X) such owner's allocable share of the taxable income of Holdings for such taxable period (determined, for any taxable period for which Holdings is a disregarded entity, as if Holdings were a partnership), reduced (without duplication) by such owner's allocable share of any taxable loss of Holdings for any prior taxable period ending after the Acquisition Date to the extent such prior losses are permitted to be carried forward and subject to any limitations on the use of such carried forward amounts, and such taxable loss is of a character that would permit such loss to be deducted against the taxable income in the current taxable period (provided that (i) in determining taxable income of Holdings, Section 163(j) shall be applied at the level of Holdings, provided that, such Section 163(j) calculations shall take into account partner level adjustments pursuant to

Section 743 of the Code if the law currently in effect on the date of the applicable tax distribution provides Section 163(j) applies at the partner level and takes into account partner level Section 743 adjustments, and (ii) any items of income, gain, loss or deduction may be determined without regard to any adjustments pursuant to Section 743 of the Code) and (Y) the highest combined marginal federal, state and local income tax rate applicable to any direct or indirect equity owner of Holdings for such taxable period (taking into account the character (long-term capital gain, qualified dividend income, tax-exempt income, etc.) of the current period taxable income (including, for the avoidance of doubt any tax imposed by Section 1411(a)(1) of the Code));

(21) any Restricted Payment made in connection with a Permitted Change of Control and any Permitted Intercompany Activities;

(22) the Issuer may make any Restricted Payments to any direct or indirect parent for nominal value per right, of any rights granted to all holders of Capital Stock of the Issuer (or any direct or indirect parent of the Issuer) pursuant to any equityholders' rights plan adopted for the purpose of protecting equityholders from unfair takeover practices;

(23) the Restricted Subsidiaries may make Restricted Payments in connection with the acquisition of additional Capital Stock in any Restricted Subsidiary from minority equityholders; and

(24) the Issuer may pay Restricted Payments to pay for the redemption, discharge, defeasance, retirement, repurchase or other acquisition, in each case for nominal value, of Capital Stock of Holdings (or any direct or indirect parent thereof) or the Issuer from a former investor of a business acquired in an Acquisition or other Investment or a current or former employee, officer, director, manager, or consultant or independent contractor of a business acquired in an Acquisition or other Investment (or their Controlled Investment Affiliates or Immediate Family Members), which Capital Stock was issued as part of an earn-out or similar arrangement in the acquisition of such business, and which redemption, acquisition, retirement or repurchase relates the failure of such earn-out to fully vest.

provided, that at the time of, and after giving effect to, (a) any Restricted Payment under clause (11)(iii) above other than a Restricted Investment, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof or (b) any Restricted Investment permitted under clause (11)(iii) above, no Event of Default under clauses (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" 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 (24) above and/or one or more of the clauses contained in the definition of "Permitted Investments," or is entitled to be made pursuant to the first paragraph of this covenant, the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (24) and such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this covenant.

As of the Completion Date, all of the Issuer's Subsidiaries are expected to be Restricted Subsidiaries, other than the CMBS Borrower Subsidiary and its Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary (other than in connection with CMBS Reorganization Transactions and Foreign RE Loan Reorganization Transactions), all outstanding Investments by the Issuer 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 penultimate 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, pursuant to this covenant or pursuant to the definition of "Permitted Investments," 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 Unsecured Indenture.

For the avoidance of doubt, this covenant shall not restrict the making of any "AHYDO catch-up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Restricted Subsidiaries permitted to be incurred under the terms of the Unsecured Indenture.

Clause (2)(a)(ii) of the first paragraph of this covenant is based on the amount calculated pursuant to clause (b) of the definition of "Cumulative Credit" in the Senior Secured Credit Facilities, which will be defined as the greatest of (x) the cumulative retained excess cash flow amount (defined as excess cash flow that is not required to prepay loans under the Senior Secured Credit Facilities), (y) 50% of consolidated net income (defined in a manner consistent with Consolidated Net Income in the Unsecured Indenture) and (z) cumulative EBITDA minus 1.5x cumulative fixed charges (each as defined in a manner consistent with the corresponding terms in the Unsecured Indenture).

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

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, ***"incur"*** and collectively, an ***"incurrence"***) with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or any Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor to issue Preferred Stock; *provided,* that the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock and any Restricted Subsidiary that is not a Subsidiary Guarantor may issue shares of Preferred Stock, if (i) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the 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 1.75 to 1.00 or is equal to or greater than immediately prior to such incurrence and any related transactions or (ii) the Consolidated Total Debt Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been equal to or less than 6.75 to 1.00 or is equal to or less than immediately prior to such incurrence and any related transactions, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The foregoing limitations will not apply to:

(1) Indebtedness incurred pursuant to any Credit Facilities by the Issuer or any Restricted Subsidiary and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof); *provided* that immediately after giving effect to any such incurrence or issuance (including pro forma application of the net proceeds therefrom), the then outstanding aggregate principal amount of all Indebtedness incurred or issued under this clause (1) does not exceed the sum of (a) (x) $8,000.0 million, *plus* (y) an amount equal to the greater of (A) $2,375.0 million and (B) 100.0% of LTM EBITDA, *plus* (z) the greater of (i) $2,000.0 million and (ii) the Borrowing Base; *provided* that any amounts incurred pursuant to this clause (1)(a)(z)(ii) may only be incurred under a Senior ABL Credit Agreement, and (b) an additional amount after all amounts have been incurred under clause (1)(a)(x), if after giving pro forma effect to the incurrence of such additional amount (including a pro forma application of the net proceeds therefrom), (x) if such additional Indebtedness is secured by the Collateral on a pari passu or crossing lien basis with the Liens securing the Senior Secured Credit Facilities or the Secured Notes, the Consolidated Pari Passu Debt Ratio would have been equal to or

less than 4.75 to 1.00 or the Consolidated Pari Passu Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (y) if such additional Indebtedness is secured by the Collateral on a junior lien basis to the Liens securing the Senior Secured Credit Facilities or the Secured Notes, either (i) the Consolidated Secured Debt Ratio would have been equal to or less than 5.75 to 1.00 or the Consolidated Secured Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (ii) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such incurrence and any related transactions;

(2) (a) the incurrence by the Issuer and any Subsidiary Guarantor of Indebtedness represented by the Unsecured Notes and the Guarantees (but excluding any Additional Unsecured Notes and any guarantees thereof) and (b) the incurrence by the Issuer and any Restricted Subsidiary of Indebtedness pursuant to the Alternative RE Term Loan Facility and any guarantees thereof;

(3) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer and its Restricted Subsidiaries in existence on the Completion Date (other than Indebtedness described in clauses (1) and (2)), including the Secured Notes and any guarantees with respect thereto;

(4) Indebtedness (including Financing Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred or issued by the Issuer or any of its Restricted Subsidiaries to finance the purchase, lease, expansion, construction, development, installation, replacement, relocation, renewal, maintenance, upgrade, repair or improvement of property (real or personal), equipment or any other asset, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount (together with any Refinancing Indebtedness in respect thereof) not to exceed the sum of (i) the greater of (a) $960.0 million and (b) 40.0% of LTM EBITDA and (ii) additional amounts (including at any time prior to the utilization of amounts under clause (i) above) so long as the Consolidated Pari Passu Net Leverage Ratio, determined on a pro forma basis (treating all Indebtedness incurred under this clause (4) as Pari Passu Indebtedness for such purpose), would have been equal to or less than 4.75 to 1.00 (in each case, determined at the date of incurrence or issuance on a pro forma basis (including a pro forma application of the net proceeds therefrom)); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred 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 the Issuer 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 (4);

(5) Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments or other discounting or factoring of receivables, or similar facilities similar instruments issued or created, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with past practice, including letters of credit in favor of suppliers, customers or trade creditors or in respect of workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(6) Indebtedness, Disqualified Stock and Preferred Stock arising from (a) Permitted Intercompany Activities, (b) agreements of the Issuer or its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn-outs (including contingent earn-outs) or similar obligations, payment obligations in respect of any non-compete, consulting or similar arrangement or progress

payments for property or services or other similar adjustments, in each case, incurred or assumed in connection with the acquisition or disposition of any business (including the Transactions), assets, a Subsidiary or Investment, and Indebtedness arising from guarantees, letters of credit, bank guarantees, surety bonds, performance bonds or similar instruments securing performance of the Issuer or any Subsidiary pursuant to such agreements and (c) CMBS Loans and Foreign RE Loans;

(7) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer to a Restricted Subsidiary; *provided* that any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past practice, is subordinated in right of payment (to the extent permitted by applicable law) to the Unsecured Notes (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor shall be deemed to be expressly subordinated in right of payment to the Unsecured Notes unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further,* 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 Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or a Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (7);

(8) Indebtedness, Disqualified Stock and Preferred Stock of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that if an Issuer or a Subsidiary Guarantor incurs such Indebtedness, Disqualified Stock or Preferred Stock to a Restricted Subsidiary that is not an Issuer or a Subsidiary Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past practice, such Indebtedness, Disqualified Stock or Preferred Stock is subordinated in right of payment (to the extent permitted by applicable law) to the Unsecured Notes or the Guarantee of the Unsecured Notes by such Subsidiary Guarantor, as applicable (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor shall be deemed to be expressly subordinated in right of payment to the Unsecured Notes or the Guarantee of the Unsecured Notes by such Subsidiary Guarantor, as applicable, unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further,* 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 subsequent transfer of any such Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (8);

(9) [Reserved];

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) obligations in respect of self-insurance and obligations in respect of stays, customs, performance, bid, indemnity, appeal, judgment, surety and other similar bonds or instruments and performance, bankers' acceptance and completion guarantees and similar obligations provided by the Issuer or any of its Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(12) (a) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 200% of the Net Cash Proceeds received by the Issuer or any Restricted Subsidiary since immediately after the Completion Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of the Issuer or contributed to the capital of the Issuer (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or sales of Equity Interests or Subordinated Shareholder Funding to the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2)(b) and (2)(c) of the first paragraph of "—Limitation on Restricted Payments" to the extent such Net Cash Proceeds have not been applied pursuant to such clauses to make Restricted Payments pursuant to the first paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments specified in clauses (8), (11), (13), (28) or (29) of the definition thereof, and

(b) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (12)(b), does not at any time outstanding exceed the greater of (i) $1,200.0 million and (ii) 50.0% of LTM EBITDA (in each case, determined on the date of such incurrence); 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 the Issuer 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 the Issuer or any Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock which serves to extend, replace, refund, refinance, renew or defease any Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock 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 clauses (14) and (29) below or any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to so extend, replace, refund, refinance, renew or defease such Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock, including, in each case, additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay premiums (including tender premiums), defeasance costs, accrued interest or dividends, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection therewith and Indebtedness incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment (the ***"Refinancing Indebtedness"***) prior to its respective maturity; *provided,* that such Refinancing Indebtedness:

(a) other than in the case of Refinancing Indebtedness of Indebtedness (or unutilized commitments in respect of Indebtedness), Disqualified Stock or Preferred Stock incurred or issued as permitted under clauses (3), (4) and (12)(a) above, and clause (14) below, revolving Indebtedness and Customary Bridge Loans, has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or requires no or nominal payments in cash (other than interest payments) prior to the date that is 91 days after the maturity date of the Unsecured Notes);

(b) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases;

(i) Indebtedness subordinated in right of payment to the Unsecured Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Unsecured

Notes or the Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or

(ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively; and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuers;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary Guarantor; or

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

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

(14) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary incurred or issued to finance an acquisition (or other purchase of assets) or Investment or (b) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into or consolidated or amalgamated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Unsecured Indenture; *provided,* that in the case of clauses (a) and (b), after giving effect to such transaction, acquisition, merger, amalgamation, consolidation or Investment, (1) the aggregate amount of such Indebtedness. Disqualified Stock or Preferred Stock incurred under this subclause (1), together with any Refinancing Indebtedness in respect thereof, does not exceed the greater of (i) $960.0 million and (ii) 40.0% of LTM EBITDA at any time outstanding (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this subclause (1) shall cease to be deemed incurred or outstanding for purposes of this subclause (1) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this subclause (1)) or (2) either (w) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant, (x) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries is equal to or greater than immediately prior to such acquisition, merger, amalgamation, consolidation or Investment, (y) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Consolidated Total Debt Ratio test set forth in the first paragraph of this covenant or (z) the Consolidated Total Debt Ratio for the Issuer and its Restricted Subsidiaries is equal to or less than immediately prior to such acquisition, merger, amalgamation, consolidation or Investment;

(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 or consistent with past practice;

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

(17) (a) any guarantee or co-issuance by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness or other

obligations by such Restricted Subsidiary is permitted under the terms of the Unsecured Indenture; or

(b) any guarantee or co-issuance by a Restricted Subsidiary of Indebtedness or other obligations of the Issuer so long as the incurrence of such Indebtedness or other obligations by the Issuer is permitted under or is not prohibited by the terms of the Unsecured Indenture;

(18) (a) Indebtedness, Disqualified Stock or Preferred Stock consisting of Indebtedness, Disqualified Stock or Preferred Stock issued by the Issuer or any of its Restricted Subsidiaries to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants thereof, their respective Controlled Investment Affiliates or Immediate Family Members, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any direct or indirect parent company of the Issuer to the extent described in clause (4) of the second paragraph under the caption "—Limitation on Restricted Payments" and

(b) Indebtedness representing deferred compensation or similar arrangements (i) to any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer (or any direct or indirect parent thereof) or any of its Restricted Subsidiaries incurred in the ordinary course of business or consistent with past practice or (ii) incurred in connection with any Investment, acquisition (by merger, consolidation, amalgamation or otherwise) or other transaction;

(19) to the extent constituting Indebtedness, customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods and services purchased in the ordinary course of business or consistent with past practice;

(20) (a) Indebtedness owed on a short-term basis to banks and other financial institutions incurred in the ordinary course of business or consistent with past practice of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries and (b) Indebtedness in respect of Bank Products;

(21) Indebtedness incurred by the Issuer or 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;

(22) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (a) the financing of insurance premiums, (b) take-or-pay obligations contained in supply arrangements or (c) obligations to reacquire assets or inventory in connection with customer financing arrangements, in each case incurred in the ordinary course of business or consistent with past practice;

(23) the incurrence of Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries of the Issuer that are not the Co-Issuer or Subsidiary Guarantors (i) pursuant to asset-based or working capital debt facilities to the extent non-recourse to the Issuers and the Subsidiary Guarantors and (ii) otherwise in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (23)(ii), does not at any time outstanding exceed the greater of (a) $1,000.0 million and (b) 40.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (23)(ii) shall cease to be deemed incurred or outstanding for purposes of this clause (23)(ii) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (23)(ii);

(24) Indebtedness of the Issuer or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business or consistent with past practice;

(25) Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries of the Issuer in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (25), does not at any time outstanding exceed the greater of (i) $220.0 million and (ii) 10.0% of the total assets of the Foreign Subsidiaries on a consolidated basis (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (25) shall cease to be deemed incurred or outstanding for purposes of this clause (25) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (25));

(26) Indebtedness, Disqualified Stock or Preferred Stock incurred by the Issuer or any of its Restricted Subsidiaries to the extent that the net proceeds thereof are deposited with the Trustee at or promptly after the funding of such Indebtedness, Disqualified Stock or Preferred Stock to satisfy and discharge the Unsecured Notes or exercise the Issuer's legal defeasance or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance," in each case, in accordance with the Unsecured Indenture;

(27) Indebtedness consisting of obligations of the Issuer or any of its Restricted Subsidiaries under deferred purchase price, earn-outs or other arrangements incurred by such Person in connection with any acquisition permitted under the Unsecured Indenture or any other Investment permitted under the Unsecured Indenture;

(28) Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case, with respect to any transaction permitted under the Unsecured Indenture;

(29) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (29), does not at any time outstanding exceed the Available RP Capacity Amount (determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (29) shall cease to be deemed incurred or outstanding for purposes of this clause (29) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or 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 (29);

(30) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary for the benefit of joint ventures in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (30), does not at any time outstanding exceed the greater of (i) $360.0 million and (ii) 15.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (30) shall cease to be deemed incurred or outstanding for purposes of this clause (30) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or 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 (30);

(31) Indebtedness to the seller of any business or assets permitted to be acquired by the Issuer or any Restricted Subsidiary under the Unsecured Indenture; *provided* that, at the time of incurrence, the aggregate amount of Indebtedness incurred and then outstanding pursuant to this clause (31) will not exceed the greater (a) $240.0 million and (b) 10.0% of LTM EBITDA;

(32) obligations outstanding at any time in respect of Disqualified Stock; *provided* that, at the time of incurrence, the aggregate liquidation preference amount incurred and then outstanding pursuant to this clause (32) will not to exceed the greater of (a) $300.0 million and (b) 12.5% of LTM EBITDA;

(33) Indebtedness secured by real property of the Issuer or any Restricted Subsidiary; *provided* that, at the time of incurrence, the aggregate liquidation preference amount incurred and then outstanding pursuant to this clause (33) will not to exceed the greater of (a) $600.0 million and (b) 25.0% of LTM EBITDA;

(34) Indebtedness owing to any Permitted Holder; *provided* that any such Indebtedness shall be unsecured and shall be subordinated in right of payment to the Unsecured Notes and shall mature at least 90 days after the maturity date of the Unsecured Notes

(35) pension fund and other employee benefit plan obligations and liabilities incurred in the ordinary course of business or consistent with past practice or industry norm;

(36) customer deposits and advance payments received in the ordinary course of business or consistent with past practice or industry norm from customers for goods or services purchased in the ordinary course of business or consistent with past practice or industry norm;

(37) Indebtedness incurred by the Issuer or a Restricted Subsidiary as a result of leases entered into by the Issuer or such Restricted Subsidiary in the ordinary course of business; and

(38) Indebtedness in respect of Qualified Securitization Facilities.

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 (38) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, may divide or classify, and may from time to time redivide and reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one or more of the above clauses or under the first paragraph of this covenant; *provided* that all term Indebtedness outstanding under the Senior Secured Credit Facilities on the Completion Date will be treated as incurred on the Completion Date under clause (1) of the second paragraph above;

(2) the Issuer will be entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs above;

(3) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness, Disqualified Stock or Preferred Stock that is otherwise included in the determination of a particular amount of Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to any clause of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, Disqualified Stock or Preferred Stock, then such other Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or

repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and

(6) for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph above or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Issuer may elect, at its option, to treat all or any portion of the committed amount of any Indebtedness (and the issuance and creation of letters of credit and bankers' acceptances thereunder) which is to be incurred (or any commitment in respect thereof) or secured by such Lien, as the case may be (any such committed amount elected until revoked as described below, the ***"Reserved Indebtedness Amount"***), as being incurred as of such election date, and, if such Fixed Charge Coverage Ratio, Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or Consolidated Total Debt Ratio, as applicable, is satisfied with respect thereto on such election date, any subsequent borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be deemed to be permitted under this covenant or the definition of "Permitted Liens," as applicable, whether or not the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, at the actual time of any subsequent borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) is met; *provided that* for purposes of subsequent calculations of the Fixed Charge Coverage Ratio, the Consolidated Pari Passu Debt Ratio, Consolidated Secured Debt Ratio or the Consolidated Total Debt Ratio, as applicable, the Reserved Indebtedness Amount shall be deemed to be outstanding, whether or not such amount is actually outstanding, for so long as such commitments are outstanding or until the Issuer revokes an election of a Reserved Indebtedness Amount.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, of the same class will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. If Indebtedness, Disqualified Stock or Preferred Stock originally incurred in reliance upon a percentage of LTM EBITDA under this covenant is being refinanced and such refinancing would cause the maximum amount of Indebtedness, Disqualified Stock or Preferred Stock thereunder to be exceeded at such time, then such refinancing will nevertheless be permitted thereunder and such additional Indebtedness, Disqualified Stock or Preferred Stock will be deemed to have been incurred under the applicable provision so long as the principal amount or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed the principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock being refinanced plus amounts permitted by the next sentence. Any Refinancing Indebtedness and any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred under the Unsecured Indenture to refinance Indebtedness incurred pursuant to clauses (1)-(38) above shall be deemed to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest or dividends, premiums (including tender premiums), defeasance costs, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, Disqualified Stock or Preferred Stock, the U.S. Dollar Equivalent principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was, at the option of Parent, first committed or first incurred or upon execution of the definitive documentation in respect thereof; *provided* that if such Indebtedness, Disqualified Stock or Preferred Stock is incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock 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 or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (a) the principal amount or liquidation preference of such Indebtedness, Disqualified Stock or Preferred Stock being refinanced plus (b) the aggregate amount of accrued but unpaid interest, fees, underwriting or initial purchaser 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 or liquidation preference of any Indebtedness, Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing.

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

Liens

The Issuer will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) (each, a ***"Subject Lien"***) that secures Obligations under any Indebtedness or any related guarantee of Indebtedness, on any Collateral, unless (i) such Subject Lien is a Permitted Lien or (ii)(a) in the case of Subject Liens securing Subordinated Indebtedness, the Unsecured Notes and related Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Subject Liens; and (b) in all other cases, the Unsecured Notes or Guarantees are equally and ratably secured, except that the foregoing shall not apply to or restrict Liens securing obligations in respect of the Unsecured Notes and the related Guarantees.

Any Lien created for the benefit of the Holders of the Unsecured Notes pursuant to this covenant shall be deemed automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to secure the Unsecured Notes. In addition, in the event that a Subject Lien is or becomes a Permitted Lien, the Issuer may, at its option and without consent from any Holder, elect to release and discharge any Lien created for the benefit of the Holders pursuant to the preceding paragraph in respect of such Subject Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The *"Increased Amount"* of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Merger, Consolidation or Sale of All or Substantially All Assets

The Issuer. The Issuer may not consolidate or merge with or into or wind up into, consummate a Division as the Dividing Person (whether or not the Issuer is the surviving Person), 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) the Issuer is the surviving Person or (b) the Person formed by or surviving any such consolidation, amalgamation, merger or winding up or Division (if other than the Issuer) or to which such sale,

assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Company"***), (i) expressly assumes all of the obligations of the Issuer under the Unsecured Indenture and the Unsecured Notes, pursuant to supplemental indentures or other applicable documents or instruments and (ii) is a Person organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof;

(2) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists; and

(3) the Issuer or, if applicable, the Successor Company shall have delivered to the Trustee an Officer's Certificate and, in circumstances involving a supplemental indenture, an Opinion of Counsel, each, as applicable, stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Unsecured Indenture.

The Successor Company will succeed to, and be substituted for, the Issuer under the Unsecured Indenture and the Unsecured Notes and the Issuer will automatically be released and discharged from its obligations under the Unsecured Indenture and the Unsecured Notes.

Notwithstanding the immediately preceding clause (2):

(1) the Issuer may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to the Co-Issuer or a Subsidiary Guarantor;

(2) any Restricted Subsidiary may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to the Issuer, the Co-Issuer or a Subsidiary Guarantor; and

(3) the Issuer may consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to an Affiliate of the Issuer solely for the purpose of reorganizing the Issuer in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby.

Co-Issuer. The Co-Issuer may not consolidate or merge with or into or windup into, consummate a Division as the Dividing Person (whether or not the Co-Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Co-Issuer's properties or assets, in one or more related transactions, to any Person, unless:

(1) (a) (i) the Co-Issuer is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger or winding up or Division (if other than the Co-Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Co-Issuer"***) (A) expressly assumes all the obligations of the Co-Issuer under the Unsecured Indenture and the Co-Issuer's obligations under the Unsecured Notes pursuant to supplemental indentures or other applicable documents or instruments and (B) is a corporation organized or existing under the laws of the jurisdiction of organization of the Co-Issuer or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof; and

(b) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists; and

(2) the Co-Issuer or, if applicable, the Successor Co-Issuer shall have delivered to the Trustee an Officer's Certificate and, in circumstances involving a supplemental indenture, an Opinion of

Counsel, each, as applicable, stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Unsecured Indenture.

Subject to certain limitations described in the Unsecured Indenture, the Successor Co-Issuer will succeed to, and be substituted for, the Co-Issuer under the Unsecured Indenture and the Unsecured Notes.

Subsidiary Guarantors. Subject to certain limitations described in the Unsecured Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Subsidiary Guarantor, no Subsidiary Guarantor will, and the Issuer will not permit any Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving Person), 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) (i) such Subsidiary Guarantor is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger or winding up (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the ***"Successor Person"***) expressly assumes all the obligations of such Subsidiary Guarantor under the Unsecured Indenture and such Subsidiary Guarantor's related Guarantee pursuant to supplemental indentures or other applicable documents or instruments; and

(b) immediately after such transaction, no Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" exists; or

(2) the transaction is not prohibited by the first paragraph of the covenant described under "—Repurchase at the Option of Holders—Asset Sales"; or

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

Subject to certain limitations described in the Unsecured Indenture, the Successor Person will succeed to, and be substituted for, such Subsidiary Guarantor under the Unsecured Indenture and such Subsidiary Guarantor's Guarantee.

Notwithstanding the foregoing, the Co-Issuer or any Subsidiary Guarantor may (a) merge or consolidate or amalgamate with or into, wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to a Subsidiary Guarantor or the Issuer or Co-Issuer (or a Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor if that Restricted Subsidiary becomes a Subsidiary Guarantor), (b) consolidate or amalgamate with or merge with or into or wind up into, consummate a Division as the Dividing Person or sell, assign, transfer, lease, convey or otherwise dispose all or part of its properties and assets to an Affiliate of the Issuer solely for the purpose of reorganizing the Co-Issuer or the Subsidiary Guarantor in another jurisdiction, (c) convert into a corporation, partnership, limited partnership, limited liability company, trust or other entity organized or existing under the laws of the jurisdiction of organization of the Co-Issuer or such Subsidiary Guarantor or (d) liquidate, wind up or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer, in each case, without regard to the requirements set forth in the second or fourth preceding paragraphs.

Notwithstanding anything to the contrary in this "—Merger, Consolidation or Sale of All or Substantially All Assets" covenant, the Issuer may contribute Capital Stock of any or all of its Subsidiaries to the Co-Issuer or any Subsidiary Guarantor.

Notwithstanding the foregoing, (i) this covenant will not apply to the Transactions and (ii) the first paragraph of this covenant will not apply with respect to the sale, assignment, transfer, lease, conveyance or other disposition of substantially all property or assets of the Issuer if such sale, assignment, transfer, lease,

conveyance or other disposition also constitutes a Change of Control Triggering Event for which a Change of Control Offer is made to Holders pursuant to the covenant described above under the caption "—Repurchase at the Option of Holders—Change of Control Triggering Event".

Transactions with Affiliates

The Issuer 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 any Affiliate of the Issuer (each of the foregoing, an ***"Affiliate Transaction"***) involving aggregate payments or consideration in excess of the greater of (i) $360.0 million and (ii) 5.0% of LTM EBITDA at such time, unless such Affiliate Transaction is on terms (when taken as a whole) that are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Issuer, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer or any of its Restricted Subsidiaries (or any entity that becomes a Restricted Subsidiary as a result of such transaction) and (b) any merger, amalgamation or consolidation of the Issuer into any direct or indirect parent company; provided that such merger, amalgamation or consolidation is otherwise consummated in compliance with the terms of the Unsecured Indenture;

(2) Restricted Payments permitted by the provisions of the Unsecured Indenture described above under the covenant "—Limitation on Restricted Payments" (including any transaction specifically excluded from the definition of the term "Restricted Payments") (other than pursuant to clauses (13) and (15)(h) of the second paragraph of such covenant) and Permitted Investments;

(3) (a) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses pursuant to the Support and Services Agreement (plus any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public equity offering) pursuant to the Support and Services Agreement, or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole, as compared to the Support and Services Agreement as in effect immediately prior to such amendment or replacement and (b) the payment of indemnification and other similar amounts to the Investors and reimbursement of expenses of the Investors;

(4) (A) employment agreements, employee benefit and incentive compensation plans and arrangements and (B) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided on behalf of or for the benefit of, future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its direct or indirect parent companies or any of its Restricted Subsidiaries, including in connection with the Transactions;

(5) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Issuer or its relevant Restricted Subsidiary than those that

would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(6) any agreement or arrangement as in effect as of the Completion Date, or any amendment or replacement thereto (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole as compared to the applicable agreement or arrangement as in effect on the Completion Date);

(7) any Intercompany License Agreements;

(8) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders, investor rights or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it (or any parent company of the Issuer) is a party as of the Completion Date or to be entered into in connection with a Qualified IPO and any similar agreements which it (or any parent company of the Issuer) may enter into thereafter; *provided*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries (or such parent company) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Completion Date or such Qualified IPO shall only be permitted by this clause (8) to the extent that the terms of any such amendment or new agreement are not otherwise, when taken as a whole, materially disadvantageous in the good faith judgment of the Issuer to the Holders than those in effect on the Completion Date or on the date of such Qualified IPO;

(9) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(10) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services or providers of employees or other labor that are Affiliates, in each case in the ordinary course of business or that are consistent with past practice or industry norm and otherwise in compliance with the terms of the Unsecured Indenture which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(11) the issuance or transfer of (a) Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding of the Issuer to any direct or indirect parent company of the Issuer or to any Permitted Holder or to any employee, director, officer, manager, member, partner or consultants (or their respective Affiliates or Immediate Family Members) of the Issuer, any of its direct or indirect parent companies or any of its Restricted Subsidiaries and (b) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(12) transactions in connection with any Qualified Securitization Facility, factoring arrangements or similar transactions, including sales or other transfers of accounts receivable and related assets or participations therein;

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

(14) payments and Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Issuer and its Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, manager, member, partner or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its 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 or any stock subscription or shareholder agreement that are, in each case, approved by the Issuer in good faith; and any employment agreements, stock option plans and other compensatory

arrangements (and any successor plans thereto) and severance arrangements and any supplemental executive retirement benefit plans or arrangements (including management and/or employee benefit plans or agreements, stock/equity/option plans, management equity plans, subscription agreements or similar agreements pertaining to the repurchase of Capital Stock pursuant to put/call rights or similar rights and equity option or incentive plans and other compensation arrangements)) with any such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) in the ordinary course of business or consistent with past practice or industry norm or as approved by the Issuer in good faith;

(15) (i) investments by Affiliates in securities or loans or other Indebtedness (or commitments thereof) of the Issuer or any of its Restricted Subsidiaries (and payment of out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Affiliates in respect of securities or loans or other Indebtedness (or commitments thereof) of the Issuer or any of its Restricted Subsidiaries contemplated in the foregoing subclause (i) or that were acquired from Persons other than the Issuer and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(16) payments to or from, and transactions with, any joint venture or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice or industry norm (including, without limitation, any cash management activities related thereto);

(17) payments by the Issuer (and any direct or indirect parent company thereof) and its Subsidiaries pursuant to, or the entry into, tax sharing agreements among the Issuer (and any such parent company) and its Subsidiaries, to the extent such payments are permitted under clause (20) of the second paragraph under the caption "—Limitation on Restricted Payments";

(18) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, which is approved by the Issuer in good faith;

(19) intellectual property licenses and research and development agreements in the ordinary course of business or consistent with past practice;

(20) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equityholders of the Issuer or any direct or indirect parent thereof pursuant to any equityholders, registration rights or similar agreements;

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

(22) Permitted Intercompany Activities and related transactions;

(23) (a) any transactions with a Person which would constitute an Affiliate Transaction solely because the Issuer or its Restricted Subsidiary owns an equity interest in or otherwise controls such Person or (b) transactions with a Person which would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Issuer or any direct or indirect parent company; provided, that such director abstains from voting as a director of the Issuer or such direct or indirect parent company, as the case may be, on any matter including such other Person;

(24) transactions undertaken in the ordinary course of business pursuant to membership in a purchasing consortium;

(25) any CMBS Reorganization Transactions or any Foreign RE Loan Reorganization Transactions;

(26) transactions related to a Permitted Change of Control, the payment of Permitted Change of Control Costs and the issuance of Equity Interests in connection with a Permitted Change of Control;

(27) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the provisions of the Unsecured Indenture, provided that such Subordinated Shareholder Funding, as amended or otherwise modified, will continue to satisfy the requirements described in the definition of "Subordinated Shareholder Funding";

(28) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of a disposition made in accordance with or not prohibited by the Unsecured Indenture;

(29) a joint venture which would constitute a transaction with an Affiliate solely as a result of Holdings, the Issuer or any Restricted Subsidiary owning an equity interest or otherwise controlling such joint venture or similar entity;

(30) transactions with any Debt Fund Affiliate in its capacity as a party to any agreement, document or instrument governing or relating to any Indebtedness permitted to be incurred pursuant to the Unsecured Indenture to the extent such Debt Fund Affiliate is being treated no more favorably than all other lenders thereunder;

(31) a transaction with a Person who was not an Affiliate of the Issuer or any Restricted Subsidiary before such transaction was entered into but becomes an Affiliate solely as a result of such transaction;

(32) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary (and not entered into in contemplation of such designation) and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary (and not entered into in contemplation of such designation);

(33) transactions undertaken in good faith for the purpose of improving the consolidated tax efficiency of Holdings, the Issuer and the Restricted Subsidiaries and not for the purpose of circumventing any covenant set forth in the Unsecured Indenture;

(34) transactions undertaken pursuant to a shared services agreement or pursuant to a membership in a purchasing consortium;

(35) payment to any Permitted Holder of out-of-pocket expenses incurred by such Permitted Holder in connection with any direct or indirect Investment in the Issuer and its Subsidiaries;

(36) any merger, consolidation or reorganization of the Issuer or any of its Restricted Subsidiaries (otherwise not prohibited by the Unsecured Indenture) with an Affiliate of the Issuer and/or such Restricted Subsidiary solely for the purpose of (i) reorganizing to facilitate the offering of Capital Stock of the Issuer or any direct or indirect parent thereof, (ii) forming or collapsing a holding company structure or (iii) reorganizing the Issuer or such Restricted Subsidiary in a new jurisdiction, in each case, so long as any such merger, consolidation or reorganization has been approved by a majority of the members of the Board of such Restricted Subsidiary, as applicable, in good faith; and

(37) transactions with Affiliates solely in their capacity as holders of Indebtedness or Capital Stock of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally.

If the Issuer or any of its Restricted Subsidiaries (i) purchases or otherwise acquires assets or properties from a Person which is not an Affiliate, the purchase or acquisition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties acquired shall not be deemed an Affiliate Transaction (or cause such purchase or acquisition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction) or (ii) sells or otherwise disposes of assets or other properties to a Person who is not an Affiliate, the sale or other disposition by an Affiliate of the Issuer of an interest in all or a portion of the assets or properties sold shall not

be deemed an Affiliate Transaction (or cause such sale or other disposition by the Issuer or a Restricted Subsidiary to be deemed an Affiliate Transaction).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that is not the Co-Issuer or a Subsidiary Guarantor 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 the Co-Issuer or a Subsidiary Guarantor to:

(1) (a) pay dividends or make any other distributions to the Issuers or any Subsidiary Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(b) pay any Indebtedness owed to the Issuers or any Subsidiary Guarantor;

(2) make loans or advances to the Issuers or any Subsidiary Guarantor; or

(3) sell, lease or transfer any of its properties or assets to the Issuers or any Subsidiary Guarantor,

except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) encumbrances or restrictions in effect on the Completion Date, including pursuant to the Senior Secured Credit Facilities, the Secured Indenture and, in each case, the related documentation and Hedging Obligations;

(b) the Unsecured Indenture, the Unsecured Notes and the Guarantees;

(c) Purchase Money Obligations and Financing Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so purchased, leased, expanded, constructed, developed, installed, replaced, relocated, renewed, maintained, upgraded, repaired or improved;

(d) applicable law or any applicable rule, regulation or order;

(e) (i) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, any agreement or other instrument of such Unrestricted Subsidiary (but, in any such case, not created in contemplation thereof) and (ii) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into the Issuer or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person (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 so acquired and its Subsidiaries, or the property or assets of the Person so acquired and its Subsidiaries or the property or assets so acquired;

(f) contracts for the sale or disposition of assets, including sale-leaseback agreements, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of any of the Capital Stock or assets of such Subsidiary;

(g) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" that limit the right of the debtor to dispose of or incur Liens on the assets securing such Indebtedness;

(h) restrictions on Cash Equivalents or other deposits or net worth imposed by suppliers, customers or landlords under contracts entered into in the ordinary course of business or consistent with past practice or arising in connection with any Permitted Liens;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not the Co-Issuer or a Subsidiary Guarantor permitted to be incurred subsequent to the Completion 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 to such joint venture;

(k) provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, including with respect to intellectual property and other agreements, in each case, entered into in the ordinary course of business or consistent with industry practices or that in the judgment of the Issuer would not materially impair the Issuers' ability to make payments under the Unsecured Notes when due;

(l) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided*, that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(m) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary or the assignment of any license or sub-license agreement;

(n) provisions restricting assignment of any agreement entered into in the ordinary course of business or consistent with past practice;

(o) restrictions arising in connection with cash or other deposits permitted under the covenant "—Liens";

(p) any agreement or instrument relating to any Indebtedness, Disqualified or Preferred Stock permitted to be incurred, assumed or issued subsequent to the Completion Date pursuant to, or that is not prohibited by, the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" if either (i) the encumbrances and restrictions are not materially more disadvantageous, taken as a whole, to the Holders than is customary in comparable financings for similarly situated issuers (as determined in good faith by the Issuer), (ii) the encumbrances and restrictions are not materially more restrictive, taken as whole, with respect to such Restricted Subsidiaries, than the restrictions or encumbrances (A) contained in the Unsecured Indenture, the Senior Secured Credit Facilities or related security documents as of the Completion Date or (B) otherwise in effect on the Completion Date or (iii) either (A) the Issuer determines that such encumbrance or restriction will not materially impair the Issuer's ability to make principal and interest payments on the Unsecured Notes as and when they come due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness;

(q) restrictions created in connection with any Qualified Securitization Facility, any CMBS Loan, any Foreign RE Loan or the Alternative RE Term Loan Facility; and

(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 (q) above; *provided*, that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, 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.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of (including the application of any standstill requirements to) loans and advances made to the Issuer or a Restricted Subsidiary to other Indebtedness incurred by the Issuer or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Issuer will not permit any of its Wholly Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly Owned Subsidiaries if such non-Wholly Owned Subsidiaries guarantee other capital markets debt securities of the Issuers or any Subsidiary Guarantor pursuant to clause (ii) below), other than the Co-Issuer, a Subsidiary Guarantor, a Captive Insurance Subsidiary, a Foreign Subsidiary, a FSHCO Subsidiary or a Securitization Subsidiary, to guarantee the payment of (i) any syndicated Credit Facility incurred under clause (1) of the second paragraph under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) capital market debt securities of the Issuers or any Subsidiary Guarantor in an aggregate principal amount in excess of $720.0 million, unless:

(1) such Restricted Subsidiary within 60 days after the guarantee of such Indebtedness executes and delivers a supplemental indenture to the Unsecured Indenture providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer or any Subsidiary Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Unsecured Notes or such Subsidiary Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Unsecured Notes; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other applicable rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

provided that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Subsidiary Guarantor to become a Subsidiary Guarantor, in which case such Subsidiary shall not be required to comply with the 60 day period described in clause (1) above.

Reports and Other Information

So long as any Unsecured Notes are outstanding, the Issuer will have its annual consolidated financial statements audited by a nationally recognized firm of independent auditors. In addition, after the Completion Date, so long as any Unsecured Notes are outstanding, the Issuer will furnish to the Holders of the Unsecured Notes the following reports:

(1) (x) all annual and year-to-date interim period (ended at each quarter end, except for the fourth quarter) financial statements consistent with those included in this offering memorandum, plus a

"Management's Discussion and Analysis of Financial Condition and Results of Operations"; (y) with respect to the annual and year-to-date interim information, a presentation of "Adjusted EBITDA" of the Issuer substantially consistent with the presentation thereof in this offering memorandum and derived from such financial information; and (z) with respect to the annual financial statements only, a report on the annual financial statements by the Issuer's independent registered public accounting firm; and

(2) substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items 1.01, 1.02, 1.03, 2.01 (only with respect to acquisitions that are "significant" at the 20% or greater level pursuant to clauses (1)(i) and (ii) of the definition of "Significant Subsidiary" under Rule 1-02 of Regulation S-X only), 4.01, 4.02(a) and (b), 5.01 and 5.02(b) (with respect to the principal executive officer, president, principal financial officer and principal operating officer only) and (c) (with respect to the principal executive officer, president, principal financial officer and principal operating officer only and other than with respect to information otherwise required or contemplated by subclause (3) of such Item or by Item 402 of Regulation S-K) as in effect on the Completion Date if the Issuer were required to file such reports;

provided, however, that (A) no such report will be required to include as an exhibit, or to include a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Issuer (or any of its direct or indirect parent entities or its Subsidiaries) and any director, manager or officer, of the Issuer (or any of its direct or indirect parent entities or its Subsidiaries), (B) the Issuer shall not be required to make available any information regarding the occurrence of any of the events set forth in clause (2) above if the Issuer determines in its good faith judgment that the event that would otherwise be required to be disclosed is not material to the Holders of the Unsecured Notes or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries taken as a whole, (C) no such report will be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any "non-GAAP" financial information contained therein, (D) no such report will be required to comply with Regulation S-X including, without limitation, Rules 3-03(e), 3-05, 3-09, 3-10, 3-16, 13-01, 13-02 or Article 11 thereof (or any successor or similar rules), (E) no such report will be required to provide any information that is not otherwise similar to information currently included in this offering memorandum, (F) in no event will such reports be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits under the SEC rules, (G) trade secrets and other information that could cause competitive harm to the Issuer and its Restricted Subsidiaries may be excluded from any disclosures, (H) such financial statements or information will not be required to contain any "segment reporting", (I) such financial statements and information may, at the election of the Issuer, be prepared in accordance with U.S. GAAP or IFRS and (J) no report will be required to be provided in connection with the Transactions.

All such annual reports shall be furnished within 120 days after the end of the fiscal year to which they relate; *provided* that the annual report for the fiscal year ending on or about December 31, 2021 shall be furnished within 150 days after the end of such fiscal year; all such quarterly reports shall be furnished within 60 days after the end of the fiscal quarter to which they relate; *provided* that the quarterly report for the fiscal quarters ending on or about September 25, 2021, March 26, 2022, June 25, 2022 and September 24, 2022 shall be furnished within 75 days after the end of the fiscal quarter which they relate and all such current reports shall be furnished within 15 days of the due date specified in the SEC's rules and regulations for reporting companies under the Exchange Act. Notwithstanding the foregoing, any annual reports or quarterly reports may be furnished on or prior to the due date applicable to the Issuer or any parent entity of the Issuer pursuant to the SEC's rules and regulations under the Exchange Act, if later than a date provided in the preceding sentence.

The Issuer will be deemed to have furnished the reports referred to in clauses (1) and (2) of the first paragraph of this covenant if the Issuer or any parent entity of the Issuer has filed reports containing substantially such information (or any such information of a parent entity pursuant to the fourth succeeding paragraph) with the SEC.

If the Issuer or any parent entity of the Issuer does not file reports containing such information with the SEC, then the Issuer will make available such information and such reports to any Holder of the Unsecured Notes and to any beneficial owner of the Unsecured Notes, in each case by posting such information on a password-protected website or online data system which will require a confidentiality acknowledgment, and will make such information readily available to any bona fide prospective investor, any securities analyst (to the extent providing analysis of investment in the Unsecured Notes) or any market maker in the Unsecured Notes who agrees to treat such information as confidential; *provided* that the Issuer shall post such information thereon and make readily available any password or other login information to any such bona fide prospective investor, securities analyst or market maker; *provided, however,* that the Issuer may deny access to any information or reports otherwise to be provided pursuant to this covenant to any such Holder, beneficial owner, bona fide prospective investor, securities analyst or market maker that is a competitor or to the extent that the Issuer determines in its sole discretion that the provision of such information to such Person may be harmful to the Issuer and its Subsidiaries; *provided, further,* that such Holders, beneficial owners, bona fide prospective investors, securities analysts and market makers shall agree to (A) treat all such reports (and information contained therein) as confidential, (B) not to use such reports (and the information contained therein) for any purpose other than their investment or potential investment in the Unsecured Notes and (C) not publicly disclose any such reports (and the information contained therein).

To the extent not satisfied by the foregoing, the Issuer will furnish to Holders of the Unsecured Notes, securities analysts and prospective investors upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the ***"Securities Act"***), so long as the Unsecured Notes are not freely transferable under the Securities Act.

If any Subsidiary of the Issuer is an Unrestricted Subsidiary and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Issuer, then the annual and quarterly information required by clause (1) of the first paragraph of this covenant shall include a presentation of selected financial metrics (in the Issuer's sole discretion) of such Unrestricted Subsidiaries as a group in the "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Notwithstanding the foregoing, the Unsecured Indenture will permit the Issuer to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to Holdings or any parent entity of the Issuer; *provided* that if Holdings or such parent entity does not Guarantee the Unsecured Notes then the same is accompanied by selected financial metrics that show the differences (in the Issuer's sole discretion) between the information relating to Holdings or such parent, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (3) under "—Events of Default and Remedies" until 180 days after the receipt of the written notice delivered thereunder.

To the extent any information is not provided within the time periods specified in this section "—Reports and Other Information" and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

The Trustee shall have no duty to review or analyze any reports furnished or made available to it and the Trustee's receipt of such reports shall not constitute actual or constructive knowledge of the information contained therein or determinable therefrom, including the Issuers' compliance with any of its covenants (as to which the Trustee is entitled to conclusively rely on an Officer's Certificate).

Notwithstanding the foregoing, the Issuer will not be required to disclose any information or take any actions that, in the good faith view of the Issuer, would violate applicable securities laws or the SEC's "gun-jumping" rules.

Events of Default and Remedies

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

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

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

(3) failure by the Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Unsecured Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clause (1) or (2) above) contained in the Unsecured Indenture or the Unsecured Notes;

(4) (i) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries, other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Unsecured Notes, 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 the greater of (i) $1,000.0 million (or its foreign currency equivalent) and (ii) 40.0% of LTM EBITDA or more outstanding;

(5) (i) failure by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of the greater of (i) $1,000.0 million and (ii) 40.0% of LTM EBITDA (net of amounts covered by insurance policies issued by reputable insurance companies), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary);

(7) the Guarantee of any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a 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 the Issuer or any Subsidiary Guarantor that is a Significant Subsidiary (or the responsible officers of any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary), as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of the Unsecured Indenture or the release of any such Guarantee in accordance with the Unsecured Indenture; and

(8) the failure by the Issuer to consummate the Special Mandatory Redemption to the extent required, as described under "—Escrow of Gross Proceeds; Special Mandatory Redemption."

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Unsecured Indenture, the Trustee or the Holders of not less than 30% in aggregate principal amount of all the then outstanding Unsecured Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Unsecured Notes to be due and payable immediately; *provided* that no such declaration may be made with respect to any action taken, and reported publicly or to Holders, more than two years prior to such declaration. Any notice of Default under clauses (3), (4), (5) or (7) of the first paragraph of this section, notice of acceleration with respect to an Event of Default under clauses (3), (4), (5) or (7) of the first paragraph of this section, instruction to the Trustee to provide a notice of Default under clauses (3), (4), (5) or (7) of the first paragraph of this section, notice of acceleration with respect to an Event of Default under clauses (3), (4), (5) or (7) of the first paragraph of this section or instruction to the Trustee to take any other action with respect to an alleged Default or Event of Default under clauses (3), (4), (5) or (7) of the first paragraph of this section (a "***Noteholder Direction***") provided by any one or more Holders (other than a Regulated Bank) (each, a "***Directing Holder***") must be accompanied by a written representation from each such Holder delivered to the Issuer and the Trustee that (i) such Holder is not (or, in the case such Holder is DTC or DTC's nominee, that such Holder is being instructed solely by beneficial owners that are not) Net Short and (ii) such Holder and the Affiliates of such Holder do not (or, in the case such Holder is DTC or DTC's nominee, that such Holder is being instructed solely by beneficial owners and Affiliates of such beneficial owners that do not) hold or beneficially own Notes in excess of the Voting Cap (each, a "***Position Representation***"), which representation, in the case of a Noteholder Direction relating to delivery of a notice of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Unsecured Notes are accelerated. In addition, each Directing Holder is deemed, at the time of providing a Noteholder Direction, to covenant to provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Directing Holder's Position Representation within five Business Days of request therefor (a "***Verification Covenant***"). In any case in which the Holder is DTC or DTC's nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Unsecured Notes in lieu of DTC or DTC's nominee and DTC shall be entitled to conclusively rely on such Position Representation and Verification Covenant in delivering its direction to the Trustee.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Unsecured Notes, the Issuer determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and the Issuer provides to the Trustee an Officer's Certificate certifying that the Issuer has (i) a good faith reasonable basis to believe that one or more Directing Holders were at any relevant time in breach of their Position Representation or their Verification Covenant and (ii) initiated proceedings in a court of competent jurisdiction seeking a determination that such Directing Holders were, at such time, in breach of their Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to such Event of Default shall be automatically reinstituted and any remedy stayed pending a final and nonappealable determination of a court of competent jurisdiction on such matter. If such Officer's Certificate has been delivered to the Trustee, the Trustee shall refrain from acting in accordance with such Noteholder Direction until such time as the Issuer provides to the Trustee an Officer's

Certificate stating that (i) such Directing Holders have satisfied their Verification Covenant or (ii) such Directing Holders have failed to satisfy its Verification Covenant, and during such time the cure period with respect to any Default shall be automatically stayed and the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Directing Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Directing Holder, the percentage of Unsecured Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio (other than any indemnity such Holder may have offered or provided to the Trustee), with the effect that such Event of Default shall be deemed never to have occurred, and any related acceleration rescinded, and the Trustee shall be deemed not to have received such Noteholder Direction or any notice of such alleged Default or Event of Default, shall not be permitted to act thereon and shall be restricted from accepting and acting on any future Noteholder Direction in relation to such Event of Default. If the Directing Holder has satisfied its Verification Covenant, then the Trustee shall be permitted to act in accordance with such Noteholder Direction. Notwithstanding the above, if such Directing Holder's participation is not required to achieve the requisite level of consent of Holders required under the Unsecured Indenture to give such Noteholder Direction, the Trustee shall be permitted to act in accordance with such Noteholder Direction notwithstanding any action taken or to be taken by the Issuer (as described above). Each of the Trustee shall be entitled to conclusively rely on any Noteholder Direction or Officer's Certificate delivered to it in accordance with the Unsecured Indenture without verification, investigation or otherwise as to the statements made therein.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding shall not require compliance with the foregoing paragraphs. In addition, for the avoidance of doubt, the foregoing paragraphs shall not apply to any Holder that is a Regulated Bank. Each Holder by accepting an Unsecured Note acknowledges and agrees that the Trustee shall not be liable to any person for acting or refraining to act in accordance with (i) the foregoing provisions, (ii) any Noteholder Direction, (iii) any Officer's Certificate or (iv) its duties under the Unsecured Indenture, as the Trustee may determine in its sole discretion. The Trustee shall not have any obligation (i) to monitor, investigate, verify or otherwise determine if a Holder has a Net Short position, (ii) investigate the accuracy or authenticity of any Position Representation, (iii) inquire if the Issuer will seek action to determine if a Directing Holder has breached its Position Representation, (iv) enforce any Verification Covenant, (v) monitor any court proceedings undertaken in connection therewith, (vi) monitor or investigate whether any Default or Event of Default has been publicly reported or (vii) otherwise make any calculations, investigations or determinations with respect to any Derivative Instruments, Net Short position, Long Derivative Instrument, Short Derivative Instrument or otherwise.

Upon the effectiveness of such declaration, or in the case of clauses (3), (4), (5) or (7) of the first paragraph of this section, upon a valid Noteholder Direction, to accelerate the Unsecured Notes, 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 Unsecured Notes will become due and payable without further action or notice. The Unsecured 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.

The Unsecured Indenture will provide, subject to the foregoing, that the Required Holders, by notice to the Trustee may on behalf of the Holders of all of the Unsecured Notes waive any existing Default and its consequences under the Unsecured Indenture and rescind any acceleration with respect to the Unsecured Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction and except a continuing Default in the payment of interest on, premium, if any, or the principal of, any Unsecured Note held by a non-consenting Holder).

In the event of any Event of Default specified in clause (4) of the first paragraph of this section, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Unsecured 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) the requisite number of holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

In case an Event of Default occurs and is continuing, the Trustee will not be under any obligation to exercise any of the rights or powers under the Unsecured Indenture at the request or direction of any of the Holders of the Unsecured Notes unless the Holders have offered and, if requested, provided 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 on or after the respective due dates expressed in an outstanding Unsecured Note, no Holder of an Unsecured Note may pursue any remedy with respect to the Unsecured Indenture or the Unsecured Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing and, if such Event of Default is in respect of clause (3), (4), (5) or (7) of the first paragraph of this section, such Holder is not in breach of a Position Representation or Verification Covenant;

(2) the Holders, or in the case of clauses (3), (4), (5) or (7) of the first paragraph of this section, Directing Holders that are not in breach of a Position Representation or Verification Covenant, comprising at least 30% in the aggregate principal amount of the then outstanding Unsecured Notes have requested in writing the Trustee to pursue the remedy;

(3) Holders of the Unsecured Notes have offered, and if requested, provided the Trustee security or indemnity satisfactory to it 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) the Required Holders have not given the Trustee a direction inconsistent with such written request within such 60-day period.

Subject to certain restrictions contained in the Unsecured Indenture, including those described above, the Required Holders 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 Unsecured Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of an Unsecured Note or that would involve the Trustee in personal liability, and may take any other action that is not inconsistent with any such direction received from Holders of the Unsecured Notes (it being understood that the Trustee does not have an affirmative duty to determine whether any action is prejudicial to any Holder).

The Unsecured Indenture will provide that the Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Unsecured Indenture, and the Issuer is required, within 20 Business Days upon becoming aware of any Default, to deliver to the Trustee a statement specifying such Default (unless such Default has been cured or waived within such 20-Business Day time period). The Trustee will not be deemed to have knowledge of any Defaults or Events of Default unless written notice of an event, which is in fact a Default, has been delivered to the Trustee at its office specified in the Indenture and such notice references the Notes and the Indenture and states that it is a “Notice of Default.”

Any Default or Event of Default resulting from the failure to deliver a notice, report or certificate under the Unsecured Indenture shall cease to exist and be cured in all respects if the underlying Default or Event of Default

giving rise to such notice, report or certificate requirement shall have ceased to exist and/or be cured (including pursuant to this paragraph). For the avoidance of doubt, each of the parties hereto agree that any court of competent jurisdiction may (x) extend or stay any grace period set forth in the Unsecured Indenture prior to when any actual or alleged Default becomes an actual or alleged Event of Default or (y) stay the exercise of remedies by the Trustee or Holders contemplated by the Unsecured Indenture or otherwise upon the occurrence of an actual or alleged Event of Default, in each case of clauses (x) and (y), in accordance with the requirements of applicable law.

No Personal Liability of Directors, Managers, Officers, Members, Partners, Employees and Equityholders

No past, present or future director, manager, officer, employee, incorporator, member, partner or direct or indirect equityholder of the Issuer or any Restricted Subsidiaries or of any of their direct or indirect parent companies (other than in such equityholder's capacity as an Issuer or a Guarantor) shall have any liability, for any obligations of the Issuers or the Guarantors under the Unsecured Notes, the Guarantees or the Unsecured Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Unsecured Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Unsecured Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The obligations of the Issuers and the Guarantors under the Unsecured Indenture, the Unsecured Notes and 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 Unsecured Notes. The Issuers may, at their option and at any time, elect to have all of their obligations discharged with respect to the Unsecured Notes and have each Guarantor's obligation discharged with respect to its Guarantee (***"Legal Defeasance"***) and cure all then existing Defaults and Events of Default except for:

(1) the rights of Holders of Unsecured Notes to receive payments in respect of the principal of, premium, if any, and interest on the Unsecured Notes when such payments are due solely out of the trust created pursuant to the Unsecured Indenture;

(2) the Issuers' obligations with respect to Unsecured Notes concerning issuing temporary Unsecured Notes, registration of such Unsecured Notes, mutilated, destroyed, lost or stolen Unsecured Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Unsecured Indenture.

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

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

(1) the Issuers shall irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Unsecured Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof, in such amount as will be sufficient, in the opinion of an Independent Financial Advisor, without consideration

of any reinvestment to pay the principal of, premium, if any, and interest due on such Unsecured 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 Unsecured Notes and the Issuers must specify whether such Unsecured Notes are being defeased to maturity or to a particular redemption date; *provided,* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Unsecured Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the ***"Applicable Premium Deficit"***) only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least one Business Day prior to the date of the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

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

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

(b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

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

(3) in the case of Covenant Defeasance, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the beneficial owners of the Unsecured 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 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 Covenant Defeasance had not occurred;

(4) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Unsecured Indenture) to which the Issuers or any Guarantor is a party or by which the Issuers or any Guarantor is bound (other than that resulting 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 other Indebtedness, and, in each case, the granting of Liens in connection therewith);

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

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

Satisfaction and Discharge

The Unsecured Indenture will be discharged and will cease to be of further effect as to all Unsecured Notes (other than certain rights of the Trustee and the Issuers' obligations with respect thereto), when either:

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

(2) (a) all Unsecured 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 Issuers, and the Issuers have 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 Unsecured Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment to pay and discharge the entire indebtedness on the Unsecured Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided,* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Unsecured Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least one Business Day prior to the date of the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) the Issuers have paid or caused to be paid all sums payable by it under the Unsecured Indenture; and

(c) the Issuers have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Unsecured Notes at maturity or the redemption date, as the case may be.

In addition, the Issuers must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, (i) the Unsecured Indenture, any Guarantee and the Unsecured Notes may be amended or supplemented with the consent of the Required Holders (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Unsecured Notes) and (ii) any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Unsecured Notes (which shall be considered waived only with respect to Unsecured Notes held by consenting Holders), except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Unsecured Indenture, any Guarantee or the Unsecured Notes may be waived with the consent of the Required Holders (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Unsecured Notes).

Notwithstanding anything in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Unsecured Indenture to the contrary, for purposes of determining whether the Required Holders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Unsecured

Indenture, the Unsecured Notes or the Guarantees or any departure by the Issuers or any Guarantor therefrom, unless the action in question affects any Affiliated Holder in a disproportionately adverse manner than its effect on the other Holders, or any plan of reorganization pursuant to any applicable bankruptcy, insolvency or similar proceeding, (ii) otherwise acted on any matter related to the Unsecured Indenture, the Unsecured Notes or the Guarantees or (iii) directed or required the Trustee or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Unsecured Indenture, the Unsecured Notes or the Guarantees, no Affiliated Holder shall have any right to consent (or not consent), otherwise act or direct or require the Trustee or any Holder to take (or refrain from taking) any such action and all Unsecured Notes held by any Affiliated Holders shall be deemed to be not outstanding for all purposes of calculating whether the Required Holders have taken any actions.

Notwithstanding anything in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Unsecured Indenture to the contrary, for purposes of determining whether the Required Holders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Unsecured Indenture, the Unsecured Notes or the Guarantees or any departure by the Issuers or any Guarantor therefrom, (ii) otherwise acted on any matter related to the Unsecured Indenture, the Unsecured Notes or the Guarantees or (iii) directed or required the Trustee or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Unsecured Indenture, the Unsecured Notes or the Guarantees, all Unsecured Notes held or beneficially owned by Debt Fund Affiliates may not account for more than 49.9% (pro rata among such Debt Fund Affiliates) of the Unsecured Notes of consenting Holders included in determining whether the Required Holders have consented to any action pursuant to this "Amendment, Supplement and Waiver" section.

Notwithstanding anything to the contrary in this "Amendment, Supplement and Waiver" section, the "Events of Default and Remedies" section, the definition of "Required Holders" or otherwise in the Unsecured Indenture, for purposes of determining whether the Required Holders or any of the Holders, as applicable, have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of the Unsecured Indenture, the Unsecured Notes or the Guarantees or any departure by the Issuer or any Guarantor therefrom, (ii) otherwise acted on any matter related to the Unsecured Indenture, the Unsecured Notes or the Guarantees or (iii) directed or required the Trustee or any Holder to undertake any action (or refrain from taking any action) with respect to or under the Unsecured Indenture, the Unsecured Notes or the Guarantees, all Unsecured Notes held or beneficially owned by any Holder (or beneficial owner) or any Affiliate of such Holder (or beneficial owner), shall not, subject to the proviso to this paragraph below, account for more than 20.0% of the Unsecured Notes outstanding at any time (with respect to any Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)), the "***Voting Cap***") included in determining whether the Required Holders or any of the Holders, as applicable, have consented to any action (or refrained from taking any action) or provided any consent or waiver pursuant to this "Amendment, Supplement and Waiver" section. All Unsecured Notes held or beneficially owned by any Holder (or beneficial owner) or any Affiliate of such Holder (or beneficial owner) in excess of the Voting Cap shall be deemed to not be outstanding for all purposes of calculating whether the Required Holders, or with respect to any other action which requires the consent of the Holders, the Holders, as applicable, have taken any action (or refrained from taking any action) or provided any consent or waiver; *provided* that, notwithstanding the foregoing, the Issuer may, in its sole discretion, consent to an increase of the Voting Cap for any individual Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)) from time to time, which increase shall become effective with respect to the Voting Cap solely for such Holder (or beneficial owner) (collectively with any Affiliates of such Holder (or beneficial owner)) (and not, for the avoidance of doubt, with respect to the Voting Cap for any other Holder (or beneficial owner) or the Affiliates of any other Holder (or beneficial owner)) upon written notice to the Trustee.

In connection with any action under the Unsecured Indenture, the Unsecured Notes or the Guarantees that requires a determination of whether the Required Holders or any of the Holders, as applicable, have consented to such action or otherwise acted on any matter or directed the Trustee to undertake any action (or refrain from

taking any action), the Issuer shall identify the amount of Unsecured Notes held or beneficially owned by an Affiliated Holder or a Debt Fund Affiliate, the amount of the Voting Cap and whether the Voting Cap is triggered with respect to such consent, action or direction in an Officer's Certificate delivered to the Trustee, upon which the Trustee shall be entitled to conclusively rely without investigation.

The Unsecured Indenture will provide that, without the consent of each affected Holder of an Unsecured Note (including, for purposes of this paragraph, Unsecured Notes held or beneficially owned by the Issuer or its Affiliates), an amendment or waiver may not, with respect to any Unsecured Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Unsecured 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 Unsecured Note or alter or waive the provisions with respect to the redemption of such Unsecured Notes (other than provisions relating to (a) notice periods (to the extent consistent with applicable requirements of clearing and settlement systems) for redemption and conditions to redemption and (b) the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest on any such Unsecured Note (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on such Unsecured Notes, except a rescission of acceleration of such Unsecured Notes by the Required Holders, and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in the Unsecured Indenture, the Unsecured Notes or any Guarantee which cannot be amended or modified without the consent of each affected Holder;

(5) make any such Unsecured Note payable in money other than that stated therein;

(6) make any change in the provisions of the Unsecured Indenture relating to waivers of past Defaults;

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

(8) amend the contractual right expressly set forth in the Unsecured Indenture or the Unsecured Notes of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Unsecured Notes on or after the due dates therefor;

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

(10) except as expressly permitted by the Unsecured Indenture, modify the Guarantees of any Subsidiary Guarantor that is a Significant Subsidiary, or any group of Subsidiary Guarantors that, taken together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information"), would constitute a Significant Subsidiary, in any manner materially adverse to the Holders of such Unsecured Notes.

Notwithstanding the foregoing, the Issuers, any Guarantor (with respect to a Guarantee or the Unsecured Indenture), the Trustee (and any other agents party thereto (to the extent applicable)), as the case may be, may amend or supplement the Unsecured Indenture, the Unsecured Notes or any Guarantee without the consent of any Holder:

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

(2) to provide for uncertificated Unsecured Notes in addition to or in place of certificated Unsecured Notes;

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

(4) to provide for the assumption of the Issuer's, the Co-Issuer'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 materially adversely affect the legal rights under the Unsecured Indenture of any such Holder;

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

(7) to provide for the issuance of Additional Unsecured Notes in accordance with the terms of the Unsecured Indenture;

(8) to evidence and provide for the acceptance and appointment under the Unsecured Indenture of a successor Trustee or a successor paying agent thereunder (or any other applicable agent) pursuant to the requirements thereof;

(9) to add an obligor or a Guarantor under the Unsecured Indenture;

(10) to conform the text of the Unsecured Indenture, the Unsecured Notes or any Guarantees to any provision of this "Description of Unsecured Notes";

(11) to make any amendment to the provisions of the Unsecured Indenture relating to the transfer and legending of Unsecured Notes as permitted by the Unsecured Indenture, including, without limitation to facilitate the issuance and administration of the Unsecured Notes; *provided, however*, that such amendment does not materially and adversely affect the rights of Holders to transfer Unsecured Notes;

(12) to release any Guarantor from its Guarantee pursuant to the Unsecured Indenture when permitted or required by the Unsecured Indenture;

(13) to release and discharge any Lien securing the Unsecured Notes when permitted or required by the Unsecured Indenture (including pursuant to the second paragraph under "Certain Covenants—Liens");

(14) to comply with the rules of any applicable securities depositary; and

(15) to secure the Unsecured Notes and/or the related Guarantees or add collateral thereto or enter into any intercreditor agreement in connection therewith.

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

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under, "—Repurchase at the option of Holders" or "—Certain Covenants," or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any legal rights of any Holders of the Unsecured Notes to receive payment of principal of or premium, if any, or interest on the Unsecured Notes or to institute suit for the enforcement of any payment on or with respect to such Holder's Unsecured Notes.

Notices

Notices given by publication (including posting of information as contemplated by the covenant described under "Certain Covenants—Reports and Other Information") will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting. Notices sent by overnight delivery service will be deemed given when delivered and notices given electronically will be deemed given when sent. Notice otherwise given in accordance with the procedures of DTC will be deemed given on the date sent to DTC.

Concerning the Trustee

The Unsecured Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Issuers or a Guarantor, 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 Unsecured Indenture will provide that the Required Holders 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 Unsecured Indenture will provide that in case an Event of Default shall occur (which shall not be cured) of which the Trustee has received written notice or a responsible officer of the Trustee has actual knowledge, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The Trustee will not be under any obligation to exercise any of its rights or powers under the Unsecured Indenture at the request of any Holder of the Unsecured Notes, unless such Holder shall have offered, and if requested, provided, to the Trustee security and indemnity satisfactory to the Trustee against any loss, liability or expense.

Governing Law

The Unsecured Indenture, the Unsecured Notes and any Guarantee will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

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

"***ABL Priority Collateral***" means all Collateral identified as "ABL Collateral", "ABL Priority Collateral" or a similar defined term in a Senior ABL Credit Agreement or an ABL/Fixed Asset Intercreditor Agreement, including, but not limited to, the following:

(1) accounts (other than to the extent constituting identifiable proceeds of Fixed Asset Priority Collateral), chattel paper and payment intangibles;

(2) deposit accounts (and all balances, cash, checks and other negotiable instruments, funds and other evidences of payment held therein), securities accounts (and all balances, cash, checks, securities, securities entitlements, financial asset and instruments (whether negotiable or otherwise), funds and other evidences of payment held therein), and commodities accounts (and all balances, cash, checks, securities, securities entitlements, financial asset and instruments (whether negotiable or otherwise), other than a deposit account, securities account or commodities account containing exclusively identifiable proceeds of Fixed Asset Priority Collateral;

(3) all inventory;

(4) to the extent evidencing, governing, securing or otherwise reasonably related to any of the foregoing, all documents, general intangibles, instruments, investment property (other than Capital Stock), commercial tort claims, letters of credit, letter of credit rights and supporting obligations; provided, however, that, to the extent any of the foregoing also evidence, govern, secure or otherwise reasonably relate to any Fixed Asset Priority Collateral, only that portion that evidences, governs, secures or primarily relates to ABL Priority Collateral shall constitute ABL Priority Collateral;

(5) all books, records and documents related to the foregoing (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing); and

(6) all proceeds and products of any or all of the foregoing in whatever form received, including proceeds of business interruption and other insurance and claims against third parties.

"***ABL/Fixed Asset Intercreditor Agreement***" means an intercreditor agreement among (i) the collateral agent for the lenders and other secured parties under any Senior ABL Credit Agreement and (ii) the collateral agents for the lenders and/or other secured parties under any Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral on a *pari passu* basis with the Senior Secured Credit Facilities and the Secured Notes.

"Acquired Indebtedness" means, with respect to any specified Person,

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

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

"Acquisition" means the transactions directly or indirectly related to or contemplated pursuant to the Acquisition Agreement.

"Acquisition Agreement" means the purchase and sale agreement, dated as of June 5, 2021, by and among Mozart Buyer LP, Mozart RE Debt Merger Sub Inc., Mozart Holdco, Inc. and Medline Industries, Inc. and the other parties thereto, as amended, modified and supplemented from time to time.

"***Acquisition Consideration***" shall mean, in connection with any acquisition, the aggregate amount (as valued at the fair market value of such acquisition at the time such acquisition is made) of, without duplication: (a) the purchase consideration paid or payable for such acquisition, whether payable at or prior to the consummation of such acquisition or deferred for payment at any future time, whether or not any such future payment is sub-ject to the occurrence of any contingency, and including any and all payments representing the purchase price and any assumptions of Indebtedness and/or guarantee obligations, "earn-outs" and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent up-on the revenues, income, cash flow or profits (or the like) of any Person or business and (b) the aggregate amount of Indebtedness assumed in connection with such acquisition; provided in each case, that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP (as determined at the time of the consummation of such acquisition) to be established in respect thereof by the Company or its Restricted Subsidiaries.

"Acquisition Date" means the date of consummation of the Acquisition.

"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. No Person shall be an "Affiliate" of the Issuer or any Subsidiary solely because it is an unrelated portfolio operating company of an Investor. 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.

"***Affiliated Holder***" means, at any time, any Holder that is a direct or indirect holding company of Holdings or the Issuer or an Investor (including portfolio companies of the Investors notwithstanding the exclusion in the definition of "Investors") (other than Holdings, the Issuer or any of its Subsidiaries and other than any Debt Fund Affiliate) or a Non-Debt Fund Affiliate of an Investor at such time.

"Alternative RE Borrower" means, prior to the consummation of the Transactions, Mozart RE Debt Merger Sub Inc., and, upon the consummation of the Transactions, Mozart Real Estate Holdings, LP, and in each case not including any of their respective subsidiaries.

"Alternative RE Term Loan Facility" means an up to $2,200 million senior secured U.S. dollar denominated term loan facility that may be drawn on or prior to the Acquisition Date in lieu of all or a portion of borrowings under CMBS Loans.

"***Applicable Asset Sale Percentage***" means, (1) 100.0% if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be greater than 4.25 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the applicable Asset Sale, (2) 50.0% if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be less than or equal to 4.25 to 1.00 and greater than 3.75 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the applicable Asset Sale and (3) 0.0%, if the Consolidated Pari Passu Debt Ratio of the Issuer and its Restricted Subsidiaries shall be less than or equal to 3.75 to 1.00 for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the applicable Asset Sale and in each case calculated after giving pro forma effect to such Asset Sale and any related prepayment.

"Applicable Premium" means, with respect to any Unsecured Note on any Redemption Date, the greater of: (1) 1.0% of the principal amount of such Unsecured Note, and (2) the excess, if any, of (a) the present value at such Redemption Date of (i) the redemption price of such Unsecured Note at , 2024 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption"), plus (ii) all required remaining scheduled interest payments due on such Unsecured Note through , 2024 (excluding accrued but unpaid interest to, but excluding, the Redemption Date), computed using a discount rate equal to the Applicable Treasury Rate, as of such Redemption Date plus 50 basis points, over (b) the then outstanding principal amount of such Note. The Issuer shall calculate, or cause the calculation of, the Applicable Premium, and the Trustee shall have no duty to calculate, or verify the Issuer's calculations of, the Applicable Premium.

"Applicable Treasury Rate" means, at the time of computation, the weekly average (for the most recently completed week for which such information is available as of the date that is two Business Days prior to the Redemption Date) of the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in Federal Reserve Statistical Release H.15 with respect to each applicable day during such week 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 not equal to the constant maturity of a United States Treasury security for which a yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except 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 shall be used; provided that if such rate is less than zero, the Applicable Treasury Rate shall be zero.

"***Approved Commercial Bank***" means a commercial bank with a consolidated combined capital and surplus of at least $5,000,000,000.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions (including by way of a Sale and Lease-Back Transaction), of Collateral (each referred to in this definition as a ***"disposition"***); or

(2) the issuance or sale of Equity Interests of the Co-Issuer or any Subsidiary Guarantor (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with, or in a manner not prohibited by, the covenant described under "—Certain Covenants—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) (i) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, non-core, surplus, damaged, unnecessary, uneconomic, no longer commercially desirable, used, unsuitable or worn out equipment, inventory or other property or any disposition of inventory, goods or other assets held for sale or no longer used or useful, or economically practical to maintain in the conduct of the business of the Issuer or any of its Restricted Subsidiaries and (ii) write-off or write-down of any unrecoupable loans or advances;

(b) (i) the disposition of all or substantially all of the assets of the Issuer or any Restricted Subsidiary in a manner permitted pursuant to or not prohibited by the provisions described above under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets" or (ii) any disposition that constitutes, or, in the case of a Permitted Change of Control, is made in connection with, a Change of Control or a Permitted Change of Control pursuant to the Unsecured Indenture;

(c) (i) any Permitted Investment and the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments," or (ii) any disposition the proceeds of which are used to fund a Permitted Investment or the making of a Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments";

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with a fair market value not to exceed the greater of (i) $400.0 million and (ii) 15.0% of LTM EBITDA;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary, including pursuant to any Intercompany License Agreement;

(f) any swap or exchange of like property for use in a Similar Business;

(g) (i) the lease, assignment, sub-lease, license, sub-license or cross-license of any real or personal property in the ordinary course of business or consistent with industry practices or (ii) any dispositions and/or terminations of leases, sub-leases, licenses or sub-licenses (including the provision of software under an open source license), which (A) do not materially interfere with the business of the Issuer and its Subsidiaries (taken as a whole) or (B) relate to closed facilities or the discontinuation of any product or service line;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (or a Restricted Subsidiary which owns an Unrestricted Subsidiary so long as such Restricted Subsidiary owns no assets other than the Equity Interests of such Unrestricted Subsidiary);

(i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by the Unsecured Indenture, and transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(j) dispositions of (i) accounts receivable, or participations therein, or Securitization Assets (including any discount and/or forgiveness thereof and sales to factors or similar third parties) or in connection with the collection or compromise thereof and (ii) receivables, or participations therein, or Securitization Assets and related assets (or the Equity Interests in a Subsidiary, all or substantially all of the assets of which are receivables, or participations therein, or Securitization Assets and related assets) pursuant to or in connection with any Qualified Securitization Facility;

(k) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Completion Date, including Sale and Lease-Back Transactions and asset securitizations permitted by the Unsecured Indenture;

(l) the sale, discount or other disposition of inventory, accounts receivable, notes receivable, equipment or other assets in the ordinary course of business or consistent with past practice or the conversion of accounts receivable to notes receivable;

(m) the licensing, sub-licensing or cross-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practices;

(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 or consistent with industry practices;

(o) the unwinding or termination of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures or non-Wholly Owned Subsidiary to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse, cancellation or abandonment of intellectual property rights, which in the reasonable good faith determination of the Issuer are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole or are no longer used or useful or economically practicable or commercially reasonable to maintain;

(r) the granting of a Lien that is permitted under the covenant described above under "—Certain Covenants—Liens";

(s) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(t) dispositions in connection with or that constitute Permitted Intercompany Activities and related transactions;

(u) transfers of property subject to Casualty Events upon receipt of the Net Proceeds of such Casualty Event; *provided* that any net Cash Equivalents received by the Issuers or any Subsidiary Guarantor in respect of such Casualty Event shall be deemed to be Net Proceeds of an Asset Sale, and such Net Proceeds shall be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales";

(v) any disposition to a Captive Insurance Subsidiary;

(w) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (10)(b) under the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(x) the disposition of any assets (including Equity Interests) (i) acquired in a transaction after the Completion Date, which assets are not used or useful in the core or principal business of the Issuer and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust or other regulatory authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition;

(y) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person;

(z) any sale, transfer or other disposition to effect the formation of any Subsidiary that has been formed upon the consummation of a Division; *provided* that any disposition or other allocation of assets (including any Equity Interests of such Subsidiary) in connection therewith is otherwise not prohibited by the Unsecured Indenture;

(aa) dispositions of real estate assets and related assets (i) in the ordinary course of business or consistent with past practice in connection with relocation activities for employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, any direct or indirect parent company or Subsidiary, (ii) in connection with any CMBS Loan or the Alternative RE Term Loan Facility, including any CMBS Reorganization Transactions or in connection with the repayment in whole or in part of any CMBS Loan or the Alternative RE Term Loan Facility or (iii) in connection with any Foreign RE Loan, including any Foreign RE Loan Reorganization Transactions or in connection with the repayment in whole or in part of any Foreign RE Loans;

(bb) any dispositions of assets in connection with the closing or sale of an office in the ordinary course of business of the Issuer and its Subsidiaries, which consist of leasehold interests in the premises of such office, the equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such office;

(cc) the sale of motor vehicles and information technology equipment purchased at the end of an operating lease and resold thereafter;

(dd) dispositions pursuant to any Sale and Lease-Back Transaction or lease-leaseback transaction;

(ee) any dispositions in connection with the Transactions;

(ff) dispositions of ABL Priority Collateral;

(gg) Dispositions of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien;

(hh) nominal issuances of Equity Interests of Foreign Subsidiaries in an aggregate amount not to exceed 2.00% of all issued and outstanding Equity Interests of such Foreign Subsidiary on a fully diluted basis;

(ii) sales or dispositions of Equity Interests of any Foreign Subsidiary in order to qualify members of the governing body of such Subsidiary if required by applicable law;

(jj) samples, including time-limited evaluation software, provided to customers or prospective customers;

(kk) de minimis amounts of equipment provided to employees;

(ll) [Reserved];

(mm) to the extent allowable under Section 1031 of the Code or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(nn) Dispositions of any asset between or among the Issuer and/or Restricted Subsidiaries as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (mm) above;

(oo) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value per fiscal year not to exceed the greater of (i) $400.0 million and (ii) 15.0% of LTM EBITDA; provided that 100% of the unused amount of dispositions, issuances or sales permitted pursuant to this clause (oo) may be carried forward to succeeding fiscal years and utilized to make dispositions, issuances or sales pursuant to this clause (oo);

(pp) any other disposition of property or assets or any issuance or sale of Equity Interests of any Restricted Subsidiary so long as, after giving pro forma effect to such transaction, the Consolidated Total Debt Ratio shall be no greater than 5.95 to 1.00 or the Consolidated Total Debt Ratio is equal to or less than immediately prior to such disposition.

In the event that a transaction (or a portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

In the event that a transaction (or a portion thereof) meets the criteria of more than one of the categories of permitted Asset Sale described in clauses (a) through (pp) above or the Net Proceeds of which are being applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales," the Issuer, in its sole discretion, may divide or classify, and may from time to time redivide and reclassify, such permitted Asset Sale (or any portion thereof) and will only be required to include the amount and type of such permitted Asset Sale in one or more of the above clauses or to apply the Net Proceeds of which in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"Available RP Capacity Amount" means 200% of (i) the amount of Restricted Payments that may be made at the time of determination pursuant to clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10) and (11) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" *minus* (ii) the sum of the amount of the Available RP Capacity Amount utilized by the Issuer or any Restricted Subsidiary to (A) make Restricted Payments in reliance on clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10) and (11)(i) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments", (B) incur Indebtedness pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and (C) make Permitted Investments in reliance on clause (36) of the definition thereof *plus* (iii) the aggregate principal amount of Indebtedness prepaid prior to or substantially concurrently at such time, solely to the extent such Indebtedness was incurred pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (it being understood that the amount under this clause (iii) shall only be available for use pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock").

"Bank Products" means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, automatic clearinghouse transfer transactions, controlled disbursements, foreign exchange facilities, stored value cards, merchant services, electronic funds transfer and other cash management or similar arrangements.

"Blackstone Funds" means, individually or collectively, Blackstone Inc. and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by Blackstone Inc. or one or more of its Affiliates, or any successor of any of the foregoing.

"Board" with respect to a Person means the board of directors, board of managers, sole member or managing member or other governing body of such Person, or if such Person is owned or managed by a single entity or has a general partner, the board of directors, board of managers, sole member or managing member or other governing body of such entity or general partner, or in each case, any duly authorized committee thereof, and the term ***"director"*** means a member of the applicable Board.

"***Borrowing Base***" at any given time means an amount equal to:

(a) 90% of the face amount of all accounts receivable owned by the Issuer and its Restricted Subsidiaries; *plus*

(b) 90% of the book value of all inventory owned by the Issuer and its Restricted Subsidiaries; *plus*

(c) 100% of all cash held in a deposit account pledged or to be pledged for the benefit of the lenders under a Senior ABL Credit Agreement;

in each case, of the Issuer and its Restricted Subsidiaries in accordance with GAAP, as of the most recently ended fiscal month internally available to the Issuer immediately preceding the date of determination and measured as of the date of incurrence or establishment of commitments (at the Issuer's election).

The Borrowing Base shall be calculated on a pro forma basis to include any accounts receivable and inventory owned by an entity that is to be merged with or into or acquired by the Issuer or a Restricted Subsidiary or is to become a Restricted Subsidiary on the date of determination or any cash of such entity that will become subject to clause (c) above.

"Business Day" means each day which is not a Legal Holiday.

"Business Expansion" means (a) each facility which is either a new facility, branch, store or office or an expansion, relocation, remodeling or substantial modernization of an existing facility, branch, store or office owned by the Issuer or a Restricted Subsidiary and (b) each creation or expansion into new markets (in one or a series of related transactions) of a business unit to the extent such business unit commences operations or each expansion (in one or a series of related transactions) of business into a new market.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of 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 Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"Captive Insurance Subsidiary" means (i) any Subsidiary of the Issuer operating for the purpose of (a) insuring the businesses, operations or properties owned or operated by the Issuer or any of its Subsidiaries, including their future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, and related benefits and/or (b) conducting any activities or business incidental thereto (it being understood and agreed that activities which are relevant or appropriate to qualify as an insurance company for U.S. federal or state tax purposes or other national, regional or local tax purposes shall be considered "activities or business incidental thereto") or (ii) any Subsidiary of any such insurance subsidiary operating for the same purpose described in clause (i) above.

"Carlyle Funds" means, individually or collectively, The Carlyle Group Inc. and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by The Carlyle Group Inc. or one or more of its Affiliates, or any successor of any of the foregoing.

"Cash Equivalents" means:

(1) United States dollars;

(2) (a) Canadian dollars, pounds sterling, yen, euros or any national currency of any participating member state of the EMU; or

(b) in such other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business or consistent with past practice or industry norm;

(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 such 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, demand deposits, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $100 million (or the foreign currency equivalent as of the date of determination);

(5) repurchase obligations for underlying securities of the types described in clauses (3), (4), (7) and (8) entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at least P-2 by Moody's, at least A-2 by S&P or at least F-2 by Fitch (or, if at any time none of Moody's, S&P or Fitch 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 funds having a rating of at least P-2, A-2 or F-2 from Moody's, S&P or Fitch, respectively (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency);

(8) readily marketable direct obligations issued by, or unconditionally guaranteed by, any state, commonwealth or territory of the United States or any political subdivision, public instrumentality or taxing authority thereof with maturities of 24 months or less from the date of acquisition;

(9) readily marketable direct obligations issued by, or unconditionally guaranteed by, any foreign government or any political subdivision, public instrumentality or taxing authority thereof, in each case (other than in the case of such obligations issued or guaranteed by any participating member state of the EMU) having an Investment Grade Rating from Moody's, S&P or Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(10) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated A (or the equivalent thereof) or better by S&P, A2 (or the equivalent thereof) or better by Moody's or F-2 by Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another Rating Agency);

(11) securities with maturities of 24 months or less from the date of acquisition backed by standby letters of credit issued by any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(12) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P, "A2" or higher from Moody's or "F-2" or higher from Fitch with maturities of 24 months or less from the date of acquisition; and

(13) investment funds investing at least 90% of their assets in currencies, instruments or securities of the types described in clauses (1) through (12) above.

In the case of Investments by any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (1) through (8) and clauses (10), (11), (12) and (13) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (b) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (13) and in this paragraph.

In addition, in the case of Investments by any Captive Insurance Subsidiary, Cash Equivalents shall also include (a) such Investments with average maturities of twelve months or less from the date of acquisition in issuers rated BBB- (or the equivalent thereof) or better by S&P or Baa3 (or the equivalent thereof) or better by Moody's, in each case at the time of such Investment and (b) any Investment with a maturity of more than twelve months that would otherwise constitute Cash Equivalents of the kind described in any of clauses (1) through (13) of this definition or clause (a) above, if the maturity of such Investment was twelve months or less; provided that the effective maturity of such Investment does not exceed 15 years.

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.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Unsecured Indenture regardless of the treatment of such items under GAAP.

"Casualty Event" means any event that gives rise to the receipt by the Issuers or any Subsidiary Guarantor of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change of Control" means the occurrence of any of the following after the Completion Date (and excluding, for the avoidance of doubt, the Transactions):

(1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions (other than by merger, consolidation or amalgamation), of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than any Permitted Holder, the Issuer, the Co-Issuer or any Guarantor; provided that such sale, lease, transfer, conveyance or other disposition shall not constitute a Change of Control unless any Person (other than any Permitted Holder or a Holding Company) or Persons (other than any Permitted Holders or a Holding Company) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act as in effect on the Completion Date), directly or indirectly, of more than 50.0%, on a

fully diluted basis, of the total voting power of the Voting Stock of the transferee Person in such sale, lease, transfer, conveyance or other disposition of assets, as the case may be; or

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other than any Permitted Holders) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date), 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 as in effect on the Completion Date) of more than 50.0%, on a fully diluted basis, of the total voting power of the Voting Stock of the Issuer directly or indirectly through any of its direct or indirect parent holding companies, unless the Permitted Holders otherwise have the right (pursuant to contract, proxy or otherwise), directly or indirectly, to designate, nominate or appoint directors (or similar position) having a majority of the aggregate votes on the Board of the Issuer,

in each case, other than in connection with any transaction or series of transactions in which the Issuer shall become a Subsidiary of a Holding Company (including Qualified IPO Reorganization Transactions).

Notwithstanding the preceding or any provision of Rule 13d-3 or 13d-5 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock subject to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of Voting Stock or other securities of such other Person's parent entity (or related contractual rights) unless it owns 50.0% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent entity having a majority of the aggregate votes on the Board of such parent entity and (iv) the right to acquire Voting Stock (as long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

"Change of Control Triggering Event" means a Change of Control, unless the Consolidated Total Debt Ratio after giving pro forma effect to such Change of Control is either not greater than (i) 6.45 to 1.00 or (ii) the Consolidated Total Debt Ratio immediately prior to such Change of Control; *provided* that, notwithstanding anything herein to the contrary, when calculating the Consolidated Total Debt Ratio for purposes of this definition, the Issuer shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios in connection with a Limited Condition Transaction.

"CMBS Assets" means, collectively, all real property and related assets owned by the Issuer and its Subsidiaries located in the United States.

"CMBS Borrower Subsidiary" means any Subsidiary of the Issuer (i) party to a CMBS Loan, indenture or other financing secured or supported by interests in CMBS Assets and other real property, (ii) any Subsidiary of a Person described in the foregoing clause (i) or (iii) otherwise designated by the Issuer as a "CMBS Borrower Subsidiary" from time to time.

"CMBS Loans" means, collectively, one or more mortgage, mezzanine or other loans or other indebtedness secured or supported by interests in one or more CMBS Assets.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"***Collateral***" means the assets and property of the Issuers or any Guarantor securing or purported to secure (i) the Senior Secured Credit Facilities or (ii) the Secured Notes.

"Completion Date" means the Issue Date or, if the Escrow Conditions have not been satisfied on or prior to the Issue Date, the Escrow Release Date.

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees, including, without limitation, the amortization of capitalized fees or costs related to any Qualified Securitization Facility of such Person and the amortization of media development costs, intangible assets, content databases, internal labor costs, deferred financing fees or costs, debt issuance costs, commissions, fees and expenses and Capitalized Software Expenditures 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 cash interest expense of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness to the extent included in the calculation of Consolidated Total Indebtedness, 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) [reserved], (d) the interest component of Financing 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 (o) annual agency or similar fees paid to the administrative agents, collateral agents and other agents under any Credit Facilities, (p) any additional interest with respect to failure to comply with any registration rights agreement owing with respect to any securities, (q) costs associated with obtaining Hedging Obligations, (r) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase or acquisition accounting in connection with the Transactions, any acquisition or other transaction, (s) penalties and interest relating to taxes, (t) any "additional interest" or "liquidated damages" with respect to other securities for failure to timely comply with registration rights obligations, (u) amortization or expensing of deferred financing fees, amendment and consent fees, debt issuance costs, commissions, fees, expenses and discounted liabilities and any other amounts of non-cash interest, (v) any expensing of bridge, commitment and other financing fees and any other fees related to the Transactions, any acquisitions after the Completion Date or other transaction, (w) Securitization Fees, commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Qualified Securitization Facility, (x) any accretion of accrued interest on discounted liabilities and any prepayment, make-whole or breakage premium, penalty or cost, (y) interest expense attributable to a parent entity resulting from push-down accounting and (z) any lease, rental or other expense in connection with a Non-Financing Lease Obligation); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding and any pay in kind interest); less

(3) interest income of such Person and its Restricted Subsidiaries for such period.

For purposes of this definition, interest on a Financing 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 Financing Lease

Obligation in accordance with GAAP (or, if not implicit, as otherwise determined in accordance with GAAP). Notwithstanding the foregoing, no interest payable in connection with any CMBS Loan or Foreign RE Loan shall be included in calculating Consolidated Interest Expense pursuant hereto.

"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* that, without duplication:

(1) any extraordinary, exceptional, one-time, infrequent, non-operating, unusual or nonrecurring gains, losses or expenses (including all fees and expenses relating thereto) (including any extraordinary, exceptional, one-time, infrequent, non-operating, unusual or nonrecurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, exceptional unusual or nonrecurring items, charges or expenses (including relating to any multi-year strategic initiatives)), costs associated with preparations for, and implementation of, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and other Public Company Costs, Transaction Expenses, Permitted Change of Control Costs, restructuring and duplicative running costs, restructuring charges or reserves (including any restructuring charge relating to any Tax Restructuring), earn-out payments or other consideration paid or payable in connection with an acquisition to the extent recorded as cash compensation expense, relocation costs, start-up or initial costs for any project or new production line, division or new line of business, facility consolidation and closing costs, severance costs and expenses, one-time charges (including compensation charges), payments made pursuant to the terms of change in control agreements that the Issuer or a Subsidiary or a parent entity of the Issuer had entered into with any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer, a Subsidiary or a parent entity of the Issuer, pre-opening, opening, consolidation, discontinuation, re-configuration, integration, ramp-up costs, moving and closing costs and expenses for locations, facilities and stores, losses, costs or cost inefficiencies related to facility or property disruptions or shutdowns, signing, retention and completion bonuses, recruiting costs, costs incurred in connection with any strategic initiatives, transition costs, litigation and arbitration costs, charges, fees and expenses (including settlements), expenses in connection with one-time rate changes, costs incurred in connection with acquisitions, investments and dispositions, travel and out-of-pocket costs, professional fees for legal, accounting and other services, human resources costs (including relocation bonuses), litigation and arbitration costs, charges, fees and expenses (including settlements), management transition costs, advertising costs, losses associated with temporary decreases in business volume and expenses related to maintaining underutilized personnel, non-recurring product and intellectual property development, other business optimization expenses or reserves (including costs and expenses relating to business optimization programs and new systems design and costs or reserves associated with improvements to IT and accounting functions, retention charges (including charges or expenses in respect of incentive plans), system establishment costs and implementation costs) and costs, charges or expenses attributable to the implementation of cost-savings initiatives or operating expense reductions, product margin synergies and other synergies and similar initiatives and other expenses relating to the realization of synergies, and curtailments or modifications to pension and post-retirement employee benefit plans shall be excluded;

(2) at the election of the Issuer with respect to any quarterly period, the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies (including, but not limited to, the impact of Accounting Standards Update 2016-12 Revenue from Contracts with Customers (Topic 606) or similar revenue recognition policies promulgated or that become effective after the Completion Date) during any such period shall be excluded;

(3) any net after-tax effect of gains or losses on (i) disposal, abandonment or discontinuance of disposed, abandoned or discontinued operations, as applicable, and any accretion or accrual of discontinued liabilities on the disposal of such disposed, abandoned and discontinued operation and (ii) facilities or distribution centers that have been closed during such period, shall be excluded;

(4) any net after-tax effect of gains or losses (less all fees, expenses and charges relating thereto) attributable to (i) asset dispositions (including dispositions of books of business, client lists or related goodwill in connection with the departure of related employees or producers) or abandonments or the sale or other disposition of any Capital Stock of any Person or (ii) returned surplus assets of any pension plan, in each case other than in the ordinary course of business shall be excluded;

(5) 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,* that Consolidated Net Income of such Person shall be increased by the amount of dividends or distributions or other payments (other than Excluded Contributions pursuant to clause (2) thereof) that are actually paid in Cash Equivalents (including all cash paid from the CMBS Borrower Subsidiaries or Foreign RE Borrower Subsidiaries to the Issuer or any of its Subsidiaries or to the extent converted, or having the ability to be converted, into Cash Equivalents), or that could, in the reasonable determination of the Issuer, have been distributed, to such Person or a Restricted Subsidiary thereof in respect of such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(a) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than the Co-Issuer or any 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 (other than restrictions in the Unsecured Notes or the Unsecured Indenture), unless such restriction with respect to the payment of dividends or similar distributions has been legally waived or released (or such Person reasonably believes such restriction could be waived or released and is using commercially reasonable efforts to pursue such waiver or release) or such restriction is not prohibited pursuant to "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; *provided* that Consolidated Net Income of such Person will be increased by the amount of dividends or other distributions or other payments actually paid in Cash Equivalents (or to the extent converted, or having the ability to be converted, into Cash Equivalents) to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's consolidated financial statements pursuant to GAAP (including in the inventory (including any impact of changes to inventory valuation policy methods, including changes in capitalization of variances), property and equipment, software, loans and leases, goodwill, intangible assets, in-process research and development, deferred revenue and debt line items thereof) resulting from the application of recapitalization accounting or purchase or acquisition accounting, as the case may be, in relation to the Transactions or any consummated acquisition, joint venture investment or other transaction or the amortization or write-off or write-down of any amounts thereof, net of taxes, shall be excluded;

(8) any after-tax effect of income (loss) from the extinguishment or conversion of (i) Indebtedness, (ii) Hedging Obligations or (iii) other derivative instruments shall be excluded;

(9) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to goodwill, intangible assets, long-lived assets, investments in debt and equity securities and investments recorded using the equity method or as a result of a change in law or regulation, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(10) any equity-based or non-cash compensation or similar charge or expense or reduction of revenue including any such charge, expense or amount arising from grants of stock appreciation or similar

rights, stock options, restricted stock, profits interests or other rights or equity- or equity-based incentive programs ***("equity incentives"),*** any other management or employee benefit plan or agreement, pension plan or other long-term or post-employment plan, any one-time cash charges associated with the equity incentives or other long-term incentive compensation plans (including under deferred compensation arrangements of the Issuer or any of its direct or indirect parent entities or subsidiaries), roll-over, acceleration, or payout of Equity Interests by future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or business partners of the Issuer or any of its direct or indirect parent entities or subsidiaries, and any cash awards granted to future, present or former employees, directors, officers, managers, members, partners, independent contractors, consultants or business partners of the Issuer and its Subsidiaries or any of its direct or indirect parent entities in replacement for forfeited awards, shall be excluded;

(11) any fees, costs, expenses, premiums or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, recapitalization, Investment, Asset Sale, disposition, option buyout, incurrence or repayment of Indebtedness (including such fees, expenses, premiums or charges related to (A) the offering and issuance of the Unsecured Notes, the Secured Notes and other securities and the syndication and incurrence of any Credit Facilities (including any Senior ABL Credit Agreement) and (B) the rating of the Unsecured Notes, the Secured Notes, other securities or any Credit Facilities (including any Senior ABL Credit Agreement) by the Rating Agencies), issuance of Equity Interests of the Issuer or its direct or indirect parent entities, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Unsecured Notes, the Secured Notes and other securities and any Credit Facilities (including any Senior ABL Credit Agreement)) or other transaction and including, in each case, any such transaction consummated on or prior to the Completion Date and any such transaction undertaken but not completed, any Public Company Costs and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful or consummated (including, for the avoidance of doubt the effects of expensing all transaction related expenses in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic No. 805, *Business Combinations),* shall be excluded;

(12) accruals and reserves that are established or adjusted in connection with the Transactions or after the closing of the Transactions, any acquisition or other Investment or transaction that are so required to be established or adjusted as a result of such acquisition or transaction in accordance with GAAP or changes as a result of modifications of accounting policies shall be excluded;

(13) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period), shall be excluded;

(14) any noncash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or any other applicable accounting principle relating to the expensing of equity-related compensation, shall be excluded;

(15) any net pension or post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards No. 87, 106 and 112; and any other items of a similar nature, shall be excluded;

(16) income or expense related to changes in the fair value of contingent liabilities recorded in connection with the Transactions or any acquisition or other Investment shall be excluded;

(17) all discounts, commissions, fees and other charges (including interest expense) associated with any Qualified Securitization Facility shall be excluded;

(18) the effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates) shall be excluded;

(19) any accruals or obligations accrued related to workers' compensation programs to the extent that expenses deducted in the calculation of net income exceed the net amounts paid in cash related to workers' compensation programs in that period;

(20) the amount of any cash tax benefits related to the tax amortization of intangible assets in such period shall be included;

(21) the following items shall be excluded:

(a) any realized or unrealized net gain or loss (after any offset) resulting in such period from Hedging Obligations and the application of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging* or any other comparable applicable accounting standard,

(b) any realized or unrealized net gain or loss (after any offset) resulting in such period from currency translation or transaction gains or losses including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Hedging Obligations for currency exchange risk and those resulting from intercompany Indebtedness) and any other foreign currency translation or transactions gains and losses to the extent such gains or losses are non-cash items,

(c) any adjustments resulting for the application of Accounting Standards Codification Topic No. 460, *Guarantees*, or any comparable applicable accounting standard,

(d) at the election of the Issuer with respect to any quarterly period, effects of adjustments to accruals and reserves during a prior period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks,

(e) earn-out, non-compete and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments;

(f) the impact of capitalized, accrued or accredited or pay in kind interest or principal on Subordinated Shareholder Funding; and

(22) if such Person is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes for such period or any portion thereof, the amount of distributions actually made to any direct or indirect parent company of such Person in respect of such period in accordance with clause (20) of the second paragraph under the caption "—Certain Covenants—Limitation on Restricted Payments" shall be included in calculating Consolidated Net Income as though such amounts had been paid as taxes directly by such Person for such period.

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 received or due from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Unsecured Indenture.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only (other than clause (2)(d) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted

Investments made by the Issuer and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Issuer and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (2)(d) thereof.

"Consolidated Pari Passu Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral on a *pari passu* basis with the Senior Secured Credit Facilities, the Secured Notes or Senior ABL Revolving Credit Obligations, as applicable, as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral on a *pari passu* basis with the Senior Secured Credit Facilities, the Secured Notes or Senior ABL Revolving Credit Obligations, as applicable, as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Secured Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the creation or incurrence of any Lien pursuant to the definition of "Permitted Liens," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries that is secured by Liens on the Collateral as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Total Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries as of such date of determination *minus* Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer to (2) LTM EBITDA.

"Consolidated Total Indebtedness" means, as of any date of determination, an amount equal to the aggregate amount of all outstanding Senior Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis consisting of Senior Indebtedness for borrowed money, Obligations in respect of Financing

Lease Obligations and debt obligations evidenced by bonds, notes, debentures, promissory notes and similar instruments, as determined in accordance with GAAP (including discounts for any original issue discount in connection with such Indebtedness but excluding for the avoidance of doubt all undrawn amounts under revolving credit facilities and letters of credit, and all obligations relating to Qualified Securitization Facilities and Non-Financing Lease Obligations and excluding the effects of any discounting of Indebtedness resulting from the application of repurchase or purchase or acquisition accounting in connection with the Transactions, any acquisition or other transaction); *provided,* that Consolidated Total Indebtedness shall not include Indebtedness in respect of (A) any letter of credit, except to the extent of unreimbursed amounts under standby letters of credit, *provided* that any unreimbursed amounts under commercial letters of credit shall not be counted as Consolidated Total Indebtedness until five Business Days after such amount is drawn, (B) Hedging Obligations, and (C) the Alternative RE Term Loan Facility, any CMBS Loan or any Foreign RE Loan. The U.S. Dollar Equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. Dollar Equivalent principal amount of such Indebtedness.

"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) for the purchase or payment of any such primary obligation; or

  (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Controlled Investment Affiliate" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"Credit Facilities" means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Secured Credit Facilities and any Senior ABL Credit Agreement, or other financing arrangements (including, without limitation, commercial paper facilities, agreements 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, in whole or in part, and any indentures, agreements, credit facilities or commercial paper facilities that replace, refund, supplement, extend, amend, restate or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, supplemental, extending, amended, restating or refinancing facility, arrangement, agreement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof *(provided* that such increase in borrowings or issuances 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, trustee, lender or group of lenders or other holders or investors.

"***Cumulative Retained Asset Sale Proceeds***" means the cumulative portion (since the Completion Date) of the net proceeds of Asset Sales or any disposition that does not constitute an "Asset Sale" not applied or not required to be applied pursuant to the second paragraph of the covenant described under "—Repurchase at the option of Holders—Asset Sales" and the Net Proceeds of any disposition not otherwise prohibited by the covenant described under "—Repurchase at the option of Holders—Asset Sales", including those Net Proceeds not required to be applied pursuant to the second paragraph of the covenant described under "—Repurchase at the option of Holders—Asset Sales" due to the Applicable Asset Sale Percentage being less than 100%.

"***Customary Bridge Loans***" means customary bridge loans with a maturity date of no longer than one year; *provided* that, subject to customary conditions, such bridge loans would either be converted into or required to be exchanged for permanent financing in the form of a loan, note, security or other Indebtedness (a) the Weighted Average Life to Maturity of which is not shorter than the Weighted Average Life to Maturity of the Unsecured Notes and (b) the final maturity date of which is not earlier than the maturity date of the Unsecured Notes, in each case, on the date of the incurrence of such bridge loans.

"***Debt Fund Affiliate***" means (i) any fund or client managed by, or under common management with GSO Capital Partners LP, Blackstone Real Estate Special Situations Advisors L.L.C. and Blackstone Tactical Opportunities Fund L.P., (ii) any fund or client managed by an adviser within the credit focused division of Blackstone Inc. or Blackstone ISG-I Advisors L.L.C., (iii) The Blackstone Strategic Opportunity Funds (including masters, feeders, on-shore, offshore and parallel funds), (iv) funds and accounts managed by Blackstone Alternative Solutions, L.L.C. or its Affiliates and (v) any other Affiliate of the Permitted Holders or the Issuer that is a bona fide debt fund or an investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured or waived prior to becoming an Event of Default.

"***Derivative Instrument***" means, with respect to a Person, any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person's investment in the Unsecured Notes (other than a Regulated Bank or Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Unsecured Notes and/or the creditworthiness of an Issuer and/or any one or more of the Guarantors (the "***Performance References***").

"Designated Non-cash Consideration" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale, redemption, conversion or repurchase of or collection or payment on such Designated Non-cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in exchange for consideration in the form of Cash Equivalents in compliance with "Repurchase at the Option of Holders—Asset Sales."

"Designated Preferred Stock" means Preferred Stock of the Issuer or any direct or indirect parent company 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 the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (2) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments."

"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 for Capital Stock of such Person or any direct or indirect parent entity thereof that would not otherwise constitute Disqualified Stock, and other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable or exchangeable at the option of the holder thereof (other than solely for Capital Stock of such Person or as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Unsecured Notes or the date the Unsecured Notes are no longer outstanding; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer or its Subsidiaries or by any such plan to such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or a direct or indirect parent entity of the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability or otherwise in accordance with any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement; *provided, further,* that any Capital Stock held by any future, current or former employee, director, officer, member, partner, manager, consultant or independent contractor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries, any of its direct or indirect parent entities or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of the Issuer or any direct or indirect parent of the Issuer (or the compensation committee thereof), in each case pursuant to any equity option or equity appreciation rights plan, any management, director and/or employee equity ownership or incentive plan, equity subscription plan or subscription agreement, employment termination agreement or any other employment agreement or equity holders' agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or any direct or indirect parent of the Issuer or in order to satisfy applicable statutory or regulatory obligations; and provided, further, however, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"***Division***" means the division of the assets, liabilities and/or obligations of a Person (the "***Dividing Person***") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Domestic Subsidiary" means, with respect to any Person, any Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

"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 with respect to clauses (f), (h), (k), (m) and the applicable pro forma adjustments in clause (o)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) (x) provision for taxes based on income, profits or capital, including, without limitation, federal, state, municipal, foreign, franchise and similar taxes and sales taxes (such as the Delaware franchise tax, the Pennsylvania capital tax, Texas margin tax and provincial capital taxes paid in Canada) and withholding taxes (including any future taxes or other levies which replace or are intended to be in lieu of such taxes and any penalties and interest related to such taxes or arising from tax examinations), (y) if such Person is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes for such period or any portion thereof, the amount

of distributions actually made to any direct or indirect parent company of such Person in respect of such period in accordance with clause (20) of the second paragraph under the caption "—Certain Covenants—Limitation on Restricted Payments" and (z) the net tax expense associated with any adjustments made pursuant to clauses (1) through (22) of the definition of "Consolidated Net Income"; plus

(b) Fixed Charges of such Person for such period (including (w) non-cash rent expense, (x) net losses or any obligations on Hedging Obligations or other derivative instruments, (y) bank fees, letter of credit fees and other financing fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from Consolidated Interest Expense as set forth in clauses (1)(o) through (z) in the definition thereof); plus

(c) Consolidated Depreciation and Amortization Expense of such Person for such period; plus

(d) the amount of any equity-based or non-cash compensation charges or expenses including any such charges or expenses arising from grants of stock appreciation or similar rights, stock options, restricted stock or other rights; plus

(e) any other non-cash charges, expenses or losses, including non-cash losses on the sale of assets and any write-offs or write-downs reducing Consolidated Net Income for such period and any non-cash expense relating to the vesting of warrants (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Issuer may elect not to add back such non-cash charge in the current period and (B) to the extent the Issuer elects to add back such non-cash charge, 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) the amount of any non-controlling interest or minority interest expense or any expense or deduction attributable to non-controlling or minority equity interests of third parties in any non-Wholly Owned Subsidiary; plus

(g) the amount of (x) Board fees, management, monitoring, consulting, transaction, advisory and other fees (including termination fees) and indemnities, costs and expenses paid or accrued in such period to the Investors or otherwise to any member of the Board of Holdings, the Issuer, any Subsidiary of the Issuer or any direct or indirect parent of the Issuer, any Permitted Holder or any Affiliate of a Permitted Holder, (y) payments made to option holders of the Issuer or any of its direct or indirect parent companies in connection with, or as a result of, any distribution being made to shareholders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, including any cash consideration for any repurchase of equity, in each case to the extent permitted in the Unsecured Indenture and (z) any fees and other compensation paid to the members of the Board of the Issuer or any of its parent entities; plus

(h) the amount of (x) pro forma adjustments, including pro forma "run rate" cost savings (including sourcing), operating expense reductions, operating improvements (including the entry into material contracts and arrangements) and cost synergies and other synergies (collectively, "***Run Rate Benefits***") related to the Transactions that are reasonably identifiable (it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or expected to be taken, net of the amount of actual benefits realized during such period from such actions) and projected by the Issuer in good faith to result from or relating to actions that have been taken or initiated, or have been committed to be taken or initiated, with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Issuer) within 36 months after the Completion Date (including from any actions taken in whole or in part prior to the Completion Date), net of the amount of

actual benefits realized during such period from such actions, and (y) pro forma Run Rate Benefits related to mergers, amalgamations and other business combinations, acquisitions, investments, dispositions, divestitures, restructurings, operating improvements and expense reductions, cost savings initiatives, new or revised contracts, discontinued operations, operational changes, Business Expansions, Tax Restructuring and other similar transactions or initiatives (including the modification and renegotiation of contracts and other arrangements) and including EBITDA pursuant to contracted pricing (at the highest contracted rate) (any such operating improvement, restructuring, cost savings initiative, contract or other transaction, action or initiative, a "***Run Rate Initiative***") that are reasonably identifiable and projected by the Issuer in good faith to result from or relating to actions that have been taken or initiated, or have been committed to be taken or initiated, with respect to which substantial steps have been taken (in each case, including from any steps or actions taken or initiated in whole or in part prior to the Completion Date or the applicable consummation date of such transaction, initiative or event) or are expected to be taken (in the good faith determination of the Issuer) within 36 months after any such Run Rate Initiative is consummated or entered into, net of the amount of actual benefits realized during such period from such actions, in each case, calculated on a pro forma basis as though such cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA had been realized on the first day of such period for which EBITDA is being determined and as if such cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA were realized on the first day of the applicable period for the entirety of such period; *provided* that no cost savings, operating improvements and expense reductions, product margin and other synergies and EBITDA shall be added pursuant to this clause (h) to the extent duplicative of any expenses or charges otherwise added to EBITDA, whether through a pro forma adjustment or otherwise, for such period; plus

(i) (A) the amount of any fee, loss, charge, expense, cost, accrual or reserve of any kind incurred or accrued in connection with sales of receivables and related assets in connection with any Qualified Securitization Facility and (B) Securitization Fees and the amount of loss on sale of receivables and related assets to the Securitization Subsidiary in connection with Securitization Facility; plus

(j) any costs or expense incurred by the Issuer or a Restricted Subsidiary or a direct or indirect parent entity of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement; plus

(k) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of EBITDA pursuant to clause (2) below for any previous period and not added back; plus

(l) any losses, charges, expenses, costs or other payments (including all fees, expenses or charges related thereto) (i) from disposed, abandoned or discontinued operations, (ii) in respect of facilities no longer used or useful in the conduct of the business of the Issuer or its Restricted Subsidiaries, abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations and (iii) attributable to business dispositions or asset dispositions (other than in the ordinary course of business) as determined in good faith by the Issuer; plus

(m) at the option of the Issuer with respect to any applicable period, an amount equal to the net change in deferred revenue at the end of such period from the deferred revenue at the end of the previous period; plus

(n) compensation expense attributable to positive investment income with respect to funded deferred compensation account balances; plus

(o) adjustments, exclusions and add-backs (but not including, for the avoidance of doubt, any deductions) (x) used in connection with or reflected in the calculation of "Further Adjusted EBITDA" as set forth in "Summary—Summary Historical and Pro Forma Consolidated Financial Information" contained in this offering memorandum to the extent such adjustments continue to be applicable during the period in which EBITDA is being calculated and other adjustments, exclusions and add-backs of a similar nature to the foregoing, in each case applied in good faith by the Issuer and (y) identified or set forth in any quality of earnings report or analysis prepared by independent registered public accountants of recognized national or international standing or any other accounting or valuation firm in connection with any acquisition, merger, consolidation, Investment or other transaction not prohibited by the Unsecured Indenture; plus

(p) the amount of any gains or losses arising from embedded derivatives in the customer contracts of the Issuer or a Restricted Subsidiary and any gain or loss attributable to mark-to-market adjustments in the valuation of pension liabilities, including actuarial gain or loss on pension and post-retirement plans, curtailments and settlements; plus

(q) charges, expenses or losses incurred in connection with any Tax Restructuring; plus

(r) charges relating to the sale of products in new locations, including start-up costs, initial testing and registration costs in new markets, the cost of feasibility studies, travel costs for employees engaged in activities relating to any or all of the foregoing and the allocation of general and administrative support in connection with any or all of the foregoing; plus

(s) costs related to the implementation of operational and reporting systems and technology initiatives and one-time Public Company Costs; plus

(t) charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and charges relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, employees', consultants', directors' or managers' compensation, fees and expense reimbursement, charges relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees and listing fees; and

(2) decreased (without duplication) by the following, in each case to the extent included in determining Consolidated Net Income for such period:

(a) non-cash gains (including non-cash gains on the sale of assets) 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 and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase EBITDA in such prior period; plus

(b) any net income from disposed, abandoned, closed or discontinued operations or attributable to business dispositions or asset dispositions (other than in the ordinary course of business) as determined in good faith by the Issuer; plus

(c) the reduction in compensation expense attributable to investment loss with respect to funded deferred compensation account balances; plus

(d) claims paid by the Issuer or any Captive Insurance Subsidiary and administrative expenses paid to any Captive Insurance Subsidiary;

(3) increased or decreased (without duplication) by, as applicable, any non-cash adjustments resulting from the application of FASB Interpretation No. 45 Guarantees, or any comparable applicable accounting standard.

"EMU" means the economic and monetary union as contemplated in the Treaty on European Union.

"Equityholding Vehicle" means any direct or indirect parent entity of the Issuer and any equityholder thereof through which future, present or former employees, directors, officers, managers, members or partners of the Issuer or any of its Subsidiaries or direct or indirect parent entities hold Capital Stock of the Issuer or such parent entity.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale or issuance of Capital Stock or Preferred Stock (excluding Disqualified Stock) of the Issuer or any of its direct or indirect parent companies other than:

(1) public offerings with respect to the Issuer's or any direct or indirect parent company's common equity registered on Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale or issuance that constitutes an Excluded Contribution.

"euro" means the single currency of participating member states of the EMU.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder (and with respect to the definitions of "Change of Control" and "Permitted Holders" only, as in effect on the Issue Date).

"Excluded Contribution" means Net Cash Proceeds, marketable securities or Qualified Proceeds received by the Issuer after the Completion Date from:

(1) contributions to its common equity capital;

(2) dividends, distributions, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries;

(3) Subordinated Shareholder Funding; and

(4) the sale (other than to a Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer or any direct or indirect parent entity to the extent contributed as common equity capital to the Issuer,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate, which are (or were) excluded from the calculation set forth in clause (2) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments."

"fair market value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"Financing Lease Obligation" means an obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP; *provided* that any obligations of the Issuer or its Restricted Subsidiaries either existing on the Completion Date or created prior to any recharacterization described below (i) that were not included on the consolidated

balance sheet of the Issuer as financing or capital lease obligations and (ii) that are subsequently recharacterized as financing or capital lease obligations or indebtedness due to a change in accounting treatment or otherwise, shall for all purposes under the Unsecured Indenture (including, without limitation, the calculation of Consolidated Net Income and EBITDA) not be treated as financing or capital lease obligations, Financing Lease Obligations or Indebtedness. Notwithstanding the foregoing, at any time on or following the Completion Date, the Issuer may elect that "GAAP" as used in this definition shall mean GAAP as in effect on January 1, 2015. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

"***Fixed Asset Priority Collateral***" means all Collateral, other than ABL Priority Collateral.

"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 such Person or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit, working capital or letter of credit facility) 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 substantially concurrently 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, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock (in each case, including a pro forma application of the net proceeds therefrom), as if the same had occurred at the beginning of the applicable four-quarter period, subject, for the avoidance of doubt, to the paragraphs contained in "—Certain Covenants—Certain Compliance Calculations"; *provided, however,* that the pro forma calculation of Fixed Charges for purposes of the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (and for the purposes of other provisions of the Unsecured Indenture that refer to such first paragraph) shall not give effect to any Indebtedness being incurred on such date (or on such other subsequent date which would otherwise require pro forma effect to be given to such incurrence) pursuant to the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (other than Secured Indebtedness incurred pursuant to subclause (2) of the proviso to clause (14) thereof).

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations (as determined in accordance with GAAP), operational changes, Business Expansions, new or revised contracts and other transactions that have been made by or involving the Issuer or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or substantially concurrently with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, Business Expansions, new or revised contracts and other transactions (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; *provided* that at the election of the Issuer, such pro forma adjustments shall not be required to be determined to the extent the aggregate consideration paid in connection with such acquisition or other transaction was less than the greater of (i) $120.0 million and (ii) 5.0% of LTM EBITDA. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion or other transaction that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction 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, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction (including the Transactions), the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer or its Restricted Subsidiaries (and may include, for the avoidance of doubt, cost savings, operating expense reductions and product margin and other synergies resulting from such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion, new or revised contract or other transaction (including the Transactions) which is being given *pro forma* effect) calculated in accordance with and permitted by clauses (1)(h) and (1)(o) of the definition of "EBITDA." If any Indebtedness bears a floating or formula 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 Financing Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication:

(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 (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign RE Assets" means, collectively, those certain interests in real property and related assets owned by the Issuer and its Subsidiaries located outside the United States.

"Foreign RE Loans" means, collectively, one or more mortgage, mezzanine or other loans or indebtedness secured or supported by interests in one or more Foreign RE Assets.

"Foreign RE Borrower Subsidiary" means any Subsidiary of the Issuer (i) party to a Foreign RE Loan, indenture or other financing secured or supported by interests in Foreign RE Assets and other real property, (ii) any Subsidiary of a Person described in the foregoing clause (i) or (iii) otherwise designated by the Issuer as a "Foreign RE Borrower Subsidiary" from time to time.

"Foreign Subsidiary" means (i) any Subsidiary of the Issuer that is not a Domestic Subsidiary and (ii) any direct or indirect Domestic Subsidiary that is a direct or indirect Subsidiary of a direct or indirect Foreign Subsidiary that is a CFC.

"FSHCO Subsidiary" means any Subsidiary substantially all of the assets of which consist of Equity Interests and/or Indebtedness of one or more Foreign Subsidiaries that are CFCs or Subsidiaries that are FSHCO Subsidiaries.

"GAAP" means, at the election of the Issuer, (1) generally accepted accounting principles in the United States of America, as in effect from time to time (***"U.S. GAAP"***) if the Issuer's financial statements are at such

time prepared in accordance with U.S. GAAP or (2) the accounting standards and interpretations adopted by the International Accounting Standard Board, as in effect from time to time (***"IFRS"***) if the Issuer's financial statements are at such time prepared in accordance with IFRS, it being understood that, for purposes of the Unsecured Indenture, (a) all references to codified accounting standards specifically named in the Unsecured Indenture shall be deemed to include any successor, replacement, amendment or updated accounting standard under U.S. GAAP or IFRS, as applicable, (b) neither U.S. GAAP nor IFRS shall include the policies, rules and regulations of the SEC, the American Institute of Certified Public Accountants, the International Accounting Standards Board or any other applicable regulatory or governing body applicable only to public companies, (c) any calculation or determination in the Unsecured Indenture that requires the application of GAAP across multiple quarters need not be calculated or determined using the same accounting standard for each constituent quarter, (d) all calculations or determinations in the Unsecured Indenture shall be made without giving effect to any election under FASB Accounting Standards Topic 825, *Financial Instruments*, or any successor thereto or comparable accounting principle, to value any Indebtedness or other liabilities at "fair value" (as defined therein) and (e) in the event that the Issuer makes an election referred to in the definition of "Financing Lease Obligations", the accounting for operating leases and financing or capital leases under U.S. GAAP as in effect on January 1, 2015 (including, without limitation, Accounting Standards Codification 840) shall apply for the purpose of determining compliance with the provisions of the Unsecured Indenture, including the definition of Financing Lease Obligation.

For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not (1) be treated as an incurrence of Indebtedness or (2) have the effect of rendering invalid any payment, Investment or other action made prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any incurrence of Indebtedness incurred prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to incur $1.00 of additional Indebtedness) if such payment, Investment, incurrence or other action was valid under the Unsecured Indenture on the date made, incurred or taken, as the case may be.

If there occurs a change in IFRS or U.S. GAAP, as the case may be, and such change would cause a change in the method of calculation of any term or measure used in the Unsecured Indenture (an ***"Accounting Change"***), then the Issuer may elect that such term or measure shall be calculated as if such Accounting Change had not occurred.

"Grantor" means the Issuer and any Guarantor.

"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 Issuer's Obligations under the Unsecured Indenture and the Unsecured Notes.

"Guarantor" means Holdings and each Subsidiary Guarantor.

"H&F Funds" means, individually or collectively, Hellman & Friedman LLC and its Affiliates and any investment fund, partnership, co-investment vehicle and/or other similar vehicles or accounts, in each case managed, advised or controlled by Hellman & Friedman LLC or one or more of its Affiliates, or any successor of any of the foregoing.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (1) any rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps,

commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar agreements or transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (2) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a ***"Master Agreement"***), including any such obligations or liabilities under any Master Agreement.

"Holder" means the Person in whose name an Unsecured Note is registered on the registrar's books.

"Holding Company" means any Person so long as the Issuer is a direct or indirect Subsidiary of such Person, and at the time the Issuer became a Subsidiary of such Person, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act as in effect on the Completion Date) (other than any Permitted Holder), shall have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act as in effect on the Completion Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such Person.

"Holdings" means Medline Intermediate, LP, if it is the direct parent of the Issuer, or, if not, the entity (or combination of entities) that directly or indirectly own 100% of the issued and outstanding Equity Interests in the Issuer and assumes all of the obligations of "Holdings" under the Unsecured Indenture pursuant to a supplemental indenture.

"Immediate Family Members" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother- in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), the estates of such individual and such other individuals above and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation, trust or fund that is controlled by any of the foregoing individuals or any donor-advised foundation, trust or fund of which any such individual is the donor.

"Indebtedness" means, with respect to any Person, without duplication:

(1) any indebtedness of such Person, whether or not contingent:

  (a) representing the principal in respect of borrowed money;

  (b) representing the principal in respect of obligations 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 principal component in respect of obligations to pay the deferred and unpaid balance of the purchase price of any property (including Financing Lease Obligations) which purchase price is due more than one year from the date of incurrence of the obligation in respect thereof, except (i) obligations in respect of a commercial or trade letter of credit, current trade or other ordinary course payables or liabilities or accrued expenses (but not any refinancings, extensions, renewals, or replacements thereof) incurred in the ordinary course of business and maturing within 365 days after the incurrence thereof, (ii) any earn-out obligations or purchase price adjustments, unless not paid within sixty (60) days after such obligation becomes due and

payable and such obligation is treated as a liability on the balance sheet (excluding the footnotes thereto), (iii) accruals for payroll and other liabilities accrued in the ordinary course of business, (iv) liabilities associated with customer prepayments and deposits and (v) obligations resulting from take-or-pay contracts entered into in the ordinary course of business or consistent with past practices or industry norm; or

(d) representing the 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; *provided* that Indebtedness of any direct or indirect parent of the Issuer appearing upon the balance sheet of the Issuer solely by reason of push-down accounting under GAAP shall be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, 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 first Person), 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; *provided* that the amount of any such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination and (b) the amount of such Indebtedness of such third Person;

provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, (b) Non-Financing Lease Obligations, Qualified Securitization Facilities, straight-line leases, operating leases, Sale and Lease-Back Transactions or lease lease-back transactions, (c) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Completion Date or in the ordinary course of business or consistent with past practice, (d) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (e) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (f) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (g) accrued expenses and royalties, (h) Capital Stock and Disqualified Stock, (i) any obligations in respect of workers' compensation claims, unemployment insurance, retirement, post-employment or termination obligations (including pensions and retiree medical care), pension fund obligations or contributions or similar claims, or social security or wage taxes or contributions, (j) deferred or prepaid revenues, (k) any asset retirement obligations, (l) any liability for taxes, (m) Subordinated Shareholder Funding or (n) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; *provided, further,* that Indebtedness shall be calculated without giving effect to the effects of Financial Accounting Standards Board Accounting Standards Codification Topic No. 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Unsecured Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally or internationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"Initial CMBS Financing" means the borrowings under the CMBS Loans and/or the Alternative RE Term Loan Facility in connection with the Acquisition.

"Initial Purchasers" means the initial purchasers of the Unsecured Notes on the Issue Date.

"Intercompany License Agreement" means any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, intellectual property rights transfer agreement, any related agreements or other similar agreements, in each case where all parties to such agreement are one or more of the Issuer or a Restricted Subsidiary.

"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 if the applicable securities are not then rated by Moody's or S&P 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 the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 90% of its assets 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 future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, in each case made in the ordinary course of business or consistent with past practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

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 the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer; and

(3) if the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount, as of any date of determination, of (i) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date, minus any payments in cash or Cash Equivalents

actually received by such investor representing interest in respect of such Investment, but without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (ii) any Investment in the form of a guarantee shall be equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof, as determined in good faith by the Company, (iii) any Investment in the form of a transfer of Equity Interests or other non-cash property or services by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair market value of such Equity Interests or other property or services as of the time of the transfer, minus, any payments actually received by such investor representing a Return in respect of such Investment, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (iv) any Investment (other than any Investment referred to in clause (i), (ii) or (iii) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness or other securities of any other Person shall be the original cost of such Investment, except that the amount of any Investment in the form of an acquisition shall be the Acquisition Consideration, minus the amount of any portion of such Investment that has been repaid to the investor as a Return in respect of such Investment, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment

"Investors" means each of (a) the Blackstone Funds and any of their Affiliates (other than any portfolio operating companies), (b) the Carlyle Funds and any of their Affiliates (other than any portfolio operating companies), (c) the H&F Funds and any of their Affiliates (other than any portfolio operating companies), (d) the Mills Family Investors and certain other Persons that have rolled over or invested equity in Holdings (or other direct or indirect parent company of the Issuer) as of the Completion Date and any of their Affiliates or Immediate Family Members and (e) concurrently with and following the consummation of any Permitted Change of Control, any Permitted Acquiror.

"IPO Listco" means a wholly owned Subsidiary of Holdings or any parent entity of Holdings formed in contemplation of any Qualified IPO to become an IPO Entity.

"***IPO Shell Company***" means each of IPO Listco and any IPO Subsidiary.

"***IPO Subsidiary***" means a wholly owned subsidiary of IPO Listco formed in contemplation of, and to facilitate, a Qualified IPO Reorganization Transaction and a Qualified IPO.

"Issue Date" means , 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, at the place of payment in respect of the Unsecured Notes. If a payment date is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue on such payment for the intervening period.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority 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 Non-Financing Lease Obligations be deemed to constitute a Lien.

"Limited Condition Transaction" means (1) any Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise and

which may include, for the avoidance of doubt, a transaction that may constitute a Change of Control) or other transaction, (2) any incurrence, issuance, prepayment, redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock, (3) any Restricted Payment, (4) any Asset Sale or a disposition excluded from the definition of "Asset Sale", (5) a Permitted Change of Control and (6) any other transaction or plan undertaken or proposed to be undertaken in connection with any of the preceding clauses (1)-(5).

"***Long Derivative Instrument***" means a Derivative Instrument (i) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with positive changes to the Performance References and/or (ii) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with negative changes to the Performance References.

"LTM EBITDA" means EBITDA of the Issuer measured for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, with such pro forma adjustments giving effect to such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, Business Expansions, new or revised contracts and other transactions, as applicable, since the start of such period and on or prior to or substantially concurrently with the date of determination as are consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"Management Stockholders" means the future, present or former employees, directors, officers, managers, members or partners (and their Controlled Investment Affiliates and Immediate Family Members) of the Issuer (or its direct or indirect parent entities) or any Restricted Subsidiary who are or become direct or indirect holders of Equity Interests of the Issuer or any direct or indirect parent companies of the Issuer, including any such future, present or former employees, directors, officers, managers, members or partners owning through an Equityholding Vehicle.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Issuer (or any direct or indirect parent entity) on the date of the declaration of a Restricted Payment permitted pursuant to clause (9) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Material Subordinated Indebtedness" shall mean Subordinated Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount exceeding the greater of (x) $1,000.0 million and (y) 40.0% of LTM EBITDA.

"Material Subordinated Shareholder Funding" shall mean Subordinated Shareholder Funding of the Issuer or any Restricted Subsidiary in an aggregate principal amount exceeding the greater of (x) $1,000.0 million and (y) 40.0% of LTM EBITDA.

"Mills Family Investors" means (i) the holders of direct or indirect equity interests of Medline Industries, LP (formerly known as Medline Industries, Inc.) prior to the consummation of the Acquisition that are members of the Mills family and (ii) their Controlled Investment Affiliates and Immediate Family Members.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Cash Proceeds" means the aggregate Cash Equivalents proceeds received in respect of any Subordinated Shareholder Funding, Equity Offering, sale of Equity Interests or other applicable transaction, in each case net of underwriting fees or discounts in respect in such Equity Offering, sale or other transaction, if applicable.

"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 Equivalents proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale or Casualty Event, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of (1) the costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting, consulting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions and fees, any relocation expenses incurred as a result thereof, other fees and expenses, including survey costs, title, search and recordation expenses and title insurance premiums, (2) taxes, including tax distributions paid pursuant to clause (20) of the second paragraph under the caption "—Limitation on Restricted Payments," paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under the Unsecured Indenture (including transfer taxes, deed or mortgage recording taxes and estimated taxes payable in connection with any repatriation of funds and after taking into account any available tax credits or deductions and any tax sharing arrangements), (3) amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness or amounts required to be applied to the repayment of Indebtedness secured by a Lien on such assets and required to be paid as a result of such transaction, (4) the pro rata portion of Net Proceeds thereof (calculated without regard to this clause (4)) attributable to minority interests and not available for distribution to or for the account of the Issuer and its Restricted Subsidiaries as a result thereof, (5) any costs associated with unwinding any related Hedging Obligations in connection with such transaction, (6) any deduction of appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, (7) any portion of the purchase price from an Asset Sale placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Sale or otherwise in connection with such Asset Sale; *provided*, that upon the termination of that escrow (other than in connection with a payment in respect of any such adjustment or satisfaction of indemnities), Net Proceeds will be increased by any portion of funds in the escrow that are released to the Issuer or any of its Restricted Subsidiaries and (8) the amount of any liabilities (other than Indebtedness in respect of the Senior Secured Credit Facilities, the Secured Notes and the Unsecured Notes) directly associated with such asset being sold and retained by the Issuer or any of its Restricted Subsidiaries; *provided*, that (x) the proceeds realized in any single transaction or series of related transactions shall not constitute Net Proceeds unless the amount of such proceeds exceeds the greater of (i) $360.0 million and (ii) 15.0% of LTM EBITDA and (y) only the aggregate amount of proceeds (excluding, for the avoidance of doubt, Net Proceeds described in the preceding clause (x)) in excess of the greater of (i) $720.0 million and (ii) 30.0% of LTM EBITDA in any fiscal year shall constitute "Net Proceeds" under this definition. It is understood that if all or any portion of such proceeds are from an Asset Sale of ABL Priority Collateral (including indirect Asset Sales of ABL Priority Collateral due to the sale of Capital Stock of a Person), such portion shall not for purposes of this Unsecured Indenture, constitute Net Proceeds.

Any non-cash consideration received in connection with any Asset Sale that is subsequently converted to cash shall become Net Proceeds only at such time as it is so converted.

Net Proceeds denominated in a currency other than U.S. dollars shall be the U.S. Dollar Equivalent of such Net Proceeds.

"***Net Short***" means, with respect to a Holder or beneficial owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of the (x) the value of its Unsecured Notes plus (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014

ISDA Credit Derivatives Definitions) to have occurred with respect to the Issuers or any Guarantor immediately prior to such date of determination.

"***Non-Debt Fund Affiliate***" means any Affiliate of Holdings other than (a) Holdings, the Issuer or any Subsidiary of the Issuer, (b) any Debt Fund Affiliates and (c) any natural person.

"Non-Financing Lease Obligation" means a lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt, a straight-line or operating lease shall be considered a Non-Financing Lease Obligation.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, any member of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President, Vice President or Assistant Vice President, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of a Person or any other officer of such Person designated by any such individuals. Unless otherwise specified, reference to an "Officer" means an Officer of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person. Unless otherwise specified, reference to an "Officer's Certificate" means a certificate signed on behalf of the Issuer by an Officer of the Issuer.

"Opinion of Counsel" means a written opinion (which opinion may be subject to customary assumptions and exclusions) from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of, or outside counsel to, the Issuer or a Guarantor.

"***Permitted Acquiror***" means any Person or group whose acquisition of beneficial ownership constitutes a Permitted Change of Control.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange, including as a deposit for future purchases, of Related Business Assets or a combination of Related Business Assets and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided,* that any Cash Equivalents received in excess of the value of any Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"Permitted Change of Control" means any Change of Control that does not constitute a Change of Control Triggering Event.

"Permitted Change of Control Costs" means all fees, costs and expenses incurred or payable by the Issuer (or any direct or indirect parent of the Issuer) or any of its Restricted Subsidiaries in connection with a Permitted Change of Control.

"Permitted Holders" means any of (i) each of the Investors, (ii) each of the Management Stockholders (including any Management Stockholders holding Equity Interests through an Equityholding Vehicle), (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of

the Issuer or any of its direct or indirect parent companies, acting in such capacity, (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as in effect on the Completion Date) of which any of the foregoing, any Holding Company, Permitted Plan or any Person or group that becomes a Permitted Holder specified in the last sentence of this definition are members and any member of such group; *provided,* that in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (i) through (iv), collectively, have beneficial ownership of more than 50.0% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies held by such group, (v) any Holding Company and (vi) any Permitted Plan. Any Person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer or Alternative Offer is made or waived in accordance with the requirements of the Unsecured Indenture or (ii) a Permitted Change of Control will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Intercompany Activities" means any transactions (A) between or among the Issuer and its Restricted Subsidiaries that are entered into in the ordinary course of business of the Issuer and its Restricted Subsidiaries and, in the good faith judgment of the Issuer are necessary or advisable in connection with the ownership or operation of the business of the Issuer and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, purchasing, insurance and hedging arrangements; (ii) management, technology and licensing arrangements; and (iii) customer loyalty and rewards programs, (B) between or among the Issuer, its Restricted Subsidiaries and any Captive Insurance Subsidiary, (C) constituting Qualified IPO Reorganization Transactions, (D) constituting CMBS Reorganization Transactions, (E) constituting Foreign RE Loan Reorganization Transactions or (F) constituting Tax Restructuring.

"Permitted Investments" means:

(1) any Investment in the Issuer or any of its Restricted Subsidiaries;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent all or 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 or other assets) if as a result of such Investment:

   (a) such Person becomes a Restricted Subsidiary (including by means of a Division); 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 all or substantially all of its assets (or such division, business unit or product line or other assets) to, or is liquidated into, the Issuer or a Restricted Subsidiary,

   and, in each case, any Investment held by such Person; provided, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(4) any Investment in securities 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 Completion Date or made pursuant to binding commitments in effect on the Completion Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment or binding commitment existing on the Completion Date; provided, that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Completion 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 Unsecured Indenture;

(6) any Investment acquired by the Issuer 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 or consistent with past practice;

(b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade creditor, supplier or customer); or

(c) in satisfaction of judgments against other Persons; or

(d) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Hedging Obligations permitted under clause (10) of the second paragraph of the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(8) any Investment in a Similar Business having an aggregate fair market value taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding not to exceed the greater of (a) $1,000.0 million and (b) 40.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; provided, however, that if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (8);

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding of the Issuer or any of its direct or indirect parent companies; provided, that such Equity Interests will not increase the amount available for Restricted Payments under clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments";

(10) guarantees of Indebtedness permitted under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," performance guarantees and Contingent Obligations and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with the covenant described under "—Certain Covenants—Liens";

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (5), (10) and (23) of such paragraph);

(12) Investments consisting of (i) purchases or other acquisitions of inventory, supplies, material or equipment, (ii) the leasing, sub-leasing, licensing, sub-licensing, cross-licensing or contribution of intellectual property or pursuant to joint marketing arrangements with other Persons or (iii) the contribution, assignment, licensing, sub-licensing or other Investment of intellectual property or other general intangibles pursuant to any Intercompany License Agreement and any other Investments made in connection therewith;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding not to exceed the greater of (a) $1,200.0 million and (b) 50.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; provided, however, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13);

(14) Investments in or relating to a Securitization Subsidiary in connection with a Qualified Securitization Facility (including the contribution or lending of cash and Cash Equivalents to Securitization Subsidiaries to finance the purchase of assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or other service providers not in excess of the greater of (a) $240.0 million and (b) 10.0% of LTM EBITDA outstanding at any one time;

(16) loans and advances to future, present or former employees, directors, officers, managers, members, partners, independent contractors, consultants or other service providers (a) for business-related travel or entertainment expenses, moving expenses and other similar expenses or payroll advances, in each case incurred in the ordinary course of business or consistent with industry practices or (b) to fund such Person's purchase of Equity Interests of the Issuer or any direct or indirect parent company thereof or in any management equity vehicle so investing in such Equity Interests;

(17) (a) advances, loans or extensions of trade credit in the ordinary course of business or consistent with past practice or industry norm by the Issuer or any of its Restricted Subsidiaries, (b) Investments constituting deposits, prepayments and/or other credits to suppliers and (c) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client and customer contracts and loans or advances made to, and guarantees with respect to obligations of, distributors, suppliers, licensors and licensees in the ordinary course of business or consistent with past practice or industry norm;

(18) 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 or consistent with past practice;

(19) (a) Investments made as part of, or in connection with, the Transactions and (b) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice;

(20) Investments made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing client and customer contacts;

(21) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(22) repurchases of the Unsecured Notes or the Secured Notes and loans or securities issued under Credit Facilities;

(23) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(24) Investments consisting of promissory notes issued by the Issuer or any Restricted Subsidiary to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer or any of its Subsidiaries or their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Issuer or any direct or indirect parent thereof, to the extent the applicable Restricted Payment is permitted by the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(25) 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 consistent with past practice or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(26) any Investment by any Captive Insurance Subsidiary in connection with the provision of insurance to the Issuer or any of its Subsidiaries, which Investment is made in the ordinary course of business or consistent with past practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(27) Investments made in connection with Permitted Intercompany Activities and related transactions;

(28) Investments made after the Completion Date in joint ventures of the Issuer or any of its Restricted Subsidiaries existing on the Completion Date;

(29) Investments in joint ventures or non-Wholly Owned Subsidiaries of the Issuer or any of its Restricted Subsidiaries, taken together with all other Investments made pursuant to this clause (29) that are at that time outstanding not to exceed the greater of (a) $840.0 million and (b) 35.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments;

(30) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a Casualty Event;

(31) earnest money deposits required in connection with any acquisition or Investment permitted under the Unsecured Indenture (or similar transactions);

(32) Investments to the extent required by applicable rules under the Exchange Act or by any governmental authority, including any Investment made in order to avoid any early warning or notice requirements under such rules or requirements;

(33) contributions to a "rabbi" trust for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants or other service providers or other grantor trusts subject to claims of creditors in the case of bankruptcy of the Issuer or any of its Restricted Subsidiaries;

(34) (a) pension fund and other employee benefit plan obligations and liabilities and (b) Investments of assets relating to any non qualified deferred payment plan or similar employee compensation plan in the ordinary course of business, consistent with past practice or consistent with industry norm;

(35) any other Investment, so long as, after giving pro forma effect to such Investment, either (a) the Consolidated Total Debt Ratio shall be no greater than 6.45 to 1.00 or the Consolidated Total Debt Ratio is equal to or less than immediately prior to such Investment or (b) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Investment is made would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such Investment;

(36) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (36) that are at that time outstanding not to exceed the Available RP Capacity Amount (determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *plus* the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; *provided, however*, that if any Investment pursuant to this clause (36) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (36);

(37) Investments made in connection with a Permitted Change of Control;

(38) to the extent constituting an Investment, Investments consisting of escrow deposits to secure indemnification obligations in connection with (i) a disposition or (ii) an acquisition of any business, assets or a Subsidiary not prohibited by the Unsecured Indenture;

(39) guarantee obligations of the Issuer or any Restricted Subsidiary in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Issuer or any Restricted Subsidiary to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(40) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this definition of "Permitted Investments";

(41) Investments in deposit accounts and securities accounts in the ordinary course of business or consistent with past practice or industry norm;

(42) deposits in the ordinary course of business or consistent with past practice or industry norm to secure the performance of Non-Financing Lease Obligations or utility contracts, or in connection with obligations in respect of tenders, statutory obligations, surety, stay and appeal bonds, bids, licenses, leases, government contracts, trade contracts, performance and return-of-money bonds, completion guarantees and other sim-ilar obligations (exclusive of obligations for the payment of borrowed money) incurred in the ordinary course of business or consistent with past practice or industry norm;

(43) acquisitions by the Issuer or any Restricted Subsidiary of obligations of one or more directors, officers, employees, member or management or consultants or independent contractors of Holdings, the Issuer or any of its Restricted Subsidiaries, in connection with such Person's acquisition of Equity Interests of any direct or indirect parent thereof, so long as no cash is actually advanced by the Issuer or any of its Subsidiaries to such Person in connection with the acquisition of any such obligations;

(44) loans and advances to customers in the ordinary course of business or consistent with past practice or industry norm in respect of the payment of insurance premiums;

(45) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or industry norm; and

(46) non cash Investments made in connection with tax planning and reorganization activities.

For purposes of determining compliance with this definition, in the event that a proposed Investment (or a portion thereof) meets the criteria of clauses (1) through (46) above, the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Investment (or a portion thereof) between such clauses (1) through (46) in any manner that otherwise complies with this definition.

"Permitted Liens" means, with respect to any Person:

(1) pledges, deposits or security by such Person under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation or other insurance

related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, 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 or consistent with past practice;

(2) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, mechanics' and other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, that are unfiled and no other action has been taken to enforce such Lien or that are being contested in good faith by appropriate actions 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 (including any Lien imposed by any pension authority or similar Liens) not yet overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate actions 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, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers acceptances issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice;

(5) minor survey exceptions, minor encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects and irregularities in title and similar encumbrances) 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 interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole, and exceptions on title policies insuring Liens granted on any collateral;

(6) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (4), (12), (13), (14), (23), (25), (29) or (31) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided,* that (a) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock to be incurred pursuant to clause (4) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" extend only to the assets so purchased, leased, expanded, constructed, installed, replaced, repaired or improved (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof); *provided, further,* that individual financings of assets provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders or their affiliates; (b) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (13) thereof relate only to Obligations relating to Refinancing Indebtedness that (x) is secured by Liens on all or a portion of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the Indebtedness being refinanced; *provided further* that individual financings of assets

provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders or their affiliates; or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under clauses (3) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing), (4), (12) or (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; (c) Liens securing Indebtedness permitted to be incurred pursuant to clauses (14)(b) and (31) thereof shall only be permitted if such Liens are limited to all or a part of the same property or assets, including Capital Stock acquired (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements or any thereof), or of a Person acquired or merged or consolidated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness relates; and (d) Liens securing Indebtedness permitted to be incurred pursuant to clauses (23) and (25) thereof shall only be permitted if such Liens extend only to the assets of Restricted Subsidiaries of the Issuer that are not the Co-Issuer or a Guarantor (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof);

(7) Liens existing on the Completion Date (including, for the avoidance of doubt, Liens securing the Secured Notes and excluding Liens securing the Senior Secured Credit Facilities), including Liens securing any Refinancing Indebtedness of any Indebtedness secured by such Liens;

(8) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Subsidiary; *provided,* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided, further,* that such Liens may not extend to any other property or other assets owned by the Issuer or any of its Restricted Subsidiaries;

(9) Liens on property or other assets at the time the Issuer or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries; *provided,* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided, further,* that the Liens may not extend to any other property owned by the Issuer or any of its Restricted Subsidiaries;

(10) Liens securing Obligations relating to any Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or a 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 (x) Hedging Obligations and (y) obligations in respect of Bank Products;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar trade obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, sub-leases, licenses or sub-licenses granted to others in the ordinary course of business or consistent with past practice which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole;

(14) Liens arising from Uniform Commercial Code (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens on vehicles or equipment of the Issuer or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice;

(17) Liens on receivables, Securitization Assets and related assets incurred in connection with Qualified Securitization Facilities;

(18) Liens to secure any modification, refinancing, refunding, restatement, exchange, extension, renewal or replacement (or successive refinancing, refunding, restatements, exchange, 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), (9), this clause (18) and clauses (39) and (43) hereof; *provided,* that (a) such new Lien shall be limited to all or a part of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the original Lien, and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), this clause (18) and clauses (39) and (43) hereof at the time the original Lien became a Permitted Lien under the Unsecured Indenture, and (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees or similar fees) and premiums (including tender premiums) and accrued and unpaid interest, related to such modification, refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided in the ordinary course of business or consistent with past practice to secure liability to insurance carriers;

(20) Liens securing obligations in an aggregate principal amount outstanding which does not exceed the greater of (a) $1,200.0 million and (b) 50.0% of LTM EBITDA (in each case, determined as of the date of such incurrence);

(21) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with past practice;

(22) Liens securing judgments, awards, attachments or decrees for the payment of money not constituting an Event of Default under clause (5) under the caption "—Events of Default and Remedies";

(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 or consistent with past practice;

(24) Liens (a) 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, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or consistent with past practice, and (c) in favor of banking or other financial institutions arising as a matter of law or under general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) 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";

(26) Liens encumbering reasonable customary deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice and not for speculative purposes;

(27) Liens that are contractual rights of set-off or netting or rights of pledge (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness,

(b) relating to pooled deposit or sweep accounts of the Issuer or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or consistent with past practice or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(28) Liens securing obligations owed by the Issuer or any Restricted Subsidiary to any lender under the Senior Secured Credit Facilities or any Affiliate of such a lender in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds;

(29) any encumbrance or restriction (including put and call arrangements, rights of first refusal, tag, drag and similar rights) with respect to Capital Stock of any joint venture, non-Wholly Owned Subsidiary 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 the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(31) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted by the Unsecured Indenture;

(32) ground leases in respect of real property on which facilities owned or leased by the Issuer or any of its Subsidiaries are located;

(33) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(34) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(35) Liens on the assets and Equity Interests of non-guarantor Restricted Subsidiaries securing Indebtedness of such Subsidiaries that were permitted by the terms of the Unsecured Indenture to be incurred;

(36) Liens on (i) cash advances or Cash Equivalents in favor of (x) the seller of any property to be acquired in an Investment permitted under the Unsecured Indenture to be applied against the purchase price for such Investment or (y) the buyer of any property to be disposed of to secure obligations in respect of indemnification, termination fee or similar seller obligations and (ii) consisting of an agreement to dispose of any property in a disposition, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(37) Liens representing (i) any interest or title of a licensor, lessor or sublicensor or sublessor under any lease or license permitted by the Unsecured Indenture, (ii) any Lien or restriction that the interest or title of such lessor, licensor, sublessor or sublicensor may be subject to, or (iii) the interest of a licensee, lessee, sublicensee or sublessee arising by virtue of being granted a license or lease permitted by the Unsecured Indenture, or (iv) with respect to intellectual property, software and other technology licenses that is not material to the conduct of the business of the Issuer or its Restricted Subsidiaries, taken as a whole;

(38) deposits of cash with the owner or lessor of premises leased and operated by the Issuer or any of its Subsidiaries in the ordinary course of business of the Issuer and such Subsidiary or consistent with past practice to secure the performance of the Issuer's or such Subsidiary's obligations under the terms of the lease for such premises;

(39) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) permitted to be incurred pursuant to the covenant under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including,

without limitation, Indebtedness incurred under one or more Credit Facilities) so long as after giving pro forma effect to such incurrence and such Liens (x) if such Indebtedness is secured by the Collateral on a *pari passu* or crossing lien basis with the Liens securing the Senior Secured Credit Facilities or the Secured Notes, the Consolidated Pari Passu Debt Ratio would have been equal to or less than 4.75 to 1.00 or the Consolidated Pari Passu Debt Ratio is equal to or less than immediately prior to such incurrence and related transactions or (y) if such Indebtedness is secured by the Collateral on a junior lien basis to the Liens securing the Senior Secured Credit Facilities or the Secured Notes, either (i) the Consolidated Secured Debt Ratio would have been equal to or less than 5.75 to 1.00 or the Consolidated Secured Debt Ratio is equal to or less than immediately prior to such incurrence and any related transactions or (ii) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 1.75 to 1.00 or the Fixed Charge Coverage Ratio is equal to or greater than immediately prior to such incurrence and any related transactions;

(40) Liens securing obligations in respect of (x) Indebtedness and other Obligations permitted to be incurred under one or more Credit Facilities, including the Senior Secured Credit Facilities and any Senior ABL Credit Agreement and any letter of credit facility relating thereto, that was permitted by the terms of the Unsecured Indenture to be 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" and (y) obligations of the Issuer or any Subsidiary in respect of any Bank Product or Hedging Obligation;

(41) Liens on assets deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets if such sale is otherwise permitted under the Unsecured Indenture;

(42) Liens on any funds or securities held in escrow accounts or similar arrangements established for the purpose of holding proceeds from issuances of debt securities or incurrences of other Indebtedness by the Issuer or any of its Restricted Subsidiaries issued after the Completion Date, together with any additional funds required in order to fund any payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance or incurrence of such Indebtedness), mandatory redemption or sinking fund payment on such debt securities or other Indebtedness;

(43) Liens securing (a) the Unsecured Notes and the related Guarantees and (b) the Alternative RE Term Loan Facility and any guarantees thereof;

(44) Liens on assets securing any Indebtedness owed to any Captive Insurance Subsidiary by the Issuer or any Restricted Subsidiary;

(45) prior to the Escrow Release Date, Liens on escrow property securing the Secured Notes (and the guarantees thereof);

(46) Liens arising in connection with rights of dissenting equityholders pursuant to applicable Law in respect of the Transactions, or any other acquisition or in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest);

(47) Liens on vehicles or equipment of the Issuer or any of the Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice or industry norm;

(48) Liens granted pursuant to a security agreement between the Issuer or any Restricted Subsidiary and a licensee of intellectual property to secure the damages, if any, of such licensee resulting from the rejection of the license of such licensee in a bankruptcy, reorganization or similar proceeding with respect to the Issuer or such Restricted Subsidiary;

(49) Liens on cash and Cash Equivalents arising in connection with the defeasance, satisfaction, discharge or redemption of Indebtedness, so long as such defeasance, satisfaction, discharge or redemption is not prohibited by the terms of the Unsecured Indenture;

(50) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to which Indebtedness not prohibited by the Unsecured Indenture is incurred;

(51) Liens on receivables and related assets including proceeds thereof being sold in factoring arrangements entered into in the ordinary course of business or consistent with past practice or industry norm; and

(52) Liens on real property of the Issuer or any Restricted Subsidiary securing Indebtedness permitted under clause (33) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock",

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness. In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Unsecured Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"Permitted Plan" means any employee benefits plan of the Issuer or any of its Affiliates (including any Equityholding Vehicle) and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

"Person" means any individual, corporation, limited liability company, partnership (including a limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Phantom Equity Plan" means the Medline Industries, Inc. Managing Partner Program effective April 1, 2018, as amended, modified or supplemented from time to time, inclusive of any awards and other agreements or letters issued in respect thereof.

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Public Company Costs" means costs associated with or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, costs relating to compliance with the provisions of the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, and the rules of national securities exchanges, as applicable to companies with listed equity or debt securities, listing fees, independent directors' compensation, fees and expense reimbursement, costs relating to investor relations (including any such costs in the form of investor relations employee compensation), shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance, legal and other professional fees and/or other costs or expenses, in each case, to the extent arising solely as a result of becoming or being a public company.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, expansion, construction, development, installation, replacement, relocation, renewal, maintenance, upgrade, repair or improvement of property (real or personal), equipment or any other assets, and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Qualified IPO" means any transaction or series of transactions, including a SPAC IPO, that results in, or following which, any common Equity Interests of the Issuer or any direct or indirect parent company, any SPAC

IPO Entity (or its successor by merger, amalgamation or other combination) or any IPO Listco that the Issuer will distribute to its direct or indirect parent company in connection with a Qualified IPO (an "***IPO Entity***") being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom, the European Union or Hong Kong.

"***Qualified IPO Reorganization Transactions"*** means, collectively, the transactions taken prior to and in connection with and reasonably related to consummating a Qualified IPO, including (a) the formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of the Issuer, its Subsidiaries, its direct or indirect parent entities and/or IPO Shell Companies implementing Qualified IPO Reorganization Transactions and certain other reorganization transactions in connection with a Qualified IPO and (ii) customary underwriting agreements in connection with a Qualified IPO and any future follow-on underwritten public offerings of common Equity Interests in an IPO Entity, including the provision by IPO Listco and, if applicable, the Issuer of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of one or more IPO Subsidiaries with one or more direct or indirect holders of Equity Interests in the Issuer or any direct or indirect parent entity with such IPO Subsidiary surviving and holding Equity Interests in the Issuer or any direct or indirect parent entity or the dividend or other distribution by the Issuer of Equity Interests of IPO Shell Companies or other transfer of ownership to the holder of Equity Interests of the Issuer, (d) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of the Issuer or any direct or indirect parent entity in connection with any Qualified IPO Reorganization Transactions, (e) the making of Restricted Payments to (or Investments in) an IPO Shell Company or the Issuer or any Subsidiaries to permit the Issuer to make distributions or other transfers, directly or indirectly, to IPO Listco, in each case solely for the purpose of paying, and solely in the amounts necessary for IPO Listco to pay, Qualified IPO-related expenses and the making of such distributions by the Issuer, (f) the repurchase or redemption by IPO Listco of its Equity Interests from the Issuer, any direct or indirect parent entity or any Restricted Subsidiary, (g) the entry into an exchange agreement, pursuant to which holders of Equity Interests in the Issuer will be permitted to exchange such interests for certain Equity Interests in IPO Listco, (h) any issuance, dividend or distribution of the Equity Interests of the IPO Shell Companies or other disposition of ownership thereof to the IPO Shell Companies and/or the direct or indirect holders of Equity Interests of the Issuer and (i) all other transactions reasonably incidental to, or necessary for the consummation of, the foregoing.

"Qualified Proceeds" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"Qualified Securitization Facility" means any Securitization Facility (a) constituting a securitization financing facility that meets the following conditions: (i) the Board or management of the Issuer or any direct or indirect parent entity shall have determined in good faith that such Securitization Facility is in the aggregate economically fair and reasonable to the Issuer, and (ii) all sales and/or contributions of Securitization Assets and related assets to the applicable Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) or (b) constituting a receivables or payables financing or factoring facility.

"Rating Agencies" means Moody's and S&P or if Moody's or S&P or both shall not make a rating on the Unsecured Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody's or S&P or both, as the case may be.

"***Regulated Bank***" means an Approved Commercial Bank that is (i) a U.S. depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation; (ii) a corporation organized under section 25A of the U.S. Federal Reserve Act of 1913; (iii) a branch, agency or commercial lending company of a foreign bank operating pursuant to approval by and under the supervision of the Board of Governors under 12 CFR part 211; (iv) a non-U.S. branch of a foreign bank managed and controlled by a U.S. branch referred to in clause (iii); or (v) any other U.S. or non-U.S. depository institution or any branch, agency or similar office thereof supervised by a bank regulatory authority in any jurisdiction.

"Related Business Assets" means assets (other than Cash Equivalents) used or useful in a Similar Business or any securities of a Person received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary.

"***Required Holders***" means the Holders of a majority in principal amount of all the then outstanding Unsecured Notes; *provided* that (i) to the same extent set forth under the second paragraph of "Amendment, Supplement and Waiver" with respect to the determination of Required Holders, the Unsecured Notes held or beneficially owned by any Affiliated Holder shall in each case be excluded for purposes of making a determination of Required Holders and (ii) to the same extent set forth under the fourth paragraph of "Amendment, Supplement and Waiver" with respect to the determination of Required Holders, the Notes held or beneficially owned by any Holder or beneficial owner in excess of the Voting Cap applicable to such Holder or beneficial owner and the Affiliates of such Holder or beneficial owner shall in each case be excluded for purposes of making a determination of Required Holders.

"Reserved Indebtedness Amount" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" means, with respect to any Person, at any time, any direct or indirect Subsidiary of such Person (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that upon an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary." Unless the context otherwise requires, any references to Restricted Subsidiary refer to a Restricted Subsidiary of the Issuer.

"***Return***" shall mean, with respect to any Investment, any dividend, distribution, interest, fee, premium, return of capital, repayment of principal, income, profit (from a disposition or otherwise) and any other similar amount received or realized in respect thereof.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.

"Sale and Lease-Back Transaction" means any arrangement providing for the leasing (or similar arrangement) by the Issuer or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing (or similar arrangement); *provided* that any leasing arrangement by any entity other than the Issuer or a Restricted Subsidiary shall not constitute a Sale and Lease-Back Transaction.

"***Screened Affiliate***" means any Affiliate of a Holder or, if the Holder is DTC or DTC's nominee, of a beneficial owner, (i) that makes investment decisions independently from such Holder or beneficial owner and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder or beneficial owner and any other Affiliate of such Holder or beneficial owner that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Issuer or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or beneficial owner or any other Affiliate of such Holder or beneficial owner that is acting in concert with such Holder in connection with its investment in the Unsecured Notes and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or beneficial owner or any other Affiliate of such Holder or beneficial owner that is acting in concert with such Holders or beneficial owners in connection with its investment in the Unsecured Notes.

"SEC" means the U.S. Securities and Exchange Commission, or any successor thereto.

"Secured Indebtedness" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien.

"Securitization Assets" means the accounts receivable, royalty or other revenue streams and other rights to payment and any other assets subject to a Qualified Securitization Facility and the proceeds thereof.

"Securitization Facility" means any of one or more receivables, factoring or securitization financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Issuer or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) pursuant to which the Issuer or any of its Restricted Subsidiaries sells or grants a security interest in its accounts receivable, payables or Securitization Assets or assets related thereto to either (a) a Person that is not a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells its accounts receivable, payable or Securitization Assets or assets related thereto to a Person that is not a Restricted Subsidiary.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"Securitization Subsidiary" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"***Senior ABL Credit Agreement***" means a credit agreement under which the Issuer or the Guarantors incur Senior ABL Revolving Credit Obligations, including, in each case, any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any appendices, exhibits, annexes or schedules to any of the foregoing (as the same may be in effect from time to time) and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, exchanges or refinancings thereof (whether with the original agents and lenders or other agents or lenders or otherwise, and whether provided under the original credit agreement or other credit agreements or otherwise) and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that extend, replace, refund, renew, defense, exchange or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, exchange 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 ABL Revolving Credit Obligations***" means the Obligations with respect to Indebtedness permitted to be incurred under the Unsecured Indenture, which is by its terms intended to be secured by the ABL Priority Collateral with a senior lien priority relative to the Unsecured Notes; *provided* such Lien is permitted to be incurred under the Unsecured Indenture.

"Senior Indebtedness" means:

(1) all Indebtedness of the Issuer or any Subsidiary Guarantor outstanding under the Senior Secured Credit Facilities, the Unsecured Notes and the Secured Notes and related guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer or any Subsidiary Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)),

and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Completion Date or thereafter created or incurred) and all obligations of the Issuer or any Subsidiary Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (x) Hedging Obligations (and guarantees thereof) and (y) obligations in respect of Bank Products (and guarantees thereof) owing to a lender under the Senior Secured Credit Facilities or any Affiliate of such lender (or any Person that was a lender or an Affiliate of such lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided* that such Hedging Obligations and obligations in respect of Bank Products, as the case may be, are permitted to be incurred under the terms of the Unsecured Indenture;

(3) any other Indebtedness of the Issuer or any Subsidiary Guarantor permitted to be incurred under the terms of the Unsecured Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Unsecured Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3); *provided* that Senior Indebtedness shall not include:

(a) any obligation of such Person to the Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of the Unsecured Indenture.

"Senior Secured Credit Facilities" means the Credit Agreement, dated on or about the Completion Date, among the Issuer, the guarantors named therein and Bank of America, N.A., as administrative agent, collateral agent, swing line lender and L/C issuer, and the other agents and lenders named therein, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures, agreements, credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture or agreement that increases the amount borrowable thereunder or alters the maturity thereof *(provided* that such increase in borrowings is permitted under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds the Issuer or any Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"***Short Derivative Instrument***" means a Derivative Instrument (i) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with positive changes to the Performance References and/or (ii) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with negative changes to the Performance References.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02, clauses (w)(1)(i) or (ii) of Regulation S-X promulgated pursuant to the Securities Act, as such regulation is in effect on the Completion Date.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Issuer or any of its Restricted Subsidiaries on the Completion Date, and any reasonable extension thereof, or (2) any business or

other activities that are reasonably similar, ancillary, incidental, complementary, synergistic or related to, or a reasonable extension, development or expansion of, the businesses in which the Issuer and its Restricted Subsidiaries are engaged or propose to be engaged on the Completion Date.

"***SPAC IPO***" means the acquisition, purchase, merger, amalgamation or other combination of the Issuer or any direct or indirect parent company, by, or with, a publicly traded special purpose acquisition company or targeted acquisition company or any entity similar to the foregoing (a "***SPAC IPO Entity***") that results in any common Equity Interests of the Issuer, any direct or indirect parent company of the Issuer or such SPAC IPO Entity (or its successor by merger, amalgamation or other combination) being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

"Subordinated Indebtedness" means, with respect to the Unsecured Notes,

(1) any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Unsecured Notes, and

(2) any Indebtedness of any Subsidiary Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Unsecured Notes.

"Subordinated Shareholder Funding" means collectively, any funds provided to the Issuer or any Restricted Subsidiary by a direct or indirect parent entity of the Issuer or a Permitted Holder in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a direct or indirect parent entity of the Issuer or a Permitted Holder, together with any security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding, *provided* that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the maturity of the Unsecured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any direct or indirect parent entity of the Issuer or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the maturity of the Unsecured Notes, payment of cash, interest, cash withholding amounts or other cash gross ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the maturity of the Unsecured Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or pursuant to an intercreditor agreement is fully subordinated and junior in right of payment to the Unsecured Notes pursuant to any subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"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 50.0% 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 controlling general partner or otherwise controls such entity.

For the avoidance of doubt, unless otherwise specified, any entity that is owned at a 50.0% or less level (as described above) shall not be a "Subsidiary" for any purpose under the Unsecured Indenture, regardless of whether such entity is consolidated on the Issuer's or any Restricted Subsidiary's financial statements. Unless the context otherwise requires, any references to Subsidiary refer to a Subsidiary of the Issuer.

"Subsidiary Guarantor" means each Restricted Subsidiary of the Issuer, if any, that Guarantees the Unsecured Notes in accordance with the terms of the Unsecured Indenture; *provided* that upon release or discharge of such Restricted Subsidiary from its Guarantee in accordance with the Unsecured Indenture, such Restricted Subsidiary ceases to be a Subsidiary Guarantor.

"Support and Services Agreement" means the management services or similar agreements or the management services provisions contained in an investor rights agreement or other equityholders' agreement, as the case may be, between one or more of the Investors or certain of the management companies associated with one or more of the Investors or their advisors or Affiliates, if applicable, and the Issuer (and/or its direct or indirect parent companies or Subsidiaries), as in effect from time to time.

"Tax Restructuring" means any reorganizations and other transactions entered into among the Issuer (or any direct or indirect parent entity thereof) and/or its Restricted Subsidiaries for tax planning (as determined by the Issuer in good faith) so long as such reorganizations and other transactions do not impair the value of the Unsecured Notes and the Guarantees, taken as a whole, in any material respect.

"Taxes" shall mean all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"Transaction Expenses" means any fees or expenses incurred or paid by the Investors, the Issuer or any of its (or their) Affiliates in connection with the Transactions (including payments to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants as change of control payments, severance payments, consent payments, special or retention bonuses and charges for repurchase or rollover, acceleration or payments of, or modifications to, stock option or other equity-based awards (including the payments of amounts due in connection with the Phantom Equity Plan), expenses in connection with hedging transactions related to the Senior Secured Credit Facilities and any original issue discount or upfront fees), the Support and Services Agreement, the Unsecured Indenture, the Secured Indenture, the Unsecured Notes, the Secured Notes, the Security Documents (as defined in the Secured Indenture), the Loan Documents (as defined in the Senior Secured Credit Facilities), the Initial CMBS Financing and the transactions contemplated hereby and thereby.

"Transactions" means the Acquisition, the making of the equity investment by the Investors on the Acquisition Date, the issuance of the Unsecured Notes and the Guarantees, the issuance of the Secured Notes and related guarantees on the Issue Date, the borrowings under, and the entry into, the Senior Secured Credit Facilities and the Initial CMBS Financing on or prior to Acquisition Date (or the borrowing of CMBS Loans to refinance the Alternative RE Term Loan Facility), the payment of Transaction Expenses and other transactions

contemplated by the Share Purchase Agreement or in connection therewith or incidental thereto as described in this offering memorandum.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb).

"Uniform Commercial Code" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York. References in the Unsecured Indenture and the to specific sections of the Uniform Commercial Code are based on the Uniform Commercial Code as in effect in the State of New York on the Completion Date. In the event such Uniform Commercial Code is amended, such section reference shall be deemed to be references to the comparable section in such amended Uniform Commercial Code.

"Unrestricted Subsidiary" means:

(1) unless otherwise elected by the Issuer in its sole discretion, any CMBS Borrower Subsidiary upon consummation of a CMBS Loan;

(2) unless otherwise elected by the Issuer in its sole discretion, any Foreign RE Borrower Subsidiary upon consummation of a Foreign RE Loan;

(3) any Subsidiary of the Issuer which at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(4) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary 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, the Issuer or any Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that either (a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less or (b) if the Subsidiary to be so designated has total consolidated assets in excess of $1,000, such designation complies with the covenant described under "—Certain Covenants—Limitation on Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Unsecured Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer will be in Default of such covenant.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, (i) no Default shall have occurred and be continuing and (ii) (x) any outstanding Indebtedness of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including pursuant to clause (14) of the second paragraph thereof treating such redesignation as an acquisition for the purpose of such clause) and shall be deemed to be incurred thereunder and (y) all Liens encumbering the assets of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant "—Certain Covenants—Liens" and shall be deemed to be incurred thereunder, in each case calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period.

Any such designation by the Issuer shall be notified by the Issuer to the Trustee by promptly delivering to the Trustee a copy of the resolution of the Board of the Issuer or any direct or indirect parent of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two business days prior to such determination.

"U.S. Government Securities" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt; *provided,* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments;

provided, that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the ***"Applicable Indebtedness"***), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Voting Stock of which (other than directors' qualifying shares and shares issued to foreign nationals as required by applicable law) shall at the time be owned by such Person and/or by one or more Wholly Owned Subsidiaries of such Person.

BOOK ENTRY, DELIVERY AND FORM

Each series of notes are being offered and sold to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). Each series of notes also may be offered and sold to persons other than U.S. persons in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, each series of notes will be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Each series of notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes representing the notes initially will be represented by one or more global notes in registered form without interest coupons ("Rule 144A Global Notes"). Regulation S Notes representing the notes initially will be represented by one or more temporary global notes in registered form without interest coupons ("Regulation S Temporary Global Notes"). Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period, the "Distribution Compliance Period"), beneficial interests in the Regulation S Temporary Global Notes may be held only through the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("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 under "Exchanges Among Global Notes." Within a reasonable time period after the expiration of the Distribution Compliance Period, the Regulation S Temporary Global Notes will be exchanged for one or more permanent notes in registered, global form without interest coupons (collectively, "Regulation S Permanent 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 indentures that will govern the notes. Regulation S Temporary Global Notes and Regulation S Permanent Global Notes are referred to herein as "Regulation S Global Notes" and Rule 144A Global Notes and Regulation S Global Notes are collectively referred to herein as "Global Notes."

Rule 144A Global Notes and Regulation S Temporary Global Notes will be deposited upon issuance with Wilmington Trust, National Association, in its capacity as trustee for each series of notes (each, a "Trustee") as custodian for DTC and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Beneficial interests in Rule 144A Global Notes may not be exchanged for beneficial interests in Regulation S Global Notes at any time except in the limited circumstances described below. See "— Exchanges Among Global Notes." Except as set forth below, Global Notes may be transferred only to another nominee of DTC or to a successor of DTC or its nominee, in whole and not in part. Except in the limited circumstances described below, beneficial interests in Global Notes may not be exchanged for notes in certificated form and owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of notes in certificated form. See "— Exchange of Global Notes for Certificated Notes."

Rule 144A Global Notes and Regulation S Global Notes (including beneficial interests in the notes they represent) will be subject to certain restrictions on transfer and will bear restrictive legends as described under "Transfer Restrictions." In addition, transfers of beneficial interests in Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including 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 is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer and Trustees take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between 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 us that, pursuant to procedures established by it:

(1) upon deposit of the Rule 144A Global Notes and the Regulation S Temporary Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers with portions of the principal amount of the Rule 144A Global Notes and the Regulation S Temporary Global Notes; and

(2) ownership of these interests in 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 Global Notes).

Investors in Rule 144A Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) that are Participants in DTC. All interests in a Global Note may be subject to the procedures and requirements of DTC. Investors in Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (but not earlier), investors may also hold interests in Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, NA., as operator of Clearstream, which in turn hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Interests in a Global Note held through Euroclear or Clearstream may be subject to the procedures and requirements of those systems (as well as to the procedures and requirements of DTC). The laws of some states require that certain persons take physical delivery in definitive form of securities that they own and the ability to transfer beneficial interests in a Global Note to persons that are subject to those requirements will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge those interests to persons that do not participate in the DTC system, or otherwise take actions in respect of those interests, may be affected by the lack of a physical certificate evidencing those interests.

Except as described below, owners of an interest in Global Notes will not have notes registered in their names, will not receive physical delivery of definitive notes in registered certificated form ("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 indentures.

Under the terms of each indenture, the Issuer and the applicable Trustee will treat the persons in whose names notes, including Global Notes, are registered as the owners of such notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustees or any agent of the Issuer or the Trustees 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 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 Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on that payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of 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 Trustees or the Issuer. Neither the Issuer nor the Trustees will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of any notes, and the Issuer and the Trustees may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by 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 from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a Holder of notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of the portion of the aggregate principal amount of the notes as to which that Participant or those Participants has or have given the relevant direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute those notes to its Participants. Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among Participants, they are under no obligation to perform those procedures, and may discontinue or change those procedures at any time.

Neither the Issuer nor the Trustees nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear, Clearstream or their respective Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Certifications by Holders of the Regulation S Temporary Global Notes

Prior to any exchange of any beneficial interest in a Regulation S Temporary Global Note for a beneficial interest in a Regulation S Permanent Global Note:

- the holder of the beneficial interest in the Regulation S Temporary Global Note must provide Euroclear or Clearstream, as the case may be, with a certificate in the form required by the indentures that will govern the notes 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 that 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 applicable Trustee (or the paying agent if other than the Trustee) a certificate in the form required by the indentures that will govern the notes.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for a Certificated Note if:

- DTC (a) notifies us that it is unwilling or unable to continue as depositary for the applicable Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed;
- we, at our option, notify the applicable Trustee in writing that we elect to cause the issuance of Certificated Notes (although Regulation S Temporary Global Notes at the Issuer's election pursuant to this clause may not be exchanged for Certificated Notes prior to (a) the expiration of the Distribution Compliance Period and (b) the receipt of any certificates required under the provisions of Regulation S); or
- there has occurred and is continuing an Event of Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the applicable 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 a Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

If Certificated Notes are issued in the future, they will not be exchangeable for beneficial interests in any Global Note unless the transferor first delivers to the Issuer and the applicable Trustee a written certificate (in the form provided in the indenture) to the effect that the transfer will comply with the appropriate transfer restrictions applicable to the notes being transferred. See "Transfer Restrictions."

Exchanges Among Global Notes

Beneficial interests in a Regulation S Temporary Global Note may be exchanged for beneficial interests in a Regulation S Permanent Global Note only after the expiration of the Distribution Compliance Period and then only upon provision of the certification described above under "— Certifications by Holders of the Regulation S Temporary Global Notes."

Prior to the expiration of the Distribution Compliance Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- the exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and

- the transferor first delivers to the Issuer and the applicable Trustee a written certificate (in the form provided in the indenture) to the effect that the notes are being transferred:
- to a person who (i) the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A and (ii) is purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
- in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Issuer and the applicable Trustee a written certificate (in the form provided in each indenture) to the effect that the transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144.

Transfers involving exchanges of beneficial interests between a Regulation S Global Note and a Rule 144A Global Note will be effected in DTC by means of an instruction originated by the DTC Participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Regulation S Global Note and the Rule 144A Global Note, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in the original 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 interest in the other Global Note. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Temporary Global Note prior to the expiration of the Distribution Compliance Period.

Same Day Settlement and Payment

We will make payments in respect of notes represented by Global Notes, including payments of principal, premium, if any, and interest by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal of and premium, if any, and interest on Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no account is specified, by mailing a check to each Holder's registered address. Notes represented by Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in notes represented by Global Notes will, therefore, be required by DTC to be settled in immediately available funds. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the notes as of the date hereof, but it does not purport to be a complete analysis of all the potential tax considerations.

This summary deals only with notes that are held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code") (generally, property held for investment) by persons who purchase the notes for cash upon original issuance at their "issue price" (the first price at which a substantial amount of the notes is sold for cash to investors, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler), and does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer or broker in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for United States federal income tax purposes (or an investor in such an entity);
- a retirement plan;
- an individual retirement account or other tax-deferred account;
- a United States Holder (as defined below) whose "functional currency" is not the U.S. dollar;
- a "controlled foreign corporation";
- a "passive foreign investment company";
- a person required to accelerate the recognition of any item of gross income with respect to the notes as a result of such income being recognized on an applicable financial statement; or
- a United States expatriate.

This summary is based upon provisions of the Code, and regulations, rulings and judicial decisions as of the date hereof. Those authorities are subject to differing interpretations and may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. We have not sought and do not intend to seek any rulings from the Internal Revenue Service (the "IRS") regarding the matters discussed below. There can be no assurance that the IRS will agree with this summary or that a court would not sustain any challenge by the IRS in the event of litigation.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) holds the notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership considering an investment in the notes, you should consult your tax advisors.

This discussion does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the Medicare contribution tax on net investment income, United States federal tax laws other than those pertaining to income tax (including estate and gift tax laws), or the effects of any state, local or non-United States tax laws. **If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the ownership of the notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.**

Effects of Certain Contingencies

In certain circumstances (see, for example, "Description of Secured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption," "Description of Secured Notes—Repurchase at the Option of Holders—Change of Control Triggering Event" "Description of Unsecured Notes—Escrow of Gross Proceeds; Special Mandatory Redemption," "Description of Unsecured Notes—Repurchase at the Option of Holders—Change of Control Triggering Event"), we may be required to redeem or repurchase the notes significantly earlier than their scheduled maturity date and/or to pay amounts in excess of stated interest and principal on the notes. The foregoing contingencies may implicate the provisions of the United States Treasury regulations relating to "contingent payment debt instruments." However, we believe and intend to take the position that the foregoing contingencies should not cause the notes to be subject to the contingent payment debt instrument rules. Our position is binding on you unless you disclose that you are taking a contrary position in the manner required by applicable United States Treasury regulations. However, the position is not binding on the IRS. If the IRS were to successfully challenge this position, you might be required to, among other things, accrue interest income at a higher rate than the stated interest rate on the notes, and to treat as ordinary income (rather than capital gain) any gain recognized 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. Holders are urged to consult their tax advisors regarding the potential application to the notes of the contingent payment debt instrument rules and the consequences thereof.

Consequences to United States Holders

The following is a summary of certain United States federal income tax consequences that will apply to you if you are a United States Holder.

As used herein, "United States Holder" means a beneficial owner of the notes that is, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Payments of Stated Interest

It is anticipated, and this discussion assumes, that the issue price of the notes will be equal to the stated principal amount or, if the issue price is less than the stated principal amount, the difference will be a *de minimis*

amount (as set forth in the applicable Treasury regulations). Accordingly, stated interest on a note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes.

Sale, Exchange, Retirement, Redemption or other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference, if any, between the amount you realize upon the sale, exchange, retirement, redemption or other taxable disposition (less an amount equal to any accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the note. Your adjusted tax basis in a note will generally be your cost for that note. Any gain or loss you recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the note for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Consequences to Non-United States Holders

The following is a summary of certain United States federal income tax consequences that will apply to you if you are a Non-United States Holder. "Non-United States Holder" means a beneficial owner of the notes (other than an entity or arrangement treated as a partnership for United States federal income tax purposes) that is not a United States Holder.

United States Federal Withholding Tax

Subject to the discussions of backup withholding and FATCA below, United States federal income or withholding tax will not apply to any payment of interest on the notes under the "portfolio interest rule," provided that:

- interest paid on the notes is not effectively connected with your conduct of a trade or business in the United States (or, in the case of an income tax treaty resident, is not attributable to your permanent establishment in the United States);
- you do not actually or constructively own 10% or more of our capital or profits interest within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is actually or constructively related to us through stock ownership;
- you are not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and
- either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to Non-United States Holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

- IRS Form W-8ECI (or other applicable form) certifying that interest paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to your permanent establishment in the United States) (as discussed below under "—United States Federal Income Tax").

The 30% United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement, redemption or other taxable disposition of a note, except with respect to accrued and unpaid interest. If you are eligible for an exemption from or reduced rate of United States federal withholding tax under an applicable income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim with the IRS. You should consult your own tax advisors regarding your entitlement to benefits under an applicable income tax treaty and the requirements for claiming any such benefits.

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to your United States permanent establishment), then you will be subject to United States federal income tax on that interest on a net income basis in the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to adjustments. Any effectively connected interest will be exempt from the 30% United States federal withholding tax, provided the certification requirements discussed above in "—United States Federal Withholding Tax" are satisfied.

Subject to the discussion of backup withholding below, and except with respect to accrued and unpaid interest (which will be treated as described above under "—United States Federal Withholding Tax"), any gain realized on the sale, exchange, retirement or other taxable disposition of a note generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to your United States permanent establishment), in which case such gain will generally be subject to United States federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or
- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, you will generally be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain of your United States source losses, if any.

Information Reporting and Backup Withholding

United States Holders

In general, information reporting requirements will apply to payments of interest and principal on a note and the proceeds from the sale or other taxable disposition of a note paid to you, unless you are an exempt recipient. A backup withholding tax (currently, at a rate of 24% for payments made before January 1, 2026) may apply to such payments if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Non-United States Holders

Interest paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS and you. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty or agreement with those tax authorities.

In general, you will not be subject to backup withholding with respect to payments on the notes that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received from you the statement described above in the fifth bullet point under "—Consequences to Non-United States Holders—United States Federal Withholding Tax."

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other taxable disposition of notes made within the United States or conducted through certain United States-related financial intermediaries, unless you certify to the payor under penalties of perjury that you are a Non-United States Holder (and the payor does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability, if any, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections and the United States Treasury regulations promulgated thereunder, collectively, commonly referred to as "FATCA"), a 30% United States federal withholding tax may apply to any interest income paid on the notes to (i) a "foreign financial institution" (as specifically defined in the Code and regardless of whether such foreign financial institution is the beneficial owner or an intermediary) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Consequences to Non-United States Holders—United States Federal Withholding Tax," an applicable withholding agent may credit the withholding under FATCA against, and therefore reduce, such other withholding tax. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other taxable disposition of the notes, proposed United States Treasury regulations (upon which taxpayers may rely until final regulations are issued) eliminate FATCA withholding on payments of gross proceeds (other than amounts treated as interest) entirely. You should consult your own tax advisors regarding these rules and whether they may be relevant to your purchase, ownership and disposition of the notes.

TRANSFER RESTRICTIONS

The notes offered hereby and the guarantees are subject to restrictions on transfer as summarized below. By purchasing the notes offered hereby, you will be deemed to have made the following acknowledgments, representations to and agreements with us and the initial purchasers:

(1) You acknowledge that:

- the notes offered hereby and the guarantees have not been and will not be registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
- unless so registered, the notes offered hereby may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.

(2) You acknowledge that this offering memorandum relates to an offering that is exempt from registration under the Securities Act and may not comply in material respects with the SEC rules and regulations that would apply to an offering document relating to a registered public offering of securities.

(3) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A) and are purchasing notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or
- you are not a U.S. person (as defined in Regulation S) or purchasing for the account or benefit of a U.S. person and you are purchasing the notes in an offshore transaction outside of the United States in accordance with Regulation S.

(4) You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers has made any representation to you with respect to us or the offering of the notes offered hereby, other than the information contained in this offering memorandum. Accordingly, you acknowledge that no representation or warranty is made by the initial purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the notes offered hereby. You agree that you have had access to such financial and other information concerning us, the notes and the guarantees as you have deemed necessary in connection with your decision to purchase the notes, including an opportunity to ask questions of and request information from us.

(5) You represent that you are purchasing the notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes and the guarantees in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing notes offered hereby, and each subsequent holder of the notes by its acceptance of the notes will agree, that until the end of the Resale Restriction Period (as defined below), the notes may be offered, sold or otherwise transferred only:

(a) to the Issuer;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing the notes for its own account or for the

account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales to non-U.S. persons that occur outside the United States in an offshore transaction in compliance with and within the meaning of Regulation S; or

(e) under any other available exemption from the registration requirements of the Securities Act; subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control and to compliance with any applicable state securities laws.

You also acknowledge that:

- the above restrictions on resale will apply from the issue date until the date that is one year (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the date the notes were issued and the last date that the Issuer or any of its affiliates was the owner of the notes or any predecessor of the notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends; and
- we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of notes under clauses (d) and (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee; and
- each note offered hereby will contain a legend substantially to the following effect:

  THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION AS SET FORTH BELOW BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")), OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), (2) AGREES TO OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD THEN IMPOSED BY RULE 144 UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S OR THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(6) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

(7) You represent and warrant that either (i) no portion of the assets used by you to purchase or hold the notes (or any interest therein) constitutes assets of any (a) "employee benefit plan" within the meaning of Section 3 (3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA, (b) plan, individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively "Similar Laws") or (c) entity whose underlying assets are considered to include the assets of any of the foregoing described in clauses (a) and (b), pursuant to ERISA or otherwise or (ii) (a) the purchase, holding and subsequent disposition of the notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) none of the Issuer, Sponsors, guarantors or initial purchasers will become a fiduciary to the Plan as a result of the Plan's investment in the notes in connection with the initial offer and sale hereunder.

(8) You agree that you will give to each person to whom you transfer the notes offered hereby notice of any restrictions on transfer of such notes, including those described in this offering memorandum and the indentures that will govern the notes. You acknowledge that no representation is being made as to the availability of the exemption from registration provided by Rule 144A for the resale of the notes offered hereby.

(9) You acknowledge that the Trustee will not be required to accept for registration of transfer any notes acquired by you, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth herein have been complied with.

(10) You hereby confirm that (a) you have such knowledge and experience in financial and business matters, that you are capable of evaluating the merits and risks of purchasing the notes and that you and any accounts for which you are acting are each able to bear the economic risks of your or their investment and (b) you are not acquiring the notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of your property and the property of any accounts for which you are acting as fiduciary will remain at all times within your control.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the notes by (i) "employee benefit plans" within the meaning of Section 3 (3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that are subject to Title I of ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws") and (iii) entities whose underlying assets are considered to include the assets of any of the foregoing described in clauses (i) and (ii), pursuant to ERISA or otherwise (each of the foregoing described in clauses (i), (ii) and (iii) referred to herein as a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "Covered Plan") and prohibit certain transactions involving the assets of a Covered 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 a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to 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.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 3(14) of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

The purchase and/or holding of the notes by a Covered Plan with respect to which the Issuer, a Sponsor, a guarantor, an initial purchaser, the Trustee or any of their respective affiliates (collectively, the "Transaction Parties") is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the notes are acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the purchase and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Covered Plan involved in the transaction and provided further that the

Covered Plan pays no more than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering purchasing and/or holding the notes in reliance on these or any other exemption should carefully review the exemption in consultation with its own legal advisors to assure it is applicable. There can be no assurance that any class exemption, statutory exemption or any other exemption will be available with respect to any particular transaction involving the notes, or that if an exemption is available, it will cover all aspects of any particular transaction.

Plans that are governmental plans, certain church plans and non-U.S. plans, may not be subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, but may nevertheless be subject to Similar Laws. Fiduciaries of any such Plans should consult with their legal advisors regarding the potential consequences of an investment in the notes under any applicable Similar Laws before purchasing or holding any notes.

Because of the foregoing, the notes should not be purchased or held by any person investing the assets of any Plan, unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note (or any interest therein), each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to purchase or hold the notes (or any interest therein) constitutes assets of any Plan or (ii)(a) the purchase, holding and subsequent disposition of the notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) none of the Issuer, Sponsors, guarantors or initial purchasers will become a fiduciary to the Plan as a result of the Plan's investment in the notes in connection with the initial offer and sale hereunder.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing or holding the notes (or any interest therein) on behalf of, or with the assets of, any Plan, consult with their legal advisors regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes (and any interest therein). Each purchaser and subsequent transferee has exclusive responsibility for ensuring that its purchase and holding of the notes (and any interest therein) does not violate the fiduciary responsibility or prohibited transaction rules of ERISA or the Code, or the provisions of any applicable Similar Laws. Neither this discussion nor anything provided in this offering memorandum is, or is intended to be, investment advice directed at any potential Plan purchasers, or at Plan purchasers generally, and such purchasers of any notes should consult and rely on their own counsel and advisors as to whether such an investment is suitable for the Plan. The sale of any notes to any Plan hereunder is in no respect a representation by any Transaction Party that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such investment is prudent or appropriate for Plans generally or any particular Plan.

PLAN OF DISTRIBUTION

J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC are acting as representatives of each of the initial purchasers named below. Subject to the terms and conditions set forth in a purchase agreement among us and the initial purchasers, we have agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

Initial Purchasers	Principal amount of secured notes	Principal amount of unsecured notes
J.P. Morgan Securities LLC	$	$
Goldman Sachs & Co. LLC		
BofA Securities, Inc.		
Barclays Capital Inc.		
Morgan Stanley & Co. LLC		
MUFG Securities Americas Inc.		
BMO Capital Markets Corp.		
Citigroup Global Markets Inc.		
Deutsche Bank Securities Inc.		
HSBC Securities (USA) Inc.		
Jefferies LLC.		
Macquarie Capital (USA) Inc.		
UBS Securities LLC		
Wells Fargo Securities, LLC.		
BNP Paribas Securities Corp.		
Credit Suisse Securities (USA) LLC		
Mizuho Securities USA LLC		
Nomura Securities International, Inc.		
RBC Capital Markets LLC.		
Santander Investment Securities Inc.		
Truist Securities, Inc.		
ING Financial Markets LLC.		
Scotia Capital (USA) Inc.		
SG Americas Securities, LLC		
SMBC Nikko Securities Americas, Inc.		
TD Securities (USA) LLC		
Blackstone Securities Partners L.P.		
TCG Capital Markets L.L.C.		
Total	**$**	**$**

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase notes from us, are several and not joint. Those obligations are also subject to various conditions in the purchase agreement being satisfied. The initial purchasers have agreed to purchase all the notes if any of them are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated.

Commissions and Discounts

The initial purchasers have advised us that they propose to offer the notes for resale at the offering price that appears on the cover of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms. The initial purchasers may offer and sell notes through certain of their affiliates.

No Sales of Similar Securities

In the purchase agreement, we have agreed that:

- We will not offer or sell any of our debt securities, other than the notes, for a period of 45 days after the date of this offering memorandum without the prior consent of J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC.
- We will indemnify the initial purchasers against some liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

Notes Are Not Being Registered

The notes have not been registered under the Securities Act or qualified for sale under the securities laws of any state or any jurisdiction outside the United States. Accordingly, the notes are subject to restrictions on resale and transfer as described under "Transfer Restrictions."

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

In the purchase agreement, each initial purchaser has acknowledged and agreed that:

- The notes may not be offered or sold within the United States or to U.S. persons, except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements.
- During the initial distribution of the notes, it will offer or sell notes only to persons reasonably believed to be QIBs in compliance with Rule 144A and to non-U.S. persons outside the United States in compliance with Regulation S.

Each purchaser of the notes offered by this offering memorandum, in making its purchase, will be deemed to have made certain acknowledgements, representations and agreements as described under "Transfer Restrictions."

New Issues of Notes

The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by certain of the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

It is expected that delivery of the notes will be made against payment therefor on or about the date specified on the cover of this offering memorandum, which is the business day following the date of pricing of the notes (such settlement cycle being referred to as "T+ "). Under Rule 15c-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade

expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the date that is two business days preceding the settlement date will be required, by virtue of the fact that the notes initially will settle in T+ , to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes during such period should consult their own advisor.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, any purchases by the initial purchasers to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the initial purchasers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the initial purchasers makes any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Notice to EEA Investors

This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation (as defined below). This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the "EEA") will only be made to a legal entity which is a qualified investor under the Prospectus Regulation ("Qualified Investors"). Accordingly, any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so with respect to Qualified Investors. Neither us nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes other than to Qualified Investors. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The notes have not been and will not be registered under the laws of any member state of the EEA. The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 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 the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This offering memorandum has been prepared on the basis that any offer of the notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation and the Financial Services and Markets Act 2000, as amended (the "FSMA") from the requirement to publish a prospectus for offers of the notes. This offering memorandum is not a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Notice to Prospective Investors in the United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The issue and distribution of this offering memorandum is restricted by law. This offering memorandum is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order")); (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; (iii) are outside the UK or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without our prior written consent. The notes are not being offered or sold to any person in the UK, except in circumstances which will not result in an offer of securities to the public in the UK within the meaning of Part VI of the Financial Services and Markets Act 2000.

Each of the initial purchasers represents, warrants and agrees as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21 of the FSMA does not apply to us; and
- it has complied with, and will comply with, all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the UK.

Notice to Prospective Investors in Switzerland

This offering memorandum 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 memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Denmark

This offering memorandum is not a prospectus has not been filed with or approved by the Danish Financial Supervisory Authority (Finanstilsynet) or any other regulatory authority in Denmark. The notes have not been offered or sold and may not be offered, sold, or delivered directly or indirectly in Denmark by way of public offering, unless in compliance with the Danish Capital Markets Act (Consolidated Act No. 12 of January 8, 2018 on capital markets as amended and supplemented from time to time (Lov om kapitalmarkeder), and executive orders issued thereunder and in compliance with Executive Order No. 747 of 7 June 2017 issued pursuant to the Danish Financial Business Act to the extent applicable.

Notice to Prospective Investors in Sweden

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

Notice to Prospective Investors in The Netherlands

The notes have not been and may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (2003/71EC, as amended) (the "Prospectus Directive") unless such offer is made exclusively to persons or entities which are qualified investors within the meaning of the Prospectus Directive.

Notice to Prospective Investors in Norway

This offer of the notes and the related materials do not constitute a prospectus under Norwegian law and have not been filed with or approved by the Norwegian Financial Supervisory Authority, the Oslo Stock Exchange, or the Norwegian Registry of Business Enterprises, as the offer of the notes and the related materials have not been prepared in the context of a public offering of securities in Norway within the meaning of the Norwegian Securities Trading Act or any regulations issued pursuant thereto. The offer of the notes will only be directed to qualified investors as defined in the Norwegian Securities Regulation section 7-1 or in accordance with other relevant exceptions from the prospectus requirements. Accordingly, the offer of the notes and the related materials may not be made available to the public in Norway nor may the offer of the notes otherwise be marketed and offered to the public in Norway.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement, or other disclosure document (including as defined in the Corporations Act 2001 (Cth) ("Corporations Act")) has been or will be lodged with the Australian Securities and Investments Commission ("ASIC") or any other governmental agency, in relation to the offering. This offering memorandum does not constitute a prospectus, product disclosure statement, or other disclosure document for the purposes of Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement, or other disclosure document under the Corporations Act. No action has been taken which would permit an offering of the notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

The notes may not be offered for sale, nor may application for the sale or purchase or any notes be invited in Australia (including an offer or invitation that is received by a person in Australia) and neither this offering

memorandum nor any other offering material or advertisement relating to the notes may be distributed or published in Australia unless, in each case:

(a) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in another currency, in either case, disregarding moneys lent by the person offering the notes or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;

(b) the offer, invitation, or distribution complied with the conditions of the Australian financial services license of the person making the offer, invitation, or distribution or an applicable exemption from the requirement to hold such license;

(c) the offer, invitation, or distribution complies with all applicable Australian laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);

(d) the offer or invitation does not constitute an offer or invitation to a person in Australia who is a "retail client" as defined for the purposes of Section 761G of the Corporations Act; and

(e) such action does not require any document to be lodged with ASIC or the ASX.

Notice to Prospective Investors in Canada

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

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

Pursuant to section 3A.3 (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.

Notice to Prospective Investors in China

The notes are not being offered or sold and may not be offered or sold, directly or indirectly, in China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of China.

Notice to Prospective Investors in Hong Kong

Each initial purchaser (i) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO") and any rules made under that Ordinance; or (b) in circumstances

which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each initial purchaser has not offered or sold any notes or caused such notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such notes or cause such notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of such notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Korea

The notes have not been and will not be registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree) or to others for re-offering or resale, except as otherwise permitted by applicable Korean laws and regulations. In addition, within one year following the issuance of the notes, the notes may not be transferred to any resident of Korea other than a qualified institutional buyer (as such term is defined in the Notes Issuance and Disclosure Regulations promulgated by the Financial Services Commission, a "Korean QIB") registered with the Korea Financial Investment Association (the "KOFIA") as a Korean QIB and subject to the requirement of monthly reports with the KOFIA of its holding of Korean QIB bonds as defined in the Notes Issuance and Disclosure Regulations promulgated by the Financial Services Commission, provided that (a) the notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean won, (b) the amount of the securities acquired by such Korean QIBs in the primary market is limited to less than 20 per cent of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the securities in a major

overseas securities market, (d) the one-year restriction on offering, delivering, or selling of securities to a Korean resident other than a Korean QIB is expressly stated in the securities, the relevant underwriting agreement, subscription agreement, and the offering circular, and (e) the Issuer and the initial purchasers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor.

Notice to Prospective Investors in Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Other Activities and Relationships

Certain of the initial purchasers and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the initial purchasers and their 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 or our affiliates' debt or equity securities or loans, and may do so in the future. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Certain affiliates of the initial purchasers are expected to act as arrangers, agents and/or lenders under our New Senior Secured Credit Facilities, the CMBS Loan and/or the Alternative RE Term Loan Facility and will receive customary compensation in connection therewith. Blackstone Securities Partners L.P., one of the initial purchasers, is also an affiliate of Blackstone, one of the Sponsors in the Acquisition. In addition, TCG Capital Markets L.L.C., one of the initial purchasers, is also an affiliate of Carlyle, one of the Sponsors in the Acquisition, and will receive customary initial purchaser discounts and commissions. 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.

The initial purchasers or their respective affiliates have also agreed to provide interim financing to the Issuer with respect to a senior secured bridge facility and a senior unsecured bridge facility to finance a portion of the Merger under certain circumstances in the event that the offering of the notes is not consummated, for which the

initial purchasers or their affiliates will be paid customary fees. The bridge commitments with respect to the senior secured bridge facility will be reduced by an amount equal to the aggregate gross proceeds for the secured notes and the bridge commitments with respect to the senior unsecured bridge facility will be reduced by an amount equal to the aggregate gross proceeds for the unsecured notes. Additionally, certain initial purchasers are serving as financial advisors to the Sponsors or the Company in connection with the Acquisition, for which they may receive customary fees.

LEGAL MATTERS

The validity of the notes offered hereby will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters relating to this offering will be passed upon for the initial purchasers by Milbank LLP, New York, New York.

INDEPENDENT ACCOUNTANTS

The financial statements as of December 31, 2020 and 2019 and for the three years then ended, included in this offering memorandum, have been audited by Grant Thornton LLP, independent auditors, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

Under the terms of the indentures that will govern the notes, we will agree that for so long as any of the notes remain outstanding, we will furnish to the trustees and holders of the notes the information specified therein. See "Description of Secured Notes—Reports and Other Information" and "Description of Unsecured Notes—Reports and Other Information."

We have not, and the initial purchasers have not, authorized anyone to provide you with information other than that provided in this offering memorandum. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this offering memorandum is accurate as of any date other than the date of this offering memorandum.

This offering memorandum contains summaries of certain agreements that we have entered into or will enter into in connection with the Transactions, such as the indentures that will govern the notes offered hereby, the credit agreement that will govern the New Senior Secured Credit Facilities, the Escrow Agreement, if applicable, and the other agreements described under "Summary—The Transactions" and "Certain Relationships and Related Party Transactions." The descriptions contained in this offering memorandum of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the indentures that will govern the notes will be made available without charge to you in response to a written request to us.

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Medline Industries, Inc.

We have audited the accompanying consolidated financial statements of Medline Industries, Inc. (an Illinois corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Medline Industries, Inc. and subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

Chicago, Illinois
August 26, 2021

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019
(Dollars in thousands)

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 383,520	$ 156,944
Investments in trading securities	224,155	177,128
Trade accounts receivable, net of allowance for doubtful accounts of $129,538 in 2020, and $94,819 in 2019	2,476,667	2,113,268
Inventories, net	2,887,802	2,393,267
Current maturities of notes receivable and advances	522	967
Other current assets	437,270	198,935
Total current assets	6,409,936	5,040,509
Property, plant and equipment, net	2,443,009	2,025,680
Other assets		
Notes receivable and advances, less current portion	7,296	10,309
Goodwill, net	388,754	377,611
Intangible assets, net	218,331	253,622
Other long-term assets	23,320	20,968
Total other assets	637,701	662,510
Total assets	$9,490,646	$7,728,699
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings on lines of credit	$ 110,000	$ 398,937
Accounts payable	562,408	435,128
Accrued expenses	861,077	635,645
Income taxes payable	24,262	14,349
Total current liabilities	1,557,747	1,484,059
Long-term liabilities	70,081	71,075
Total liabilities	1,627,828	1,555,134
Stockholders' equity		
Common stock, no par value; 50,000,000 voting shares authorized, 4,950,000,000 non-voting shares authorized	1,160,204	1,158,735
Retained earnings	6,895,650	5,238,350
Accumulated other comprehensive loss	(38,402)	(68,886)
	8,017,452	6,328,199
Less cost of treasury stock	(154,634)	(154,634)
Total stockholders' equity	7,862,818	6,173,565
Total liabilities and stockholders' equity	$9,490,646	$7,728,699

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2020, 2019 and 2018
(Dollars in thousands)

	2020	2019	2018
Net sales	$17,539,817	$13,940,377	$11,718,867
Cost of goods sold	12,912,783	10,417,522	8,598,729
Gross profit	4,627,034	3,522,855	3,120,138
Selling, general and administrative expenses	2,526,810	2,230,771	1,866,210
Operating income	2,100,224	1,292,084	1,253,928
Other income			
Interest and investment income, net	35,453	11,384	9,477
Foreign exchange gain (loss)	10,088	(7,758)	17,039
Total other income	45,541	3,626	26,516
Income before income taxes	2,145,765	1,295,710	1,280,444
Income taxes	48,844	29,089	30,382
Net income	2,096,921	1,266,621	1,250,062
Other comprehensive income (loss)			
Pension liability adjustment	(4,148)	(6,182)	(484)
Currency translation adjustment	34,632	11,195	(41,258)
Total other comprehensive income	30,484	5,013	(41,742)
Comprehensive income	$ 2,127,405	$ 1,271,634	$ 1,208,320

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years ended December 31, 2020, 2019 and 2018
(in thousands, except share)

	------Common Stock------ Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	------Treasury Stock------ Shares	Amount	Total Stockholders' Equity
Balance, January 1, 2018	$ 35,370,491	$1,147,277	$4,001,112	$(32,157)	$ (212,899)	$ (25,664)	$5,090,568
Net income	—	—	1,250,062	—	—	—	1,250,062
Comprehensive income (loss)							
Pension liability adjustment, net of tax	—	—	—	(484)	—	—	(484)
Currency translation adjustment	—	—	—	(41,258)	—	—	(41,258)
Stock Dividend on August 31, 2018	3,501,678,609	—	—	—	(217,513,593)	—	—
Common stock purchased for treasury	—	—	—	—	(1,984,208)	(272,509)	(272,509)
Treasury stock sold	—	3,620	—	—	56,510,000	74,035	77,655
Distributions to stockholders	—	—	(614,540)	—	—	—	(614,540)
Balance, December 31, 2018	$3,537,049,100	$1,150,897	$4,636,634	$(73,899)	$(163,200,700)	$(224,138)	$5,489,494
Net income	—	—	1,266,621	—	—	—	1,266,621
Comprehensive income							
Pension liability adjustment, net of tax	—	—	—	(6,182)	—	—	(6,182)
Currency translation adjustment	—	—	—	11,195	—	—	11,195
Treasury stock sold	—	7,838	—	—	50,607,800	69,504	77,342
Distributions to stockholders	—	—	(664,905)	—	—	—	(664,905)
Balance, December 31, 2019	$3,537,049,100	$1,158,735	$5,238,350	$(68,886)	$(112,592,900)	$(154,634)	$6,173,565
Net income	—	—	2,096,921	—	—	—	2,096,921
Comprehensive income							
Pension liability adjustment, net of tax	—	—	—	(4,148)	—	—	(4,148)
Currency translation adjustment	—	—	—	34,632	—	—	34,632
Common stock issued	—	1,469	—	—	—	—	1,469
PluroGen Non-controlling interest acquisition	—	—	(5,954)	—	—	—	(5,954)
Distributions to stockholders	—	—	(433,667)	—	—	—	(433,667)
Balance, December 31, 2020	$3,537,049,100	$1,160,204	$6,895,650	$(38,402)	$(112,592,900)	$(154,634)	$7,862,818

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2020, 2019 and 2018
(Dollars in thousands)

	2020	2019	2018
Cash flows from operating activities			
Net income	$2,096,921	$1,266,621	$1,250,062
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	199,654	174,720	178,120
Bad debt expense	34,229	16,727	16,272
Gain on investments	(37,080)	(14,851)	(2,583)
Gain on disposition of property and equipment	(34,423)	(36,683)	(42,557)
Changes in assets and liabilities, net of acquisitions:			
Trade accounts receivable	(396,750)	(406,660)	(109,644)
Inventories	(483,103)	(384,808)	(206,421)
Other assets	(242,519)	(79,221)	43,774
Accounts payable	126,147	(46,108)	104,120
Accrued expenses	212,106	98,790	15,586
Other liabilities	11,374	16,105	19,593
Net cash provided by operating activities	1,486,556	604,632	1,266,322
Cash flows from investing activities			
Issuance of notes receivable	—	(2,000)	(10,244)
Payments received on notes receivable	3,222	1,765	3,775
Purchases of property and equipment	(640,497)	(570,953)	(436,191)
Proceeds from sale of property and equipment	124,988	104,456	99,983
Investments in trading securities, net	(9,947)	(1,703)	40,134
Acquisition of non controlling interest	(5,954)	—	—
Acquisitions of businesses, net of cash acquired	(32,889)	(212,369)	(14,304)
Net cash used in investing activities	(561,077)	(680,804)	(316,847)
Cash flows from financing activities			
Payment on notes payable	—	—	(23,878)
(Repayments) Borrowings under lines of credit, net	(288,937)	398,937	—
Common stock purchased for treasury	—	—	(166,394)
Treasury stock sold	—	69,504	74,035
Issuance of common stock	1,469	7,838	3,620
Distributions to stockholders	(433,667)	(664,905)	(614,540)
Net cash used in financing activities	(721,135)	(188,626)	(727,157)
Effect of exchange rate changes on cash and cash equivalents	22,232	3,222	(37,990)
Net change in cash and cash equivalents	226,576	(261,576)	184,328
Cash and cash equivalents, beginning of year	156,944	418,520	234,192
Cash and cash equivalents, end of year	$ 383,520	$ 156,944	$ 418,520

See notes to consolidated financial statements.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: Medline Industries, Inc. ("Medline") and subsidiaries (together, the "Company") is a manufacturer and distributor of medical supplies. Its customers are primarily composed of hospitals, nursing homes and other health care providers located in the United States of America, Canada, Europe, Asia-Pacific (which includes Southeast Asia, Japan and Australia), Latin America (which includes Mexico), and the Middle East.

Principles of Consolidation: The consolidated financial statements include the accounts of Medline and its wholly owned and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, allowance for doubtful accounts, inventory valuation reserves, fair value of investments in trading securities, impairment of long-lived assets and goodwill, deferred tax valuations, depreciation, actuarial assumptions and fair value allocations related to business combinations. Actual results could differ from those estimates. The Company considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on the Company's results of operations and financial position.

Cash and Cash Equivalents: The Company considers all highly liquid financial instruments with an original maturity of 90 days or less to be cash equivalents. Due to the short-term nature of these instruments, the carrying values approximate the fair market value. Of the cash held on deposit, essentially all of the cash balances were in excess of amounts insured by the Federal Deposit Insurance Corporation or other foreign provided bank insurance. The Company performs periodic evaluations of these institutions for relative credit standing and has not experienced any losses as a result of its cash concentration. The Company had $253,555 and $74,952 of cash held in foreign bank accounts at December 31, 2020 and 2019, respectively.

Investments in Trading Securities: Investments in trading securities are recorded at fair value and consist of equity securities and mutual funds, derivative instruments, municipal bonds, corporate bonds and fixed interest debt obligations of $224,155 and $177,128 at December 31, 2020 and 2019, respectively. Net unrealized gains were $37,240 and $13,982 at December 31, 2020 and 2019, respectively, which were recorded in income. The cost of investments sold is determined on the specific identification method.

Inventories: Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily by the last-in, first-out method. For certain foreign subsidiaries, cost is determined using the first-in, first-out ("FIFO") method. Estimated provisions are established for slow-moving and obsolete inventory.

Accounts Receivable: Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on a periodic basis. The Company charges interest on overdue receivables and evaluates the collection of this interest through the allowance for doubtful accounts. Net interest on overdue receivables was not material as of December 31, 2020 and 2019. Management determines the allowance for doubtful accounts by identifying at-risk accounts primarily by considering the age

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

of the customer's receivable and also by considering the creditworthiness of the customer, as well as general economic conditions. If any of these factors change, the Company may also change its original estimates, which could impact the level of its future allowance for doubtful accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Sales Tax: Sales taxes collected from customers and remitted to governmental authorities are excluded from revenues.

Research and Development Expenses: Research and development expenses are expensed as incurred. Research and development costs were $45,274, $14,885, and $15,396 for the years ended December 31, 2020, 2019 and 2018, respectively.

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided over the estimated useful lives, using straight-line and accelerated methods. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Amortization of leasehold improvements is based on the estimated useful life or the term of the lease, whichever is shorter.

Impairment of Long-Lived Assets: The Company reviews long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated undiscounted future cash flow from use of the asset is less than the carrying amount of that asset. There was no material impairment recorded during the years ended December 31, 2020 and 2019.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of the identifiable assets for a business acquisition.

Goodwill consists of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Total goodwill	$388,754	$377,611

The Company performs its annual goodwill impairment test in October and monitors for interim indicators of impairment on an ongoing basis. Goodwill is tested for impairment at the reporting unit level. When performing the annual goodwill impairment assessment, the Company has the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If management concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the company conducts a two-step quantitative goodwill impairment test; otherwise, no further analysis is required.

Step one of the quantitative goodwill impairment test compares the fair value of each respective reporting unit to which goodwill is assigned to its carrying value. If the carrying value of a reporting unit exceeds its estimated fair value, a potential impairment is indicated and step two is performed. Step two compares the carrying value of

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

the reporting unit's goodwill to its implied fair value. In calculating the implied fair value of reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities, including unrecognized intangible assets, of that reporting unit based on their fair values, similar to the allocation that occurs in a business combination. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, an impairment charge is recognized in an amount equal to that excess. If the implied fair value of goodwill exceeds the carrying value, goodwill is not impaired.

Intangible Assets: Intangible assets are initially measured at fair value and consist of trade names, customer relationships, non-compete agreements, intellectual property from acquisitions by the Company, and various license and distribution agreements for exclusive supply and distribution rights. These intangible assets are amortized using the straight-line method over their estimated useful lives.

Identifiable intangible assets consist of the following at December 31, 2020 and 2019:

	2020	2019
Customer relationships	$ 316,270	$ 314,080
Trade names	76,652	73,394
License and distribution agreements	32,127	32,160
Intellectual property	92,660	88,072
Non-compete agreements	4,978	4,979
Total intangible assets	522,687	512,685
Accumulated amortization	(304,356)	(259,063)
Intangible assets, net	$ 218,331	$ 253,622

Amortization expense was $47,662, $38,714, and $43,962 for the years ended December 31, 2020, 2019, and 2018, respectively.

The weighted-average amortization period for intangible assets acquired in 2020 is 8.17 years. Estimated amortization expense for the next five years and thereafter is as follows:

2021	$ 46,257
2022	45,958
2023	45,916
2024	43,474
2025	19,655
Thereafter	17,071
	$218,331

Treasury Shares: The Company records treasury stock purchases and sales at cost.

Revenue Recognition: The Company's revenues are generated principally from the sale of products. The majority of the sales transactions are supported by an underlying agreement or a formal purchase order. Revenue is

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognized as performance obligations under the terms of the contract are satisfied; which generally occurs with the transfer of control. The Company transfers control and recognizes revenue when product is shipped to customers, and customers have legal title to the product, and the Company has a right to payment for such product. Revenue is measured as the amount of consideration the Company expects to receive in exchange for those products. Shipping and handling costs are treated as fulfillment costs and are included in cost of sales. Since the Company typically invoices customers when performance obligations are satisfied, the Company does not have material contract assets or contract liabilities. The Company's credit terms are customary and do not contain significant financing components that extend beyond one year of fulfillment of performance obligations.

The Company generally warrants that its products will conform to pre-established specifications and that its products will be free from material defects for a limited time. The Company limits its warranty to the replacement of defective parts, or a refund or credit of the price of the defective product. The Company does not account for these warranties as separate performance obligations. Warranty claims are not material as a majority of the Company's products are consumables.

Although products are generally sold at fixed prices, certain customers receive incentive awards, such as sales rebates, return allowances, scrap allowances, and other rights, which are accounted for as variable consideration. The Company estimates these amounts in the same period revenue is recognized based on the expected value to be provided to the customer and reduces revenue accordingly. The Company's estimate of variable consideration and ultimate determination of the estimated amounts to include in the transaction price is based primarily on its assessments of anticipated performance and historical information that is reasonably available to the Company.

Income Taxes: Medline, with the consent of its stockholders, has elected to be taxed under sections of the U.S. federal and state income tax laws, which provide that, in lieu of corporation income taxes, the stockholders separately account for their pro rata shares of Medline's items of income, deductions, losses and credits. Income taxes under this election generally relate to certain state income, franchise and minimum taxes where Medline is required to pay taxes at an entity level under state statutes.

Certain of the Company's wholly owned domestic subsidiaries are taxed as a C Corporation under state and federal laws. Certain of the Company's wholly owned foreign subsidiaries provide for local and deferred income taxes. These domestic and foreign subsidiaries record income tax expense based on the amount of taxes due on their tax return, plus deferred taxes computed based on expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities, using enacted tax rates. Deferred tax assets are reduced by a valuation allowance if it is deemed more likely than not that some or all of the deferred tax assets will not be realized. The net deferred income tax asset consists primarily of net operating loss carryforwards in foreign jurisdictions, various valuation allowances, non-deductible accruals and expenses, and the impact of temporary differences related to accrued pension obligations. The components of deferred income taxes, individually and in the aggregate, are not material to the consolidated financial statements. The Company also pays certain foreign branch taxes for subsidiaries located in foreign jurisdictions.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. At December 31, 2020 and 2019, the Company did not have any material uncertain tax positions.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company had no amounts accrued for interest or penalties as of December 31, 2020 and 2019. The Company does not expect the total amount of unrecognized tax benefits to substantially change in the next 12 months. As of December 31, 2020, the tax years of 2019, 2018, 2017, 2016 and 2015 remain subject to examination by major tax jurisdictions.

Defined Benefit Pension Plans: The Company uses appropriate actuarial methods and assumptions in accounting for its defined benefit pension plans. Actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense and the recorded obligation in future periods. Therefore, assumptions used to calculate benefit obligations as of the end of a fiscal year directly impact the expense to be recognized in future periods.

The Company accounts for its defined benefit pension plans in conformity with sections of Accounting Standards Codification 715. This guidance requires an employer to recognize the funded status of its defined benefit pension plans as a net asset or liability in its statement of financial position, with an offsetting amount in accumulated other comprehensive (loss) income, and to recognize changes in that funded status in the year in which changes occur through comprehensive (loss) income.

Concentrations of Credit Risk: Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of receivables. The Company extends credit to various customers that are primarily in the health care industry. This specific industry may be similarly affected by economic factors; however, the Company performs ongoing credit evaluations of its customers and establishes an allowance for doubtful accounts for specific customers that the Company determines have significant credit risk. Generally, the Company does not require collateral from its customers.

Translation of Financial Statements of Foreign Subsidiaries: The Company's foreign subsidiaries use the local currency as their functional currency. The consolidated assets and liabilities of the foreign subsidiaries are translated at exchange rates in effect at the balance sheet date. Income statement activity with respect to the operations of these subsidiaries is converted at the average rate for the year. The effect of the foreign currency translation is recorded in accumulated other comprehensive income.

Fair Value of Financial Instruments: The Company is required to estimate fair value using a three-tiered hierarchy, which prioritizes the inputs used in measuring fair value. Level 1 provides the most reliable measure of fair value; whereas, Level 3 generally requires significant management judgment. The three levels are defined as follows.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The carrying amount of financial instruments, including cash and cash equivalents, accounts receivable, notes receivable and accounts payable, approximates fair value due to the short maturities of these instruments.

Accumulated Other Comprehensive Loss: The Company's accumulated comprehensive loss consists of foreign currency translation and unrecognized net actuarial loss on pension plans. The accumulated comprehensive loss related to foreign currency translation was $(30,812) and $(65,444) at December 31, 2020 and 2019, respectively. The accumulated comprehensive gain/(loss) related to pension plans was $(7,590) and $(3,442) at December 31, 2020 and 2019, respectively.

Reclassification: Certain disclosure in the 2018 and 2019 consolidated financial statements has been reclassified to conform to the 2020 presentation.

Change in accounting principle: Under the subsequent measurement accounting alternative allowed in ASU 2014-02 Goodwill and Other (Topic 350), the Company has historically amortized goodwill on a straight-line basis over a useful life of ten years and has tested for goodwill impairment at the entity level. Beginning with the year ended December 31, 2020, the Company has changed its accounting policy from the accounting alternative to the traditional accounting treatment for goodwill. Therefore, goodwill will not be amortized, but rather will be tested for impairment at the reporting unit annually and when evidence of potential impairment exists. As a result, the Company will be able to better benchmark against its public peers.

This change in the accounting principle is applied retrospectively in the financial statements. The following table reflects the effect of the change in accounting principle on the December 31, 2020 Consolidated Financial Statements.

	2020		
	As computed under accounting alternative	As computed under new accounting policy	Effect of change
Consolidated Balance Sheets			
Goodwill	235,397	388,754	153,357
Retained earnings	6,742,293	6,895,650	153,357
Consolidated Statements of Comprehensive Income			
Selling, general, and administrative expenses	2,564,907	2,526,810	(38,097)
Net income	2,058,824	2,096,921	38,097
Consolidated Statements of Cash Flows			
Net income	2,058,824	2,096,921	38,097
Depreciation and amortization expense	237,751	199,654	(38,097)

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following tables reflects the impact to the financial statement line items that result from the change in accounting principle on the prior period presented in the accompanying financial statements.

	2019			2018		
	Previously reported	As adjusted	Adjustments	Previously reported	As adjusted	Adjustments
Consolidated Balance Sheets						
Goodwill	262,351	377,611	115,260			
Retained earnings	5,123,090	5,238,350	115,260			
Consolidated Statements of Comprehensive Income						
Selling, general, and administrative expenses	2,266,442	2,230,771	(35,671)	1,899,872	1,866,210	(33,662)
Net income	1,230,950	1,266,621	35,671	1,216,400	1,250,062	33,662
Consolidated Statements of Cash Flows						
Net income	1,230,950	1,266,621	35,671	1,216,400	1,250,062	33,662
Depreciation and amortization expense	210,391	174,720	(35,671)	211,782	178,120	(33,662)

Recently Issued Accounting Standards: In February 2016, the FASB established Topic 842, Leases, by issuing ASU No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by No. 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842, No. 2018-10, Codification Improvements to Topic 842, Leases, No. 2018-11, Leases (Topic 842): Targeted Improvements, No. 2018-20, Leases (Topic 842): Narrow-Scope Improvements for Lessors, and No. 2019-01, Leases (Topic 842): Codification Improvements, and No. 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. On June 3rd, 2020 FASB released a media advisory that indicated that private companies that have not yet applied the new standards will receive an effective date deferral. Private companies can apply the new lease standard for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022.

The new standard is effective for the Company on January 1, 2022, with early adoption permitted. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the consolidated financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period consolidated financial statements and provide the disclosures required by the new standard for the comparative periods. The Company expects to adopt the new standard on January 1, 2022 and use the effective date as the date of initial application. Consequently, financial information will not be updated and the disclosures required

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

under the new standard will not be provided for dates and periods before January 1, 2022. The Company is currently evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350)—Simplifying the Test for Goodwill Impairment ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairments by eliminating the requirement to compare the implied fair value of goodwill with its carrying amount as part of step two of the goodwill impairment test referenced in Accounting Standards Codification ("ASC") 350, Intangibles - Goodwill and Other ("ASC 350"). As a result, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value. However, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. ASU 2017-04 is effective for annual reporting periods beginning after December 15, 2021, including any interim impairment tests within those annual periods, with early application permitted. The Company expects to adopt the new standard on January 1, 2021. The Company does not expect material impact on the consolidated financial statements as a result of the adoption.

NOTE 2 - ACQUISITIONS

During the year ended December 31, 2020, the Company acquired certain assets and assumed certain liabilities of two entities for a total purchase price of approximately $32,939. These acquisitions were accounted for using the purchase method of accounting, and the results of operations related to the assets acquired and liabilities assumed are reflected in the consolidated financial statements from the dates of the acquisitions. The acquisitions were made to help the Company broaden its infrastructure and increase market share. The net assets acquired include accounts receivable, inventory, prepaid items and other assets, machinery and equipment, certain intangibles and various liabilities. Intangibles consist primarily of customer relationships, intellectual property and trade names. The goodwill recorded consists largely of expected synergies and future value to be derived from the acquisitions.

The purchase price was allocated to the respective assets and liabilities based on their estimated fair values as of the acquisition date. The allocations for goodwill and other intangibles are prepared by the Company's management utilizing tools available to the Company, including using historical data from the Company's prior acquisitions. Certain allocations may be finalized during the measurement period, in the year after acquisition.

(Dollars in thousands)

NOTE 2 - ACQUISITIONS (Continued)

The purchase price of $32,939 was allocated as follows:

	2020
Purchase price allocation	
Cash	$ 50
Accounts receivable	878
Inventory	11,431
Prepaid expense and other assets	301
Property, plant and equipment	267
Amortizable intangibles	10,002
Goodwill	11,143
Liabilities assumed	(1,133)
Net assets acquired, at fair value	$32,939

In addition to above, on December 14, 2020 the Company acquired the remaining ownership interest in one of its subsidiaries in the amount of $5,954.

During the year ended December 31, 2019 the Company acquired certain assets and assumed certain liabilities of two entities for a total purchase price of approximately $214,929. These acquisitions were accounted for using the purchase method of accounting, and the results of operations related to the assets acquired and liabilities assumed are reflected in the consolidated financial statements from the dates of the acquisitions. The acquisitions were made to help the Company broaden its infrastructure and increase market share. The net assets acquired include accounts receivable, inventory, prepaid items and other assets, machinery and equipment, certain intangibles and various liabilities. Intangibles consist primarily of customer relationships, intellectual property and trade names. The goodwill recorded consists largely of expected synergies and future value to be derived from the acquisitions.

The purchase price was allocated to the respective assets and liabilities based on their estimated fair values as of the acquisition date. The allocations for goodwill and other intangibles are prepared by the Company's management utilizing a third-party valuation report and other tools available to the Company, including using historical data from the Company's prior acquisitions.

(Dollars in thousands)

NOTE 2 - ACQUISITIONS (Continued)

The purchase price of $214,929 was allocated as follows:

	2019
Purchase price allocation	
Cash	$ 2,560
Accounts receivable	30,703
Inventory	52,535
Prepaid expense and other assets	1,641
Property, plant and equipment	11,040
Amortizable intangibles	122,753
Goodwill	44,163
Liabilities assumed	(50,466)
Net assets acquired, at fair value	$214,929

NOTE 3 - INVENTORIES

Inventories consisted of the following at December 31, 2020, and 2019:

	2020	2019
Raw materials and work in process	$ 644,254	$ 450,195
Finished goods	2,500,494	2,159,955
Inventory reserves	(256,946)	(216,883)
Inventories, net	$2,887,802	$2,393,267

If inventory costs had been determined by the FIFO method, inventories would have been approximately $198,511 and $172,271 higher at December 31, 2020 and 2019, respectively, with the net change realized in cost of goods sold.

Inventories held at customers' and outside packagers'/suppliers' premises were approximately $7,050 and $30,203, respectively, at December 31, 2020, and $6,244 and $31,517, respectively, at December 31, 2019.

(Dollars in thousands)

NOTE 4 - NOTES RECEIVABLE

Notes receivable consisted of the following at December 31, 2020 and 2019:

	2020	2019
Promissory note and related accrued interest, unrelated party, maturities of principal and interest beginning January 31, 2018, and continuing through December 31, 2046, including interest at 1.11%	$7,296	$ 7,296
Promissory notes, related parties, various maturities through December 2021, including interest at approximately 2.50%	13	40
Other, unrelated parties	509	3,940
Total notes receivable	7,818	11,276
Less current portion	522	967
Notes receivable, less current portion	$7,296	$10,309

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

	2020	2019
Machinery and equipment	$1,340,732	$1,127,946
Buildings and improvements	1,225,546	1,027,456
Land and improvements	514,607	485,327
Construction in progress	333,054	246,959
Total property, plant and equipment	3,413,939	2,887,688
Less accumulated depreciation and amortization	(970,930)	(862,008)
Property, plant and equipment, net	$2,443,009	$2,025,680

Depreciation related to property, plant and equipment for the years ended December 31, 2020 and 2019, totaled $151,992 and $135,754, respectively.

NOTE 6 - ACCRUED EXPENSES

The elements of accrued expenses are as follows at December 31, 2020 and 2019:

	2020	2019
Payroll	$341,623	$232,238
Customer rebates	268,968	201,982
Customer advance	48,574	—
Other	201,912	201,425
Total accrued expenses	$861,077	$635,645

(Dollars in thousands)

NOTE 7 - CREDIT AGREEMENTS

At December 31, 2020 and 2019, the Company had multiple credit agreements with several financial institutions for a maximum borrowing capacity of $1,100,000 and $1,140,000, respectively. At December 31, 2020 and 2019, availability under the credit agreements was $976,368 and $732,012, respectively, after consideration of letters of credit of $13,632 and $9,051. The credit agreements enable the Company to borrow at various rates, all of which float with relevant rate indices, i.e., LIBOR. The maturity dates of the credit agreements range from July 2020 to February 2022.

At December 31, 2020 and 2019, the Company had short-term borrowings under lines of credit of $110,000 and $398,937, respectively. The borrowings are repaid and reborrowed partially or wholly on a daily or monthly basis and interest is typically paid on a monthly or quarterly basis. Cash payments made for interest in 2020 and 2019 were $6,063 and $4,225, respectively.

The credit agreements contain certain financial covenants, which require, among other provisions, delivery of the consolidated financial statements. At December 31, 2020 and 2019, the Company was in compliance with all covenants.

NOTE 8 - LEASES

The Company occupies certain warehousing and office facilities under operating lease arrangements. Under terms of the leases, the Company is responsible for real estate taxes, insurance and maintenance costs on the facilities. Total rent expense, including real estate taxes under such arrangements, was $69,599, $56,125, and $50,400 for the years ended December 31, 2020, 2019, and 2018, respectively. Included in these amounts is $0, $0, and $4,551 for the years ended December 31, 2020, 2019, and 2018, associated with related party leases of warehousing and office facilities. The office and warehouse facilities' leases expire at various dates from 2020 through 2032, and certain leases provide for rent to be adjusted annually for changes in the Consumer Price Index.

Future minimum payments under non-cancelable leases as of December 31, 2020, are as follows:

Years ending December 31,	Total
2021	$ 75,715
2022	63,064
2023	53,304
2024	38,799
Thereafter	27,846
	$258,728

NOTE 9 - PENSION PLANS

The Company has various non-contributory defined benefit retirement plan obligations at various foreign subsidiaries. These plans cover certain employees, as defined, within those foreign jurisdictions.

(Dollars in thousands)

NOTE 9 - PENSION PLANS (Continued)

The Company uses December 31 as the measurement date of its defined benefit pension plans. The following table sets forth the various plans' unfunded status and amounts recognized in the Company's balance sheets:

	2020	2019
Projected benefit obligation	$28,970	$18,862
Less fair value of plan assets	1,302	1,580
Unfunded status	$27,668	$17,282

The unfunded obligations are recognized in the consolidated balance sheets in long-term liabilities. The Company funds the minimum contribution required under the various statutory requirements of each foreign jurisdiction.

The weighted-average assumptions as of December 31, 2020 and 2019, and for the years then ended, are as follows:

	2020		2019	
	Benefit Obligation	Net Periodic Benefit Cost	Benefit Obligation	Benefit Obligation
Weighted-average discount rate	2.47%	2.47%	2.47%	2.52%
Rate of compensation increase	3.46%	3.29%	3.29%	3.05%
Social Security increase rate	2.52%	2.27%	2.27%	2.09%
Pension increase rate (in payment)	1.12%	0.99%	0.99%	0.97%
Expected long-term return on plan assets	N/A	3.00%	N/A	3.83%

NOTE 10 - INCOME TAXES

Income tax expense for the years ended December 31, 2020, 2019, and 2018, consists of the following:

	2020	2019	2018
State income, franchise and minimum taxes	$ 4,439	$ 5,773	$ 6,390
Federal and state income tax expense (benefit) – corporation	4,366	(3,547)	1,073
Branch and foreign income taxes in certain foreign tax jurisdictions, including any related deferred income taxes	40,039	26,863	22,919
	$48,844	$29,089	$30,382

Income tax expense amounts have been classified between current and deferred for the years ended December 31, 2020, 2019, and 2018, as follows:

	2020	2019	2018
Current tax provision	$52,253	$30,768	$30,798
Deferred tax expense (benefit)	(3,408)	(1,679)	(416)
	$48,844	$29,089	$30,382

(Dollars in thousands)

NOTE 10 - INCOME TAXES (Continued)

The net deferred tax amounts have been classified on the accompanying consolidated balance sheets as of December 31, 2020, and 2019, as follows:

	2020	2019
Other current assets	$14,147	$ 9,426
Other long-term assets	7,708	8,199
	$21,855	$17,625

Based on the projections for future taxable income over the periods in which temporary differences are available to reduce income taxes payable, the Company has not recorded a valuation allowance against its net deferred tax assets since management of the Company believes that it is more likely than not that these assets will be realized.

NOTE 11 - STOCKHOLDERS' EQUITY

The Company had a restricted stock agreement with non-majority interest employee stockholders that allowed the Company to repurchase the shares of such employees (1,984,208 shares at December 31, 2017) at the time they leave the Company at the book value of the shares at the redemption date. On March 30, 2018, the Company repurchased all stock from non-majority interest employee stockholders through a reduction of notes receivable of $106,115 and cash paid of $166,394. There was no compensation expense recorded under this restricted stock agreement in 2020, 2019 or 2018.

On August 31, 2018 the Company effected a 99:1 stock split on common stock in the form of a 100% stock dividend to its shareholders, issuing 99 non-voting common shares for each voting common share outstanding at the time. In connection with the stock dividend, the shareholder agreement was amended to authorize 4,950,000,000 shares of non-voting stock.

NOTE 12 - CONTINGENCIES

Litigation: There are various legal proceedings against the Company. The Company is of the opinion that, although the outcome of the litigation cannot be predicted with any certainty, the ultimate liability, if any, will not have a material adverse effect on the Company's consolidated financial statements.

NOTE 13 - FAIR VALUE MEASUREMENTS

The following descriptions of the valuation methods and assumptions used by the Company to estimate the fair values of investments apply to all investments held directly by the Company:

Equity Securities and Mutual Funds: These securities primarily consist of direct investments in the stock of publicly traded companies and mutual funds traded on active markets. These investments are valued based on the closing price reported in an active market on which the individual securities and mutual funds are traded.

Cash Equivalents: Cash equivalents consist of certificates of deposit in several banks. Because there is not a trading rate in the active market (the broker does provide the Company with a fair value, but there is no active

NOTE 13 - FAIR VALUE MEASUREMENTS (Continued)

market to trade the assets), the certificates of deposit are classified within Level 2 of the fair value hierarchy. The valuation of the certificates of deposit is based on the statement/fair value of the assets. Cash equivalents were $1,411 and $3,526 at December 31, 2020 and 2019, respectively.

Debt Securities: These securities consist primarily of corporate and municipal bonds, fixed interest debt obligations, and auction-rate municipal bonds. Corporate and municipal bonds, and fixed interest debt obligations, are valued through consultation and evaluation, with brokers in the institutional market, using quoted prices and other observable market data. As such, a portion of these securities are included in both Level 1 and Level 2.

Derivative Investments: Cotton and oil hedges are valued based on their subcomponents, typically a variety of options linked to the price of the S&P GSCI Cotton Excess Return and the S&P GSCI Crude Oil Index Excess Return, respectively. Option pricing is calculated using the Black-Scholes model (or a Monte Carlo simulation based on the same theory). The price is evaluated based on a variety of inputs, including expected payout in various states, expiration of assets, the historical, current and expected future values of the underlying assets, and market volatility. As such, derivative investments are included in Level 3.

Participation Units: The company invests in a fund that is invested in structured products within the United States. The structured products consist of investments, such as common and preferred equity securities, corporate bonds, asset-backed securities, short-term notes, U.S. government securities, U.S. agency securities, restricted debt securities, restricted equity securities, and derivative instruments. The Company's investment in the fund is valued using net asset value ("NAV") as a practical expedient to estimate fair value. The NAV is based on the fair value of underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the partnership will sell the investment for an amount different than the reported NAV.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions, to determine the fair value of certain financial instruments, could result in a different fair value measurement at the reporting date.

(Dollars in thousands)

NOTE 13 - FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value
Financial Assets				
Investments in trading securities				
Equity securities and mutual funds	$108,907	$ —	$ —	$108,907
Debt securities - corporate bonds	71	—	—	71
Derivative investments	—	—	39,711	39,711
Total investments in trading securities	$108,978	$ —	$39,711	$148,689
Investments measured at NAV				75,466
Total investments at fair value				$224,155

	Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value
Financial Assets				
Investments in trading securities				
Equity securities and mutual funds	$45,654	$ —	$ —	$ 45,654
Debt securities - corporate bonds	70	—	—	70
Derivative investments	—	—	62,546	62,546
Total investments in trading securities	$45,724	$ —	$62,546	$108,270
Investments measured at NAV				68,858
Total investments at fair value				$177,128

A shareholder of the Company is currently the Chief Executive Officer of a fund which holds some of the Company's investments. These investments comprise approximately 51% and 74% of the Company's total investments at fair value for fiscal years 2020 and 2019, respectively.

NOTE 14 - PROFIT-SHARING RETIREMENT PLAN

The Company has a qualified contributory profit-sharing retirement plan for all domestic eligible employees who elect to participate. Eligibility is defined as employees who have reached the age of 21 and have completed 60

NOTE 14 - PROFIT-SHARING RETIREMENT PLAN (Continued)

days of service. Company contributions are based on amounts determined in accordance with plan provisions. Total profit-sharing expense approximated $25,025, $20,517, and $16,609 for the years ended December 31, 2020, 2019, and 2018, respectively.

NOTE 15 - SUBSEQUENT EVENTS

The Company has evaluated its consolidated financial statements for subsequent events through August 26, 2021, the date the consolidated financial statements were available to be issued. Two material subsequent events are disclosed as below.

In June of 2021, the owners of the Company agreed to sell a majority ownership in the Company to a private equity consortium led by Blackstone Group and including the Carlyle Group, Hellman & Friedman, and GIC, the Singaporean sovereign wealth fund for $32,227,990, including debt. The current management will continue to lead the Company day-to-day and the Mills family will remain involved in running the business. The transaction is expected to close in the fall of this year. The Company will remain privately held subsequent to the transaction.

On June 28, 2021, the Company purchased Hudson RCI® Respiratory business from Teleflex Inc. for $274,000. Medline will add the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement Medline's existing respiratory portfolio in order to meet the needs of the market.

The addition of the Hudson RCI products indicates Medline's increasing respiratory portfolio in light of COVID. The Company is committed to offering respiratory products to meet healthcare needs in the acute and post-acute care spaces across the United States, Europe and Asia Pacific.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of June 26, 2021 and December 31, 2020
(Dollars in thousands)

	(unaudited) June 26, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 432,494	$ 383,520
Investments in trading securities	127,706	224,155
Trade accounts receivable, net of allowance for doubtful accounts of $117,821 as of June 26, 2021 and $129,538 as of December 31, 2020	2,357,335	2,476,667
Inventories, net	3,255,260	2,887,802
Current maturities of notes receivable and advances	519	522
Other current assets	298,595	437,270
Total current assets	6,471,909	6,409,936
Property, plant and equipment, net	2,575,324	2,443,009
Other assets		
Notes receivable and advances, less current portion	7,296	7,296
Goodwill	388,821	388,754
Intangible assets, net	195,786	218,331
Other long-term assets	21,291	23,320
Total other assets	613,194	637,701
Total assets	$9,660,427	$9,490,646
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings on lines of credit	$ 2,261	$ 110,000
Accounts payable	418,664	562,408
Accrued expenses	874,953	861,077
Income taxes payable	21,452	24,262
Total current liabilities	1,317,330	1,557,747
Long-term liabilities	86,589	70,081
Total liabilities	1,403,919	1,627,828
Stockholders' equity		
Common stock, no par value; 50,000,000 voting shares authorized, 4,950,000,000 non-voting shares authorized	1,160,204	1,160,204
Retained earnings	7,301,887	6,895,650
Accumulated other comprehensive loss	(50,949)	(38,402)
	8,411,142	8,017,452
Less cost of treasury stock	(154,634)	(154,634)
Total stockholders' equity	8,256,508	7,862,818
Total liabilities and stockholders' equity	$9,660,427	$9,490,646

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Half years ended June 26, 2021 and June 27, 2020
(Dollars in thousands)

	(unaudited)	
	June 26, 2021	June 27, 2020
Net sales	$9,458,637	$7,703,842
Cost of goods sold	7,076,082	5,712,096
Gross profit	2,382,555	1,991,746
Selling, general and administrative expenses	1,261,268	1,200,307
Operating income	1,121,287	791,439
Other income (expense)		
Interest and investment income (expense), net	(10,257)	13,005
Foreign exchange gain (loss)	(4,287)	(5,346)
Total other income (expense)	(14,544)	7,659
Income before income taxes	1,106,743	799,098
Income taxes	102,161	16,913
Net income	1,004,582	782,185
Other comprehensive income (loss)		
Pension liability adjustment	—	(2,137)
Currency translation adjustment	(12,547)	(13,105)
Total other comprehensive income	(12,547)	(15,242)
Comprehensive income	$ 992,035	$ 766,943

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Half years ended June 26, 2021 and June 27, 2020
(in thousands, except share)

	For the half year ended June 27, 2020 (unaudited)						
	------Common Stock------				------Treasury Stock------		
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amount	Total Stockholders' Equity
Balance, December 31, 2019	$3,537,049,100	$1,158,735	$5,238,350	$(68,886)	$(112,592,900)	$(154,634)	$6,173,565
Net income	—	—	782,185	—	—	—	782,185
Comprehensive income							
Pension liability adjustment, net of tax	—	—	—	(2,137)	—	—	(2,137)
Currency translation adjustment	—	—	—	(13,105)	—	—	(13,105)
Common stock issued	—	552	—	—	—	—	552
Distributions to stockholders	—	—	(154,425)	—	—	—	(154,425)
Balance, June 27, 2020	$3,537,049,100	$1,159,287	$5,866,110	$(84,128)	$(112,592,900)	$(154,634)	$6,786,635

	For the half year ended June 26, 2021 (unaudited)						
	------Common Stock------				------Treasury Stock------		
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amount	Total Stockholders' Equity
Balance, December 31, 2020	$3,537,049,100	$1,160,204	$6,895,650	$(38,402)	$(112,592,900)	$(154,634)	$7,862,818
Net income	—	—	1,004,582	—	—	—	1,004,582
Comprehensive income							
Currency translation adjustment	—	—	—	(12,547)	—	—	(12,547)
Common stock issued	—	—	—	—	—	—	—
Distributions to stockholders	—	—	(598,345)	—	—	—	(598,345)
Balance, June 26, 2021	$3,537,049,100	$1,160,204	$7,301,887	$(50,949)	$(112,592,900)	$(154,634)	$8,256,508

See notes to consolidated financial statements.

MEDLINE INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Half years ended June 26, 2021 and June 27, 2020
(Dollars in thousands)

	(unaudited)	
	June 26, 2021	June 27, 2020
Cash flows from operating activities		
Net income	$1,004,582	$ 782,185
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	102,774	98,512
Bad debt expense	11,223	6,972
(Gain) loss on investments	14,161	(16,406)
(Gain) loss on disposition of property and equipment	(11,196)	(23,878)
Changes in assets and liabilities, net of acquisitions:		
Trade accounts receivable	108,109	24,933
Inventories	(367,458)	(255,212)
Other assets	139,951	(77,116)
Accounts payable	(107,708)	87,608
Accrued expenses	(19,045)	51,896
Other liabilities	8,588	(9,503)
Net cash provided by operating activities	883,981	669,991
Cash flows from investing activities		
Payments received on notes receivable	50	—
Purchases of property and equipment	(221,830)	(303,121)
Proceeds from sale of property and equipment	23,847	83,706
Investments in trading securities, net	82,288	3,405
Acquisitions of businesses, net of cash acquired	—	(3,171)
Net cash used in investing activities	(115,645)	(219,181)
Cash flows from financing activities		
Repayments under lines of credit, net	(110,000)	(185,280)
Issuance of common stock	—	552
Distributions to stockholders	(598,345)	(154,425)
Net cash used in financing activities	(708,345)	(339,153)
Effect of exchange rate changes on cash and cash equivalents	(11,016)	(2,473)
Net change in cash and cash equivalents	48,974	109,184
Cash and cash equivalents, beginning of year	383,520	156,944
Cash and cash equivalents, end of year	$ 432,494	$ 266,128

See notes to consolidated financial statements.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: Medline Industries, Inc. ("Medline") and subsidiaries (together, the "Company") is a manufacturer and distributor of medical supplies. Its customers are primarily composed of hospitals, nursing homes and other health care providers located in the United States of America, Canada, Europe, Asia-Pacific (which includes Southeast Asia, Japan and Australia), Latin America (which includes Mexico), and the Middle East.

Principles of Consolidation: The consolidated financial statements include the accounts of Medline and its wholly owned and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, allowance for doubtful accounts, inventory valuation reserves, fair value of investments in trading securities, impairment of long-lived assets and goodwill, deferred tax valuations, depreciation, actuarial assumptions and fair value allocations related to business combinations. Actual results could differ from those estimates. The Company considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on the Company's results of operations and financial position.

Cash and Cash Equivalents: The Company considers all highly liquid financial instruments with an original maturity of 90 days or less to be cash equivalents. Due to the short-term nature of these instruments, the carrying values approximate the fair market value. Of the cash held on deposit, essentially all of the cash balances were in excess of amounts insured by the Federal Deposit Insurance Corporation or other foreign provided bank insurance. The Company performs periodic evaluations of these institutions for relative credit standing and has not experienced any losses as a result of its cash concentration. The Company had $281,177 and $253,555 of cash held in foreign bank accounts as of June 26, 2021 and December 31, 2020, respectively.

Investments in Trading Securities: Investments in trading securities are recorded at fair value and consist of equity securities and mutual funds, derivative instruments, municipal bonds, corporate bonds and fixed interest debt obligations of $127,706 and $224,155 as of June 26, 2021 and December 31, 2020, respectively. Net unrealized gains were $8,767 and $16,406 for the half years ended June 26, 2021 and June 27, 2020, respectively, which were recorded in income. The cost of investments sold is determined on the specific identification method.

Inventories: Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily by the last-in, first-out method. For certain foreign subsidiaries, cost is determined using the first-in, first-out ("FIFO") method. Estimated provisions are established for slow-moving and obsolete inventory.

Accounts Receivable: Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on a periodic basis. The Company charges interest on overdue receivables and evaluates the collection of this interest through the allowance for doubtful accounts. Net interest on overdue receivables was not material as of June 26, 2021 and December 31, 2020.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management determines the allowance for doubtful accounts by identifying at-risk accounts primarily by considering the age of the customer's receivable and also by considering the credit worthiness of the customer, as well as general economic conditions. If any of these factors change, the Company may also change its original estimates, which could impact the level of its future allowance for doubtful accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Sales Tax: Sales taxes collected from customers and remitted to governmental authorities are excluded from revenues.

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided over the estimated useful lives, using straight-line and accelerated methods. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Amortization of leasehold improvements is based on the estimated useful life or the term of the lease, whichever is shorter.

Property, plant and equipment, are recorded at cost. Depreciation of property, plant and equipment generally is computed using the straight-line method based on the estimated useful lives of the assets. The estimated useful lives of buildings and improvements primarily range from ten to forty years, with the majority in the range of twenty to forty years. The estimated useful lives of machinery and equipment primarily range from three to fifteen years, with the majority in the range of five to ten years. Fully depreciated assets are retained in property, plant and equipment and accumulated depreciation accounts until disposal. Upon disposal, assets and related accumulated depreciation are removed from the accounts and the net amount, less proceeds from disposal, is charged or credited to operations. Property, plant and equipment amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss recorded is calculated by the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis if market value is not readily available or attainable.

Asset Category	GAAP Useful Life
Buildings and Improvements - Owned	40 years
Building Improvements - Leased	Shorter of 10 years/ Remaining lease term
Land Improvements	15 years
Machinery and Equipment	3-10 years
Computer Software	3 years
Furniture and Fixtures	7 years
Auto and Trucks	5-7 years

Impairment of Long-Lived Assets: The Company reviews long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

would be recognized when the estimated undiscounted future cash flow from use of the asset is less than the carrying amount of that asset. There was no material impairment recorded for the half years ended June 26, 2021 and June 27, 2020.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of the identifiable assets for a business acquisition.

Goodwill amounts as are follows:

	Total Goodwill
December 31, 2020	$388,754
ConvaTec Measurement Period Adjustment	63
Foreign Exchange Adjustment	4
Balance as of June 26, 2021	$388,821

The Company performs its annual goodwill impairment test in October and monitors for interim indicators of impairment on an ongoing basis. Goodwill is tested for impairment at the reporting unit level. When performing the annual goodwill impairment assessment, the Company has the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If management concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the company conducts a quantitative goodwill impairment test; otherwise, no further analysis is required.

The quantitative goodwill impairment test compares the estimated fair value of each reporting unit to its carrying value. If the carrying value of a reporting unit exceeds its estimated fair value, an impairment charge is recognized in an amount equal to that excess, limited to the total goodwill allocated to that reporting unit. If the estimated fair value of goodwill exceeds the carrying value, goodwill is not impaired.

Intangible Assets: Intangible assets are initially measured at fair value and consist of trade names, customer relationships, non-compete agreements, intellectual property from acquisitions by the Company, and various license and distribution agreements for exclusive supply and distribution rights. These intangible assets are amortized using the straight-line method over their estimated useful lives.

(Dollars in thousands)

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Identifiable intangible assets consist of the following as of:

	June 26, 2021	December 31, 2020
Customer relationships	$ 316,291	$ 316,270
Trade names	76,673	76,652
License and distribution agreements	33,050	32,127
Intellectual property	92,681	92,660
Non-compete agreements	4,978	4,978
Total intangible assets	523,673	522,687
Accumulated amortization	(327,887)	(304,356)
Intangible assets, net	$ 195,786	$ 218,331

Amortization expense was $23,186 and $22,912 for the half years ended June 26, 2021 and June 27, 2020, respectively.

The weighted-average amortization period for intangible assets acquired during the half year endedJune 26, 2021 is 14.54 years. Estimated amortization expense for the remainder of fiscal year 2021 and each of the succeeding five years is as follows:

2021	$ 23,040
2022	45,958
2023	45,916
2024	43,474
2025	19,655
2026	16,281
Thereafter	1,462
	$195,786

Treasury Shares: The Company records treasury stock purchases and sales at cost.

Revenue Recognition: The Company's revenues are generated principally from the sale of products. The majority of the sales transactions are supported by an underlying agreement or a formal purchase order. Revenue is recognized as performance obligations under the terms of the contract are satisfied; which generally occurs with the transfer of control. The Company transfers control and recognizes revenue when product is shipped to customers, and customers have legal title to the product, and the Company has a right to payment for such product. Revenue is measured as the amount of consideration the Company expects to receive in exchange for those products. Shipping and handling costs are treated as fulfillment costs and are included in cost of sales. Since the Company typically invoices customers when performance obligations are satisfied, the Company does not have material contract assets or contract liabilities. The Company's credit terms are customary and do not contain significant financing components that extend beyond one year of fulfillment of performance obligations.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company generally warrants that its products will conform to pre-established specifications and that its products will be free from material defects for a limited time. The Company limits its warranty to the replacement of defective parts, or a refund or credit of the price of the defective product. The Company does not account for these warranties as separate performance obligations. Warranty claims are not material as a majority of the Company's products are consumables.

Although products are generally sold at fixed prices, certain customers receive incentive awards, such as sales rebates, return allowances, scrap allowances, and other rights, which are accounted for as variable consideration. The Company estimates these amounts in the same period revenue is recognized based on the expected value to be provided to the customer and reduces revenue accordingly. The Company's estimate of variable consideration and ultimate determination of the estimated amounts to include in the transaction price is based primarily on its assessments of anticipated performance and historical information that is reasonably available to the Company.

Income Taxes: Medline, with the consent of its stockholders, has elected to be taxed under sections of the U.S. federal and state income tax laws, which provide that, in lieu of corporation income taxes, the stockholders separately account for their pro rata shares of Medline's items of income, deductions, losses and credits. Income taxes under this election generally relate to certain state income, franchise and minimum taxes where Medline is required to pay taxes at an entity level under state statutes.

Certain of the Company's wholly owned domestic subsidiaries are taxed as a C Corporation under state and federal laws. Certain of the Company's wholly owned foreign subsidiaries provide for local and deferred income taxes. These domestic and foreign subsidiaries record income tax expense based on the amount of taxes due on their tax return, plus deferred taxes computed based on expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities, using enacted tax rates. Deferred tax assets are reduced by a valuation allowance if it is deemed more likely than not that some or all of the deferred tax assets will not be realized. The net deferred income tax asset consists primarily of net operating loss carryforwards in foreign jurisdictions, various valuation allowances, non-deductible accruals and expenses, and the impact of temporary differences related to accrued pension obligations. The components of deferred income taxes, individually and in the aggregate, are not material to the consolidated financial statements. The Company also pays certain foreign branch taxes for subsidiaries located in foreign jurisdictions.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. At December 31, 2020 and 2019, the Company did not have any material uncertain tax positions.

The Company recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company had no amounts accrued for interest or penalties as of June 26, 2021 and December 31, 2020. The Company does not expect the total amount of unrecognized tax benefits to substantially change in the next 12 months. As of June 26, 2021, the tax years of 2020, 2019, 2018, 2017, 2016 and 2015 remain subject to examination by major tax jurisdictions.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Defined Benefit Pension Plans: The Company uses appropriate actuarial methods and assumptions in accounting for its defined benefit pension plans. Actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense and the recorded obligation in future periods. Therefore, assumptions used to calculate benefit obligations as of the end of a fiscal year directly impact the expense to be recognized in future periods.

The Company accounts for its defined benefit pension plans in conformity with sections of ASC 715. This guidance requires an employer to recognize the funded status of its defined benefit pension plans as a net asset or liability in its statement of financial position, with an offsetting amount in accumulated other comprehensive (loss) income, and to recognize changes in that funded status in the year in which changes occur through comprehensive (loss) income.

Concentrations of Credit Risk: Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of receivables. The Company extends credit to various customers that are primarily in the health care industry. This specific industry may be similarly affected by economic factors; however, the Company performs ongoing credit evaluations of its customers and establishes an allowance for doubtful accounts for specific customers that the Company determines have significant credit risk. Generally, the Company does not require collateral from its customers.

Translation of Financial Statements of Foreign Subsidiaries: The Company's foreign subsidiaries use the local currency as their functional currency. The consolidated assets and liabilities of the foreign subsidiaries are translated at exchange rates in effect at the balance sheet date. Income statement activity with respect to the operations of these subsidiaries is converted at the average rate for the year. The effect of the foreign currency translation is recorded in accumulated other comprehensive income.

Fair Value of Financial Instruments: The Company is required to estimate fair value using a three-tiered hierarchy, which prioritizes the inputs used in measuring fair value. Level 1 provides the most reliable measure of fair value; whereas, Level 3 generally requires significant management judgment. The three levels are defined as follows.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The carrying amount of financial instruments, including cash and cash equivalents, accounts receivable, notes receivable and accounts payable, approximates fair value due to the short maturities of these instruments.

Accumulated Other Comprehensive Loss: The Company's accumulated comprehensive loss consists of foreign currency translation and unrecognized net actuarial loss on pension plans. The accumulated comprehensive loss related to foreign currency translation was $(43,359) and $(30,812) as of June 26, 2021 and December 31, 2020, respectively. The accumulated comprehensive (loss) related to pension plans was $(7,590) and $(7,590) as of June 26, 2021 and December 31, 2020, respectively.

Recently Issued Accounting Standards: In February 2016, the Financial Accounting Standards Board ("FASB") established Topic 842, *Leases*, by issuing Accounting Standards Update ("ASU") No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by No. 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*, No. 2018-10, *Codification Improvements to Topic 842, Leases*, No. 2018-11, *Leases (Topic 842): Targeted Improvements*, No. 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, and No. 2019-01, *Leases (Topic 842): Codification Improvements*, and No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. On June 3, 2020 FASB released a media advisory that indicated that private companies that have not yet applied the new standards will receive an effective date deferral. Private companies can apply the new lease standard for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022.

The new standard is effective for the Company on January 1, 2022, with early adoption permitted. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the consolidated financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period consolidated financial statements and provide the disclosures required by the new standard for the comparative periods. The Company expects to adopt the new standard on January 1, 2022 and use the effective date as the date of initial application. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2022. The Company is currently evaluating the impact of the adoption of this standard on the consolidated financial statements.

Recently Adopted Accounting Standards: In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350) - *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairments by eliminating the requirement to compare the implied fair value of goodwill with its carrying amount as part of step two of the goodwill impairment test referenced in ASC 350, *Intangibles - Goodwill and Other* ("ASC 350"). As a result, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An impairment

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value. However, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. ASU 2017-04 is effective for annual reporting periods beginning after December 15, 2021, including any interim impairment tests within those annual periods, with early application permitted. The Company adopted the new standard on January 1, 2021. There is no material impact to the consolidated financial statement as a result of the adoption.

NOTE 2 - ACQUISITIONS

Acquisition of the Non-Controlling Interest in PluroGen Therapeutics LLC.

On December 14, 2020, the Company purchased the remaining 38.71% of PluroGen Therapeutics, LLC. in the amount of $5,954 to become 100% owner. The acquisition was treated as a transaction under common control with no impact to net income or comprehensive income—in accordance with ASC 810.

The Company initially entered into a membership purchase agreement with PluroGen Therapeutics LLC. and PGT Holdings on April 17, 2015 to purchase 51% of the outstanding membership interest for $5,000—which was then subsequently increased to 61.29% on December 7, 2016.

The operations have been consolidated within the Company's financial statements since the initial purchase on April 17, 2015, the date of acquisition, and the date at which the Company gained control of the acquired business.

Acquisition of Sensi-Care and Aloe Vesta Product Lines

On July 30, 2020, the Company entered into an agreement to purchase two skin care product lines—Sensi-Care and Aloe Vesta from ConvaTec, Inc. for $29,727. The acquisition brings the well-established brands of patient cleansing, moisturizing, and skin protectants into Medline's advanced skin care portfolio.

The acquisition was accounted for in accordance with Topic 805 "Business Combinations" and, accordingly, the operations have been consolidated within the Company's financial statements since July 30, 2020, the date of acquisition. The Company recorded an allocation of the purchase price to assets acquired and liabilities assumed based on their fair values as of July 30, 2020.

There were no material adjustments to our purchase price allocation recognized during the first half of fiscal year 2021.

Médi-Sélect Ltée Acquisition

On January 9, 2020, the Company purchased the outstanding equity of Médi-Sélect Ltée for $3,212. Médi-Sélect Ltée is a Quebec City-based medical and dental supplies distributor. This acquisition puts Medline Canada on track to be a leader in the Quebec market for medical supplies distribution.

(Dollars in thousands)

NOTE 2 - ACQUISITIONS (Continued)

The acquisition was accounted for in accordance with Topic 805 "Business Combinations" and, accordingly, the operations have been consolidated within the Company's financial statements since January 9, 2020, the date of acquisition. The purchase price was allocated to the respective assets and liabilities based on their fair values as of the acquisition date.

The final determination of the fair values were completed within the measurement period, and there were no significant adjustments to Goodwill during the first half of FY2021.

SE Holding Corp. Acquisition

On November 13, 2019, the Company entered into an agreement and plan of merger with SE Holding Corp., SE Merger Acquisition Co. and Diamon Castle Partners 2014, LP—whereby the Company obtained 100% ownership of SE Holding Corp. via merger of both SE Holding Corp. and SE Merger Acquisition Co. with SE Holding Corp being the surviving entity. The acquisition was a strategic move to deepen Medline's business in the areas of sutures and endo.

The acquisition was accounted for in accordance with Topic 805 "Business Combinations" and, accordingly, the operations have been consolidated within the Company's financial statements since November 13, 2019, the date of acquisition.

The Company reported intangible assets in the amount of $22,453 at December 31, 2019. The intangible assets were subsequently adjusted by $1,127 through the end of the half year period ended June 27, 2020 reporting a final intangible amount of $21,326.

The purchase price was allocated to the respective assets and liabilities based on their estimated fair values as of the acquisition date. The allocations for goodwill and other intangibles are prepared by the Company's management utilizing tools available to the Company, including using historical data from the Company's prior acquisitions.

The purchase price of $32,939 for Sensi-Care and Aloe Vesta Product Lines and Médi-Sélect Ltée was allocated as follows:

	2020
Purchase price allocation	
Cash	$ 50
Accounts receivable	878
Inventory	11,431
Prepaid expense and other assets	301
Property, plant and equipment	267
Amortizable intangibles	10,002
Goodwill	11,143
Liabilities assumed	(1,133)
Net assets acquired, at fair value	$32,939

(Dollars in thousands)

NOTE 3 - INVENTORIES

Inventories consisted of the following as of:

	June 26, 2021	December 31, 2020
Raw materials and work in process	$ 656,542	$ 644,254
Finished goods	2,897,011	2,500,494
Inventory reserves	(298,293)	(256,946)
Inventories, net	$3,255,260	$2,887,802

If inventory costs had been determined by the FIFO method, inventories would have been approximately $232,272 and $198,511 higher as of June 26, 2021 and December 31, 2020, respectively, with the net change realized in cost of goods sold.

Inventories held at customers' and outside packagers'/suppliers' premises were approximately $7,833 and $38,147, respectively, at June 26, 2021 and $7,050 and $30,203, respectively, at December 31, 2020.

NOTE 4 - NOTES RECEIVABLE

Notes receivable consisted of the following as of:

	June 26, 2021	December 31, 2020
Promissory note and related accrued interest, unrelated party, maturities of principal and interest beginning January 31, 2018, and continuing through December 31, 2046, including interest at 1.11%	$7,296	$7,296
Promissory notes, related parties, various maturities through December 2021, including interest at approximately 2.50%	15	13
Other, unrelated parties	504	509
Total notes receivable	7,815	7,818
Less current portion	519	522
Notes receivable, less current portion	$7,296	$7,296

(Dollars in thousands)

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

	June 26, 2021	December 31, 2020
Machinery and equipment	$1,360,419	$1,340,732
Buildings and improvements	1,265,954	1,225,546
Land and improvements	522,817	514,607
Construction in progress	463,936	333,054
Total property, plant and equipment	3,613,126	3,413,939
Less accumulated depreciation and amortization	(1,037,802)	(970,930)
Property, plant and equipment, net	$2,575,324	$2,443,009

Depreciation related to property, plant and equipment for the half years ended June 26, 2021 and June 27, 2020, totaled $79,588 and $75,600 respectively.

NOTE 6 - ACCRUED EXPENSES

The elements of accrued expenses are as follows as of:

	June 26, 2021	December 31, 2020
Payroll	$268,606	$294,199
FICA	47,491	47,424
Customer rebates	274,973	268,968
Customer Advance	14,779	48,574
Other	269,104	201,912
Total accrued expenses	$874,953	$861,077

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted in March 2020 and implemented through Internal Revenue Service (“IRS”) Notice 2020-22 and a series of IRS FAQs, allows eligible employers to defer the deposit and payment of the employer’s share of Social Security FICA taxes from March 27, 2020, through December 31, 2020. The deferred payments must be paid back to the Treasury Department, with half due by December 31, 2021, and the other half by December 31, 2022.

The Company elected to utilize the deferral and pay 50% of the liability by December 31, 2021 and remaining 50% by December 31, 2022. The Company has deferred approximately $47,491 in FICA taxes in the year ended December 31, 2020. The $47,491 will be paid equally in December of 2021 and 2022.

NOTE 7 - CREDIT AGREEMENTS

As June 26, 2021 and December 31, 2020, the Company had multiple credit agreements with several financial institutions for a maximum borrowing capacity of $823,050 and $1,100,000, respectively. As of June 26, 2021 and December 31, 2020, availability under the credit agreements was $805,675 and $976,368, respectively, after

(Dollars in thousands)

NOTE 7 - CREDIT AGREEMENTS (Continued)

consideration of letters of credit of $15,075 and $13,632. The credit agreements enable the Company to borrow at various rates, all of which float with relevant rate indices, i.e., LIBOR. The maturity dates of the credit agreements range from August 2021 to February 2022.

As June 26, 2021 and December 31, 2020, the Company had short-term borrowings under lines of credit of $2,261 and $110,000, respectively. The borrowings are repaid and reborrowed partially or wholly on a daily or monthly basis and interest is typically paid on a monthly or quarterly basis. Cash payments made for interest for the half years ended June 26, 2021 and June 27, 2020 were $942 and $4,356, respectively.

The credit agreements contain certain financial covenants, which require, among other provisions, delivery of the consolidated financial statements. At June 26, 2021, the Company was in compliance with all covenants.

NOTE 8 - LEASES

The Company occupies certain warehousing and office facilities under operating lease arrangements. Under terms of the leases, the Company is responsible for real estate taxes, insurance and maintenance costs on the facilities. Total rent expense, including real estate taxes under such arrangements, was $39,346 and $37,692 for the half years ended June 26, 2021 and June 27, 2020, respectively. The office and warehouse facilities' leases expire at various dates from 2021 through 2032, and certain leases provide for rent to be adjusted annually for changes in the Consumer Price Index.

Future minimum payments under non-cancelable leases for the remainder of fiscal year 2021 and each of the succeeding five fiscal years are as follows:

	Total
2021	$ 40,298
2022	66,879
2023	55,669
2024	41,392
2025	31,478
Thereafter	56,766
	$292,482

NOTE 9 - PENSION PLANS

The Company has non-contributory defined benefit retirement plan obligations at several foreign subsidiaries. These plans cover certain employees, as defined, within those foreign jurisdictions.

The Company uses December 31 as the measurement date of its defined benefit pension plans. The June 26 interim projected benefit obligation reflects the amount charged to the consolidated statements of comprehensive income and carried on the balance sheet until year end. At that time, the actual projected benefit obligation is calculated by the global actuary, the projected benefit obligation accrued during the year is reconciled to the

(Dollars in thousands)

NOTE 9 - PENSION PLANS (Continued)

actual, and the Company determines the amount it intends to contribute. The following table sets forth the various plans' unfunded status and amounts recognized in the Company's balance sheets:

	June 26, 2021	December 31, 2020
Projected benefit obligation	$31,155	$28,970
Less fair value of plan assets	1,302	1,302
Unfunded status	$29,853	$27,668

The unfunded obligations are recognized in the consolidated balance sheets in long-term liabilities. The Company funds the minimum contribution required under the various statutory requirements of each foreign jurisdiction.

The weighted-average assumptions as of December 31, 2020, is as follows:

	June 26, 2021		December 31, 2020	
	Benefit Obligation	Net Periodic Benefit Cost	Benefit Obligation	Net Periodic Benefit Cost
Weighted-average discount rate	2.47%	2.47%	2.47%	2.47%
Rate of compensation increase	3.46%	3.46%	3.46%	3.29%
Expected long-term return on plan assets	N/A	2.65%	N/A	3.00%

NOTE 10 - INCOME TAXES

Income tax expense for the half years ended June 26, 2021 and June 27, 2020, consists of the following:

	June 26, 2021	June 27, 2020
State income, franchise and minimum taxes	$ 20,141	$ 3,084
Federal and state income tax expense (benefit) – corporation	58,662	(569)
Branch and foreign income taxes in certain foreign tax jurisdictions, including any related deferred income taxes	23,358	14,398
	$102,161	$16,913

Income tax expense amounts have been classified between current and deferred for the half years ended June 26, 2021 and June 27, 2020, as follows:

	June 26, 2021	June 27, 2020
Current tax provision	$105,006	$18,255
Deferred tax expense (benefit)	(2,845)	(1,342)
	$102,161	$16,193

(Dollars in thousands)

NOTE 10 - INCOME TAXES (Continued)

The net deferred tax amounts have been classified on the accompanying consolidated balance sheets as of June 26, 2021 and December 31, 2020, as follows:

	June 26, 2021	December 31, 2020
Other current assets	$15,818	$14,147
Other long-term assets	8,143	7,708
	$23,961	$21,855

Based on the projections for future taxable income over the periods in which temporary differences are available to reduce income taxes payable, the Company has not recorded a valuation allowance against its net deferred tax assets since management of the Company believes that it is more likely than not that these assets will be realized.

NOTE 11 - CONTINGENCIES

Litigation: There are various legal proceedings against the Company. The Company is of the opinion that, although the outcome of the litigation cannot be predicted with any certainty, the ultimate liability, if any, will not have a material adverse effect on the Company's consolidated financial statements.

NOTE 12 - FAIR VALUE MEASUREMENTS

The following descriptions of the valuation methods and assumptions used by the Company to estimate the fair values of investments apply to all investments held directly by the Company:

Equity Securities and Mutual Funds: These securities primarily consist of direct investments in the stock of publicly traded companies and mutual funds traded on active markets. These investments are valued based on the closing price reported in an active market on which the individual securities and mutual funds are traded.

Cash Equivalents: Cash equivalents consist of certificates of deposit in several banks. Because there is not a trading rate in the active market (the broker does provide the Company with a fair value, but there is no active market to trade the assets), the certificates of deposit are classified within Level 2 of the fair value hierarchy. The valuation of the certificates of deposit is based on the statement/fair value of the assets. Cash equivalents were $1,364 and $1,411 as of June 26, 2021 and December 31, 2020, respectively.

Debt Securities: These securities consist primarily of corporate bonds. Corporate bonds are valued through consultation and evaluation, with brokers in the institutional market, using quoted prices. As such, these securities are included in Level 1.

Derivative Investments: Cotton and oil hedges are valued based on their subcomponents, typically a variety of options linked to the price of the S&P GSCI Cotton Excess Return and the S&P GSCI Crude Oil Index Excess Return, respectively. Option pricing is calculated using the Black-Scholes model (or a Monte Carlo simulation based on the same theory). The price is evaluated based on a variety of inputs, including expected payout in various states, expiration of assets, the historical, current and expected future values of the underlying assets, and market volatility. As such, derivative investments are included in Level 3.

(Dollars in thousands)

NOTE 12 - FAIR VALUE MEASUREMENTS (Continued)

Participation Units: The company invests in a fund that is invested in structured products within the United States. The structured products consist of investments, such as common and preferred equity securities, corporate bonds, asset-backed securities, short-term notes, U.S. government securities, U.S. agency securities, restricted debt securities, restricted equity securities, and derivative instruments. The Company's investment in the fund is valued using net asset value ("NAV") as a practical expedient to estimate fair value. The NAV is based on the fair value of underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the partnership will sell the investment for an amount different than the reported NAV.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions, to determine the fair value of certain financial instruments, could result in a different fair value measurement at the reporting date.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 26, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value
Financial Assets				
Investments in trading securities				
Equity securities and mutual funds	$5,608	$ —	$ —	$ 5,608
Debt securities - corporate bonds	—	—	—	—
Derivative investments	—	—	44,111	44,111
Total investments in trading securities	$5,608	$ —	$44,111	$ 49,719
Investments measured at NAV				77,987
Total investments at fair value				$127,706

(Dollars in thousands)

NOTE 12 - FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value
Financial Assets				
Investments in trading securities				
Equity securities and mutual funds	$108,907	$ —	$ —	$108,907
Debt securities - corporate bonds	71	—	—	71
Derivative investments	—	—	39,711	39,711
Total investments in trading securities	$108,978	$ —	$39,711	$148,689
Investments measured at NAV				75,466
Total investments at fair value				$224,155

A shareholder of the Company is currently the Chief Executive Officer of a fund which holds some of the Company's investments. These investments comprise approximately 95% and 51% of the Company's total investments at fair value as of June 26, 2021 and December 31, 2020, respectively.

NOTE 13 - EMPLOYEE RETIREMENT SAVINGS PLAN

Substantially all of the domestic employees are eligible to be enrolled in our company-sponsored contributory retirement savings plans, which include features under Section 401(k) of the Internal Revenue Code of 1986, and provide for matching and discretionary contributions by us. The total expense for our employee retirement savings plans was $16,873 and $14,278 for the half years ended June 26,2021 and June 27, 2020, respectively.

NOTE 14 - SUBSEQUENT EVENTS

The Company has evaluated its consolidated financial statements for subsequent events through August 26, 2021, the date the consolidated financial statements were available to be issued. Two material subsequent events are disclosed as below.

In June of 2021, the owners of the Company agreed to sell a majority ownership in the Company to a private equity consortium led by Blackstone Group and including the Carlyle Group, Hellman & Friedman, and GIC, the Singaporean sovereign wealth fund for $32,227,990, including debt. The current management will continue to lead the Company day to day and the Mills family will remain involved in running the business. The transaction is expected to close in the fall of this year. The Company will remain privately held subsequent to the transaction.

On June 28, 2021, the Company purchased Hudson RCI® Respiratory business from Teleflex Inc. for $274,000. Medline will add the brand's oxygen and aerosol therapy, active humidification and pulmonary hygiene products to complement Medline's existing respiratory portfolio in order to meet the needs of the market.

NOTE 14 - SUBSEQUENT EVENTS (Continued)

The addition of the Hudson RCI products indicates Medline's increasing respiratory portfolio in light of COVID. The Company is committed to offering respiratory products to meet healthcare needs in the acute and post-acute care spaces across the United States, Europe and Asia Pacific.

$7,770,000,000

Mozart Debt Merger Sub Inc.

(to be merged with and into Medline Borrower, LP, following which Medline Co-Issuer, Inc. will become the co-issuer)

$3,770,000,000 % Senior Secured Notes due 2029

$4,000,000,000 % Senior Notes due 2029

Preliminary Offering Memorandum

Joint Book-Running Managers

J.P. Morgan (Lead for Senior Secured Notes)	**Goldman Sachs & Co. LLC** (Lead for Senior Notes)
BofA Securities	**Barclays**
Morgan Stanley	**MUFG**
BMO Capital Markets	**Citigroup**
Deutsche Bank Securities	**HSBC**
Jefferies	**Macquarie Capital**
UBS Investment Bank	**Wells Fargo Securities**
BNP Paribas	**Credit Suisse**
Mizuho Securities	**Nomura**
RBC Capital Markets	**Santander**
Truist Securities	
ING	**Scotiabank**
SOCIETE GENERALE	**SMBC Nikko**
TD Securities	

Co-Managers

Blackstone **TCG Capital Markets L.L.C.**

, 2021