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

Subject to Completion, dated March 28, 2023.

PRELIMINARY OFFERING CIRCULAR **CONFIDENTIAL**

MULTI-COLOR GLOBAL LABEL SOLUTIONS

LABL, Inc.

$300,000,000 % Senior Secured Notes due 2028

LABL, Inc., a Delaware corporation (the "Issuer"), is offering $300,000,000 in aggregate principal amount of its % Senior Secured Notes due 2028 (the "Notes"). The Issuer will pay interest on the Notes on and of each year, commencing on , 2023. The Notes will mature on , 2028. Interest on the Notes will accrue from , 2023.

The Notes will be redeemable at the Issuer's option in whole or in part at any time (1) prior to , 2025 at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to but not including the redemption date, plus the applicable "make-whole" premium set forth in this offering circular, and (2) on and after, , 2025 at the applicable redemption prices set forth in this offering circular plus accrued and unpaid interest, if any, to but not including the redemption date. In addition, at any time prior to , 2025, the Issuer may, at its option at any time, apply funds equal to the proceeds of one or more equity offerings to redeem up to 40% of the original aggregate principal amount of the Notes (after giving effect to any additional notes) at the applicable redemption prices set forth in this offering circular.

Prior to , 2025, during any 12-month period, we may redeem up to 10% of the Notes at 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to but not including the redemption date.

We intend to use the net proceeds of this offering, after deducting fees and expenses payable in connection with the offering, (i) to fund the acquisition of LOI Target (as defined herein), (ii) to repay the borrowings outstanding under the Senior ABL Revolving Credit Facility (as defined herein) and (iii) for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. The non-binding letter of intent with LOI Target is subject to negotiation and execution of a definitive agreement and we cannot provide any assurances that we will be able to do so, in which case the net proceeds of this offering will be used to for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. See "Use of Proceeds."

The Notes will be secured by (i) a first priority security interest in the Fixed Asset Collateral (as defined herein), which also secures the Senior ABL Revolving Credit Facility on a second priority basis and the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes (as defined herein) on a *pari passu* basis and (ii) a second priority security interest in the Current Asset Collateral (as defined herein), which also secures the Senior ABL Revolving Credit Facility on a first priority basis and the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes on a second priority basis, *pari passu* with the Notes. The Notes will be guaranteed, on a secured senior basis, by LABL Acquisition Corporation, a Delaware corporation ("LABL Midco") and each of the Issuer's existing and subsequently acquired or organized direct or indirect wholly-owned U.S. restricted subsidiaries, with certain exceptions (each, a "Subsidiary Guarantor" and collectively with LABL Midco, the "Guarantors"). The guarantees will rank equally in right of payment with all of the existing and future senior indebtedness of each such Guarantor and senior in right of payment to all future subordinated obligations of such Guarantor. The Notes and guarantees will be effectively subordinated to all of the Issuer's and each Guarantor's existing and future senior indebtedness under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral securing such indebtedness. The Notes and guarantees will be structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of the Issuer and the Subsidiary Guarantors that do not guarantee the Notes (including the non-U.S. subsidiaries that are guarantors or borrowers under the Senior ABL Revolving Credit Facility).

Investing in the Notes involves risks. See "Risk Factors" beginning on page 29 of this offering circular.

Offering Price of the Notes: % plus accrued interest, if any, from , 2023.

The offer and sale of the Notes has not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Notes are being offered only (1) to persons reasonably believed to be qualified institutional buyers under Rule 144A under the Securities Act and (2) to non-U.S. persons in offshore transactions in compliance with Regulation S under the Securities Act. The Notes may not be offered or sold, except as described above, within the United States or to U.S. persons. For a description of certain information about eligible offerees and restrictions on transfers of the Notes, see "Notice to Investors" and "Plan of Distribution." The Notes will not be subject to registration rights and will not be listed on any securities exchange.

The Notes will be ready for delivery to investors in book entry form through The Depository Trust Company ("DTC") on or about , 2023.

Joint Book-Running Managers

Goldman Sachs & Co. LLC	**BofA Securities**	**Barclays**
Wells Fargo Securities	**Deutsche Bank Securities**	**RBC Capital Markets**
UBS Investment Bank	**HSBC**	**BNP PARIBAS**
MUFG	**BMO Capital Markets**	**Mizuho**
Truist Securities		**US Bancorp**
Citigroup		**Credit Suisse**

The date of this offering circular is , 2023

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Neither we, the trustee nor the initial purchasers have authorized anyone to provide any information other than that contained in this offering circular or to which we have referred you. Neither we, the trustee nor the initial purchasers take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This offering circular may only be used where it is legal to sell these securities. You should not assume that the information contained in this offering circular is accurate as of any date other than the date hereof or thereof. Neither the delivery of this offering circular at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering circular or in our affairs since the date of this offering circular.

THIS CONFIDENTIAL OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY NOTES OFFERED BY THIS OFFERING CIRCULAR BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS OR THE AFFAIRS OF OUR SUBSIDIARIES OR THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This offering circular is highly confidential and has been prepared by us solely for use in connection with the proposed offering of the Notes. 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, in whole or in part for any reason, or to sell less than all of the Notes offered hereby. This offering circular is personal to the offeree to whom it has been delivered by the initial purchasers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this offering circular 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. Each offeree, by accepting delivery of this offering circular, agrees to the foregoing and to make no photocopies or other duplication of this offering circular, and, if the offeree does not purchase the Notes or the offering is terminated for any reason, to return this offering circular to: Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282.

You acknowledge that: (1) you have been afforded an opportunity to request from us, and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering circular; (2) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; (3) this offering circular relates to an offering that is exempt from registration under the Securities Act, and does not comply in important respects with the rules and regulations of the Securities and Exchange Commission (the "SEC") that would apply to an offering document relating to a public offering of securities; and (4) no person has been authorized to give any information or to make any representation concerning us or our subsidiaries or guarantors or the Notes (other than as contained in this offering circular) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

Laws in certain jurisdictions may restrict the distribution of this offering circular and the offer and sale of the Notes. Persons into whose possession this offering circular or any of the Notes are delivered must inform themselves about, and observe, any such restrictions. 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 or possesses or distributes this offering circular and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of us, any of our subsidiaries or guarantors or the initial purchasers shall have any responsibility therefor.

IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF OUR BUSINESS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN MAKING YOUR PURCHASE, YOU WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS SET FORTH IN THIS OFFERING CIRCULAR UNDER THE CAPTION "NOTICE TO INVESTORS." THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND RELATED RULES AND REGULATIONS AND APPLICABLE STATE SECURITIES LAWS. YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE INITIAL PURCHASERS MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR, AND NOTHING CONTAINED IN THIS OFFERING CIRCULAR IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. THE INITIAL PURCHASERS DO NOT ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION INCLUDED IN THIS OFFERING CIRCULAR AS OF ANY DATE OTHER THAN THE DATE HEREOF.

See "Risk Factors" for a description of risk factors relating to an investment in the Notes. Neither we, the trustee, the initial purchasers, nor any of our or their respective representatives are making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes. Information contained in this offering circular is not legal, tax or business advice. You should base your decision to invest in the Notes solely on the information contained in this offering circular. Neither we, the trustee, nor the initial purchasers have authorized anyone to provide you with any different information. We, the trustee and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Neither the SEC or any state securities commission nor any other regulatory authority has approved or disapproved of these securities or determined if this offering circular is truthful or complete. Any representation to the contrary is a criminal offense.

PRESENTATION OF FINANCIAL INFORMATION

The consolidated financial statements included in this offering circular for LABL, Inc. and its consolidated subsidiaries (collectively, "LABL") for the periods subsequent to October 30, 2021, including the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations," reflect the consolidated historical results of operations of LABL, which are direct or indirect, wholly-owned subsidiaries of the Issuer, subsequent to the 2021 Combination. The consolidated financial statements included in this offering circular for LABL for the periods prior to and including October 29, 2021, including the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations," reflect the consolidated historical results of operations of LABL, which are direct or indirect, wholly-owned subsidiaries of the Issuer, prior to the 2021 Combination.

The consolidated financial statements prior to and including October 29, 2021, included in this offering circular reflect LABL's historical accounting basis for the periods prior to the 2021 Combination, which such consolidated financial statements are labeled as "Predecessor", and the consolidated financial statements for the period from October 30, 2021 through December 31, 2021 and January 1, 2022 through December 31, 2022, included in this offering circular reflect LABL's new accounting basis for the periods following the 2021 Combination, which such consolidated financial statements are labeled as "Successor". See Note 1 to our audited consolidated financial statements included elsewhere in this offering circular. As a result, the consolidated financial statements and financial information for the Successor and Predecessor periods may not be comparable.

Some financial information in this offering circular has been rounded and, as a result, the figures shown as totals in this offering circular may vary slightly from the exact arithmetic aggregation of the figures that precede them.

MARKET, INDUSTRY AND OTHER DATA

The market share, industry and other data contained in this offering circular is based on our own estimates, independent industry publications, reports by market research firms, including confidential third-party commissioned studies, or other published and unpublished independent sources. In each case, we believe that they are reasonable estimates, although neither we, the trustee nor the initial purchasers (nor our or their agents) have independently verified market and industry data provided by third parties. Market share, industry and other data is subject to change, however, and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey of market share. In addition, customer preferences can and do change and the definition of the relevant market is a matter of judgment and analysis. As a result, you should be aware that market share, industry and other data set forth in this offering circular, and estimates and beliefs based on such data, may not be reliable. In addition, unless otherwise noted, the market share, industry and other data contained in this offering circular are as of 2019, before the global COVID-19 pandemic, and therefore do not reflect any impact of the COVID-19 pandemic or other changes in any specific market or globally since such time.

TRADEMARKS AND SERVICE MARKS

We own or have rights to trademarks or service marks that we use in conjunction with the operation of our business. Our trademarks and service marks include our name, logos, registered domain names and certain other marks. Each trademark, trade name or service mark of any other company appearing in this offering circular belongs to its holder. For convenience, the trademarks and service marks referred to in this offering circular are listed without the ®, TM and SM symbols, but we intend to assert, and notify others of, our rights in and to these trademarks and service marks to the fullest extent under applicable law.

CERTAIN TERMS USED IN THIS OFFERING CIRCULAR

Unless the context otherwise requires, in this offering circular references to:

- “2021 Combination” means the MCC Acquisition and the Fort Dearborn Acquisition, described in “Offering Circular Summary—Company Overview”;
- “ABL Credit Agreement” means the credit agreement that will govern the Senior ABL Revolving Credit Facility;
- “Bankruptcy Code” means Title 11 of the United States Code, as amended, modified or supplemented from time to time;
- “Base Intercreditor Agreement” means the base intercreditor agreement described in “Description of Notes—Description of the Intercreditor Agreements”;
- “Buyco” means Labels Buyer, LLC, a Delaware limited liability company;
- “Buyco LLC Agreement” means the Second Amended and Restated Limited Liability Company Agreement entered into by the CD&R Investor and the seller of LUX in connection with the acquisition of LUX;
- “Cash Flow Credit Agreement” means the credit agreement that will govern the Senior Cash Flow Credit Facilities;
- “CD&R” means Clayton, Dubilier & Rice, LLC;

- “CD&R Entities” means CD&R, CD&R Funds and CD&R Investor;

- “CD&R Funds” means certain funds affiliated with or managed by CD&R, including Clayton, Dubilier & Rice Fund XI, L.P., Clayton, Dubilier & Rice Fund XI-A, L.P. and CD&R Advisor Fund XI, L.P.;

- “CD&R Investor” means CD&R Labels Holdings, L.P., a Cayman Islands exempted limited partnership;

- “Code” means Section 4975 of the Internal Revenue Code of 1986, as amended;

- “Collateral” means the collateral described in the “Description of Notes”;

- “Company Group” means LABL Holdings and its subsidiaries;

- “Current Asset Collateral” means the current asset collateral described in the “Description of Notes”;

- “Existing 2028 Indenture” means the indenture governing the Existing 2028 Notes;

- “Existing 2029 Indenture” means the indenture governing the Existing 2029 Notes;

- “Existing 2028 Notes” means the Issuer’s 5.875% Senior Secured Notes due 2028;

- “Existing 2029 Notes” means the Issuer’s 8.250% Senior Notes due 2029;

- “Existing Fort Dearborn Indebtedness” means the term loans under the (1) First Lien Credit Agreement, dated as of October 19, 2016 (as amended by the First Amendment to the First Lien Credit Agreement, dated January 2, 2018, the Second Amendment to the First Lien Credit Agreement, dated October 10, 2019, the Third Amendment to the First Lien Credit Agreement, dated October 20, 2020, and the Fourth Amendment to the First Lien Credit Agreement, dated March 1, 2021), by and among Fort Dearborn Holding Company, Inc., a Delaware corporation, Fortress Intermediate, Inc., a Delaware corporation, the lenders from time to time party thereto, Deutsche Bank AG New York Branch, in its capacities as administrative agent for the lenders and collateral agent, as an issuing bank and as a swingline lender, and Deutsche Bank Securities, Inc., Citigroup Global Markets Inc., RBC Capital Markets and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners and (2) Second Lien Credit Agreement, dated as of October 19, 2016, by and among Fort Dearborn Holding Company, Inc., a Delaware corporation, Fortress Intermediate, Inc., a Delaware corporation, the lenders from time to time party thereto, Deutsche Bank AG New York Branch, in its capacities as administrative agent for the lenders and collateral agent, and Deutsche Bank Securities, Inc., Citigroup Global Markets Inc., RBC Capital Markets and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners;

- “Existing Indebtedness” means the Existing Fort Dearborn Indebtedness and the Existing MCC Indebtedness, collectively;

- “Existing MCC ABL Revolver” means the asset-based loan facility under the Revolving Credit Agreement, dated as of July 2019 (as amended by the Amendment No.1 To Revolving Credit Agreement, dated September 25, 2019, and Amendment No.2 To Revolving Credit Agreement, dated February 13, 2020) among LABL Acquisition Corporation, the Issuer, the other borrowers party thereto from time to time, the lenders party thereto and Bank of America, N.A.;

- “Existing MCC Indebtedness” means the Existing MCC ABL Revolver and the Existing MCC Term Loans;

- “Existing MCC Term Loans” means (1) the term loans under the Term Loan Credit Agreement, dated July 1, 2019 (as amended by the Amendment No.1 To Term Loan Credit Agreement, dated February 9, 2021) among LABL Acquisition Corporation, the Issuer, the other subsidiary borrowers party thereto from time to time, the lenders party thereto from time to time and Bank of America, N.A. and (2) the term loans under the Hexagon Bridge Credit Agreement;

- “FD” means Fort Dearborn Holding Company, Inc. and its consolidated subsidiaries;

- “FDC” means Fort Dearborn Company;

- “Fixed Asset Collateral” means the fixed asset collateral described in the “Description of Notes”;

- “Flexcoat” means Flexcoat Produtos Auto-Adesivos S/A;

- “Fort Dearborn” means Fortress TopCo and its subsidiaries;

- “Fort Dearborn Acquisition” means the acquisition by Buyco of Fort Dearborn pursuant to the terms of the Fort Dearborn Acquisition Agreement;

- “Fort Dearborn Acquisition Agreement” means the Stock Purchase Agreement, dated as of July 1, 2021, by and among Fortress TopCo, Fortress Parent and Buyco;

- “Fortress Parent” means Fortress Parent, LP, a Delaware limited partnership;

- “Fortress TopCo” means Fortress TopCo, Inc., a Delaware corporation;

- “GAAP” means U.S. generally accepted accounting principles;

- “Guarantors” means the guarantors described in the “Description of Notes”;

- “Herrods” means John Herrod and Associates Pty Ltd;

- “Hexagon” means Hexagon Label Group;

- “Hexagon Bridge Credit Agreement” means the bridge credit facility under the Term Loan Credit Agreement, dated as of September 30, 2021, among LABL Acquisition Corporation, a Delaware corporation, the Issuer, the lenders party thereto from time to time and Bank of America, N.A. as the administrative agent and the collateral agent;

- “Intercreditor Agreements” means the intercreditor agreements described in “Description of Notes—Description of the Intercreditor Agreements”;

- “Issuer” means LABL, Inc., a Delaware corporation;

- “LABL” means the Issuer and its consolidated subsidiaries;

- “LABL Midco” means LABL Acquisition Corporation, a Delaware corporation;

- “LABL Holdings” means LABL Holding Corporation, a Delaware corporation;

- “Legacy LABL, Inc.” means LABL Holding Corporation, and its wholly owned operating company, LABL, Inc.;
- “LOI Target” means a potential business combination target;
- “LUX” means Lux Global Label Parent, LLC and its subsidiaries;
- “MCC” means LABL Holdings and its subsidiaries;
- “MCC 2026 Indenture” means the indenture governing the MCC 2026 Notes;
- “MCC 2027 Indenture” means the indenture governing the MCC 2027 Notes;
- “MCC 2026 Notes” means the Issuer’s 6.75% Senior Secured Notes due 2026;
- “MCC 2027 Notes” means the Issuer’s 10.50% Senior Notes due 2027;
- “MCC Existing Indentures” means the MCC 2026 Indenture and the MCC 2027 Indenture;
- “MCC Existing Notes” means the MCC 2026 Notes and the MCC 2027 Notes;
- “MCC Acquisition” means the acquisition by Buyco of MCC pursuant to the terms of the MCC Merger Agreement;
- “MCC Merger Agreement” means the Agreement and Plan of Merger, dated as of July 1, 2021, by and among Buyco, Merger Sub, LABL Holdings and Platinum, solely in its capacity as the initial Holder Representative (as defined therein) thereunder;
- “Merger Sub” means Labels Merger Sub, LLC, a Delaware limited liability company;
- “Multi-Color” means Multi-Color Corporation and its consolidated subsidiaries and W/S Packaging Group, Inc. and its consolidated subsidiaries before giving effect to the consummation of the 2021 Combination;
- “Notes” means the Issuer’s   % Senior Secured Notes due 2028 offered hereby;
- “Note Collateral Agent” means Wilmington Trust, National Association, as collateral agent for the Notes;
- “Original Buyco LLC Agreement” means the Amended and Restated Limited Liability Company Agreement entered into by the CD&R Investor and certain other equity holders of CD&R Investor with Buyco in connection with the 2021 Combination;
- “*Pari Passu* Intercreditor Agreement” means the *pari passu* intercreditor agreement described in “Description of Notes—Description of the Intercreditor Agreements”;
- “Platinum” means Platinum Equity Advisors, LLC, a Delaware limited liability company;
- “SEC” means the Securities and Exchange Commission;
- “Securities Act” means the Securities Act of 1933, as amended;

- “Senior ABL Revolving Credit Facility” means the senior secured asset-based loan facility under the ABL Credit Agreement described in “Description of Other Indebtedness—Senior ABL Revolving Credit Facility”;

- “Senior Cash Flow Credit Facilities” means the Senior Term Loan Facility and the Senior Cash Flow Revolving Credit Facility;

- “Senior Cash Flow Revolving Credit Facility” means the senior secured cash flow revolving credit facility under the Cash Flow Credit Agreement described in “Description of Other Indebtedness—Senior Cash Flow Credit Facilities”;

- “Senior Secured Credit Facilities” means the senior secured credit facilities, pursuant to the Cash Flow Credit Agreement and the ABL Credit Agreement, comprised of the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility;

- “Senior Term Loan Facility” means the senior secured term loan facility under the Cash Flow Credit Agreement described in “Description of Other Indebtedness—Senior Cash Flow Credit Facilities”;

- “Skanem” means Skanem Group’s label operations in Northern Europe and Thailand;

- “Subsidiary Guarantors” means the Issuer’s existing and subsequently acquired or organized direct or indirect wholly-owned U.S. restricted subsidiaries, with certain exceptions; and

- “we,” “us,” “our” and “the Company” mean LABL, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

USE OF NON-GAAP FINANCIAL INFORMATION

This offering circular includes presentations of Adjusted EBITDA, Adjusted EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Incl. LOI Target, Pro Forma Adjusted EBITDA Incl. LOI Target Margin, Acquisition Adjusted Revenue, Pro Forma Adjusted Revenue Incl. LOI Target, Acquisition Adjusted Capital Expenditures, Acquisition Adjusted Capital Expenditures Incl. LOI Target, Acquisition Adjusted Free Cash Flow, Pro Forma Free Cash Flow Incl. LOI Target and Pro Forma Free Cash Flow Conversion, each of which is a “non-GAAP financial measure” as defined under rules of the SEC. This offering circular may present any of these non-GAAP financial measures on an actual historical basis or a pro forma basis. See “Presentation of Financial Information.”

Non-GAAP financial measures are not considered a measure of financial performance under U.S. generally accepted accounting principles (“GAAP”), and the items excluded therefrom are significant components in understanding and assessing our financial performance. These non-GAAP financial measures should not be considered in isolation or as an alternative to GAAP measures such as net loss, cash flows provided by or used in operating, investing or financing activities or other consolidated financial statement data presented in the consolidated financial statements included in this offering circular as an indicator of our financial performance or liquidity.

We use these non-GAAP measures in this offering circular to assess the operating results and effectiveness of the historical business of LABL. We present these non-GAAP measures because we believe that investors consider them to be important supplemental measures of performance, and we believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. These non-GAAP measures have limitations as analytical tools and should be evaluated in the context in which they are presented, and you should not consider them in isolation or as substitutes for analysis of the results of LABL, as the case may be, as reported under GAAP. For example, these measures:

- do not reflect historical cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- do not reflect changes in, or cash requirements for, working capital needs;
- do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on debt;
- do not reflect income tax expenses or the cash requirements to pay taxes; and
- although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and the foregoing metrics do not reflect any cash requirements for such replacements.

Other companies in our industry may calculate these non-GAAP measures differently than we do, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on GAAP results and using these non-GAAP measures for supplemental purposes. Additionally, these non-GAAP measures are not alternative measures of financial performance under GAAP and therefore should be considered in conjunction with, and not as alternatives to such GAAP measures.

Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures for specified periods are set forth in this offering circular under “Summary—Summary Consolidated Historical Financial Information.” Since each of these non-GAAP financial measures is not determined in accordance with GAAP and each is susceptible to varying

calculations, each such measure, as presented, may not be comparable to other similarly titled measures of other companies.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Statements included in this offering circular that are not historical in nature are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may generally be identified by words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “seek,” “will,” “should,” “could,” “may,” “aim,” “target,” “potential,” “projects,” “likely,” “continue,” “positioned,” “outlook” and similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. These statements are based upon our current expectations and speak only as of the date of this offering circular. We caution investors that there may be events in the future that we are not able to accurately predict or control, and the information contained in the forward-looking statements is inherently uncertain and subject to a number of risks that could cause actual results to differ materially from those contained in or implied by the forward-looking statements including, without limitation:

- our ability to anticipate technology trends and develop and market new products and services;
- new developments in packaging;
- client concentration and our ability to diversify our customer base;
- failure to attract and retain qualified employees;
- failure to effectively manage our growth or execute our long-term growth strategy;
- failure to grow our business through future acquisitions or strategic transactions;
- failure to successfully integrate completed acquisitions;
- raw material cost increases or shortages;
- increasing energy or transportation costs;
- operational efficiency challenges;
- quality control failures resulting in faulty or defective products;
- operational disruptions and a lack of redundancy;
- the occurrence of natural or man-made disasters;
- difficulties in restructuring operations, closing facilities and disposing of assets and facilities;
- customer contract arrangements;
- cybersecurity threats and interruptions in the proper functioning of our IT systems;
- intellectual property infringements or our inability to access third party intellectual property;
- litigation and uninsured claims or a rise in insurance premiums;
- payment delays and defaults by our customers;
- labor disputes, increased labor costs or employee benefit costs;

- fluctuations in foreign currency exchange rates;
- general economic conditions, including downturns in the geographies and target markets that we serve;
- challenges presented by competitive tensions in our industry;
- failure to meet legal and regulatory obligations and licensing regulations, and increasing costs of compliance;
- challenges presented by the COVID-19 pandemic and other pandemics;
- challenges presented by our international operations;
- changes in the foreign regulatory environment regarding privacy and data protection;
- weaknesses or deficiencies in our internal, accounting and financial controls;
- impairment of our goodwill or intangible assets;
- conflicts between the interests of Clayton, Dubilier & Rice, LLC (“CD&R”) and the interests of the holders of the Notes;
- our substantial indebtedness and our ability to incur substantially more indebtedness;
- the limitations and restrictions in the agreements governing our indebtedness and our ability to service our indebtedness;
- our ability to generate the significant amount of cash needed to service our indebtedness;
- the potential that we or our subsidiaries default on our or their obligations to pay our and their indebtedness, including the Notes;
- increases in interest rates;
- a decline in the market value or liquidity of the Notes as a result of a downgrade, suspension or withdrawal of the rating assigned by a rating agency;
- restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws;
- the lack of an established trading market for the Notes;
- there may not be sufficient Collateral to pay all or any of the Notes; and
- risks related to other factors discussed in the offering circular, including those described in “Risk Factors.”

These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OFFERING CIRCULAR SUMMARY

The following summary highlights certain information contained elsewhere in this offering circular and is qualified in its entirety by the more detailed information and audited consolidated financial statements included elsewhere herein. Because this is a summary, it may not contain all of the information that may be important to you in making a decision to invest in the Notes. Before making an investment decision, you should carefully read the entire offering circular, including "Cautionary Note Regarding Forward Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the audited consolidated financial statements and the notes thereto.

As used in this offering circular, unless the context indicates otherwise the "Company," "we," "us," and "our" refer collectively to LABL.

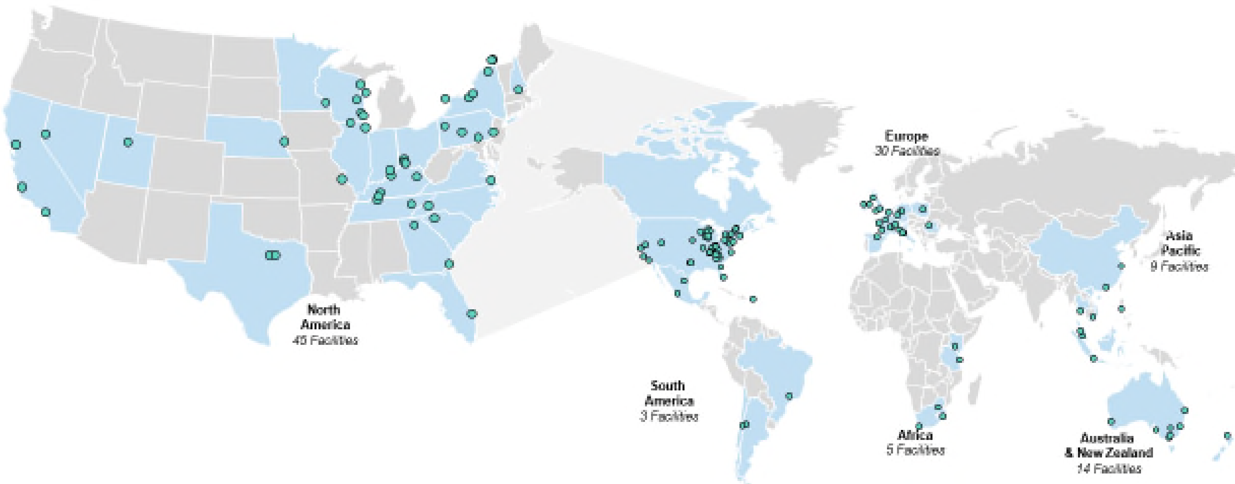
Company Overview

We are the leading global manufacturer of prime labels serving a growing blue-chip customer base across a broad range of resilient, consumer-facing end categories worldwide. We believe we have approximately 15% market share of a highly fragmented estimated $16 billion addressable market for prime labels across North America and Europe, with approximately two times the scale of the next largest prime label manufacturer and approximately five times the scale of the third largest prime label manufacturer, based on net revenues. We believe our scale and global footprint, comprehensive product and service offering, well-diversified exposures, long-standing customer relationships and dedicated employees, significant expected cost synergy and cost savings opportunities, meaningful investments in innovation and sustainability solutions, and extensive acquisition track record create competitive advantages relative to other prime label manufacturers.

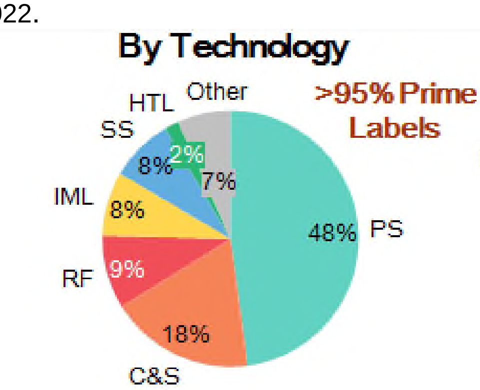
In October 2021, LABL Holdings acquired LABL and Fort Dearborn to create the world's largest label solutions company (the "2021 Combination"). The 2021 Combination expanded the breadth and depth of our comprehensive product portfolio and customer base, improved our diversification across label technologies, end categories, and geographies, and resulted in significant cost synergy opportunities.

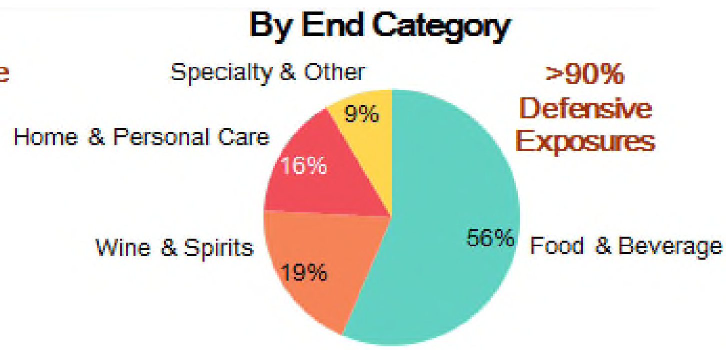
Our comprehensive portfolio of label technologies, including Pressure Sensitive ("PSL"), Cut & Stack ("C&S"), Roll-Fed ("RF"), In-Mold ("IML"), Shrink Sleeve ("SS"), and Heat Transfer ("HT"), serves approximately 19,000 customers across a broad range of end categories, including Food & Beverage ("F&B"), Wine & Spirits ("W&S"), Home & Personal Care ("HPC"), and Healthcare, Industrial & Other Specialty ("Specialty"). We believe we hold number one or two positions across North America and Europe in each of these label technologies and end categories. Our leadership in digital printing and prototyping, product innovation and sustainability solutions, and value-added services underpin our differentiated value proposition, which is further strengthened by our world-class supply chain and effective commercial strategy. We believe our customers highly value our certainty of supply and broad suite of value-added services, which includes advanced material science capabilities, artwork support and graphics management, on-site customer support, and inventory management. The Company maintains a diverse set of exposures across label technologies, and our prime labels are used in a broad range of consumer-facing end categories globally that have historically demonstrated resiliency and stable growth across a range of macroeconomic environments. We estimate that F&B, W&S, HPC and Specialty end categories comprised approximately 56%, 19%, 16%, and 9%, respectively, of net revenues based on the twelve-months ended December 31, 2022.

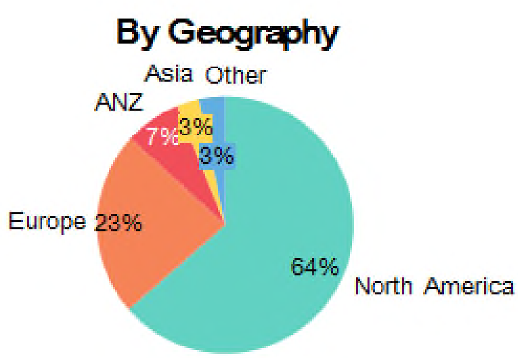
We operate an industry-leading, well-invested global footprint of over 100 facilities across over 25 countries, which we believe provides meaningful capacity to support future growth. We believe we have a best-in-class fleet of label converting equipment, including flexographic, lithographic, rotogravure, and digital printing technologies, which enables us to optimize workflow, allocate jobs to the most efficient presses, and fill customer orders across our network, while serving customer needs across all run lengths, manufacturing finishes, and designs. Our global footprint is supported by approximately 12,275 employees. The below map shows our current manufacturing footprint, illustrating our comprehensive global coverage:

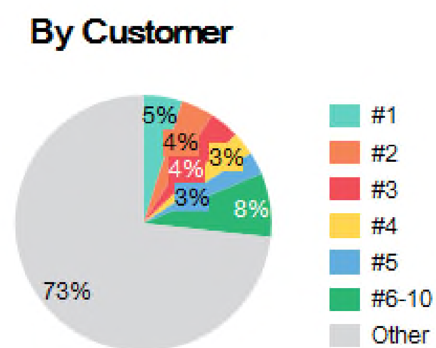


The charts below provide a breakdown of our net revenues for the twelve-months ended December 31, 2022.









Our Product Portfolio*

** Net revenue figures reflect net revenues based on the twelve-months ended December 31, 2022.*

We believe that we hold leading positions across all major prime label product technologies with the ability to sell and deliver value-added services globally. Our product portfolio allows us to serve a wide breadth of end categories, geographies, and run lengths, reinforcing our value proposition with existing customers and creating opportunities with new customers. Prime labels' small component of overall packaging cost coupled with relative importance to "front-of-line" branding and consumer preference, and increasingly complex technical and service requirements underpin stable long-term global demand growth, which we expect to further support our leading positions in core categories. Our portfolio of innovative label solutions allows us to serve blue-chip customers' most prominent brands with cutting-edge and sustainable offerings. We are broadly diversified across label technologies.

Pressure Sensitive Labels (48% of net revenues)

PSL are multi-layered, self-adhesive labels that differentiate brands and capture consumers' attention with their dynamic look and flexible applications. We offer customers a full line of PSL products for a wide variety of applications. The label typically consists of four elements—a substrate, which may include paper, foil or plastic; an adhesive, which may be permanent or removable; a release coating; and a backing material to protect the adhesive against premature contact with other surfaces. Innovative features of this product include promotional neckbands, peel-away coupons, re-sealable labels, see-through window graphics, and holographic foil enhancements.

PSL is the largest overall prime label technology globally and provides an extremely versatile, low-cost application that is able to produce sharp, bright colors in a wide variety of applications. PSL has historically demonstrated strong growth, which we believe will continue in the future. In addition to our scale in purchasing substrates, we believe our vertically integrated substrate production capabilities further improve our cost position in PSL relative to our main competitors. These labels are most commonly used in F&B, W&S, and HPC on plastic and glass. Across North America and Europe, we believe we are tied for the number one position in PSL, which continues to represent a significant growth opportunity for us.

Cut & Stack Labels (18% of net revenues)

C&S labels are efficiently adhered to containers using an adhesive applied during the labeling process and are also known as “glue applied” labels. C&S is an attractive and cost-effective choice for high volume applications utilizing traditional decorating equipment. C&S can be produced on a wide variety of substrates and accommodate a comprehensive range of embellishments including foil stamping, embossing, metallic and unique varnish finishes.

Our innovations within C&S include aluminum foils for premium decoration and anti-tampering as well as environmentally sustainable paper-based solutions. These labels are most commonly used in F&B, W&S, and Specialty (e.g., paints & coatings) end categories on plastic, glass and cans, and we believe we are exposed to end categories within C&S that exhibit above-average growth. We believe we are the largest C&S producer across North America and Europe.

Roll-Fed Labels (9% of net revenues)

RF is delivered on a roll without release liners or adhesives. These cost-effective labels are commonly applied to cylindrical product containers. RF offers optimum space for brand presentation. This technology is highly resistant to tearing and moisture, with exceptional brilliance of color at competitive unit costs, and as a result, is a commonly used prime label solution for non-alcoholic drinks. A wide range of special effects such as thermochromic ink and interactive technology are also offered.

RF can be applied to any type of container and is most commonly used on plastic bottles and aerosol cans. We believe we are the second largest RF producer across North America and Europe.

In-Mold Labels (8% of net revenues)

The IML process applies a label to a plastic container as the container is being formed in the mold cavity. The finished IML product is a finely detailed label that is fused with the plastic container resulting in a high degree of product security and superior durability in a cost-effective manner, in addition to adding marketing value. We offer injection molding, blow molding and thermoforming technologies.

Each component of the IML production process requires a special expertise for success and therefore command higher margins. We believe we are advantaged in the industry in that we manufacture IML on rotogravure, flexographic and lithographic printing presses, utilizing proprietary finishing equipment. Technical innovations in this area include the use of peel away IML coupons and scented and holographic labels. These labels are most commonly used in F&B and HPC. We believe we are the largest IML producer across North America and Europe.

Shrink Sleeve Labels (8% of net revenues)

SS is produced in colorful, cutting-edge styles and materials. The labels are manufactured as sleeves, slid over glass or plastic bottles and then heated to conform precisely to the contours of the container. This label type is increasingly popular with consumer goods companies such as beverage manufacturers as it allows for product differentiation, as well as having a 360-degree label and tamper resistant features.

Demand in other end categories (including F&B and HPC) continues to grow, broadening opportunities for SS as a whole. These labels are most commonly used in beverage and spirits on premium higher-margin products. We believe we are tied as the second largest SS producer across North America and Europe.

Heat Transfer Labels (2% of net revenues)

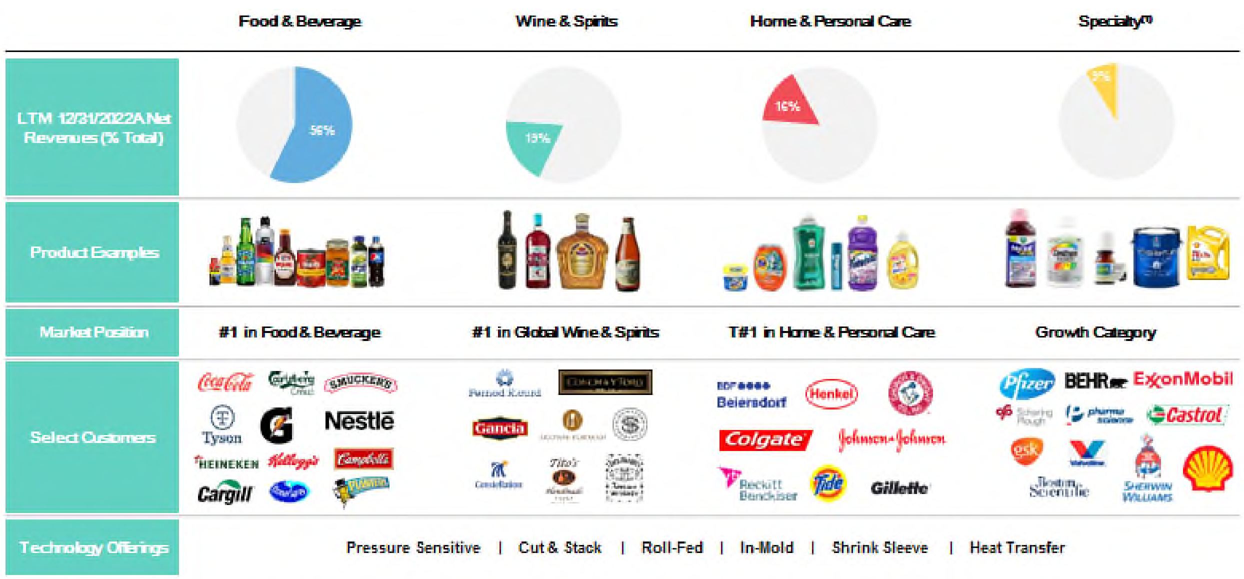
HT is reverse printed and transferred from a special release liner onto the container using heat and pressure. The labels are a composition of inks and lacquers tailored to the customer's specific needs. These labels are printed and then shipped to blow molders and/or contract decorators who transfer the labels to the containers. Once applied, the labels are permanently adhered to the container.

Therimage is our pioneer heat transfer label technology developed primarily for applications involving plastic containers serving the HPC and F&B end categories. Additionally, our Clear Advantage brand enables us to provide premium graphics on both glass and plastic containers facilitating the highly sought after "no label" look. Our "ink only" and flameless HT technologies have increased our capabilities in this area. We believe we are one of the leading HT providers globally.

Other (7% of net revenues)

We also offer a variety of other labels, complementary products and solutions that help customers address other packaging needs and services. These products include aluminum labels, durables, printed cartons, coupons, instruction sheets and manuals, labeling equipment and Slot-Tickets for the gaming industry, among others. A majority of our customers that purchase our complementary products also purchase labels from us, evidencing the significant cross-sell opportunities of our product offering.

Our End Categories



(1) Includes healthcare, industrial (e.g. paints & coatings) and other specialty.

We supply prime labels and value-added services to our blue-chip customers' most prominent brands across a broad range of end categories exhibiting stable growth and demand resilience, including F&B, W&S, HPC, and Specialty end categories. We are broadly diversified across end categories.

Food & Beverage (56% of net revenues)

Food processors and beverage manufacturers rely heavily on label suppliers to provide colorful, robust, creative labels to attract customer attention, develop and maintain brand equity and help products stand out on crowded store shelves. In F&B, we provide all types of product labels utilizing nearly every printing process that we own and serve both branded and private label customers. Our labels are used for innovative applications that require complex colors, premium graphics (including regulatory and information requirements) and enhanced functionality. We believe we are the largest manufacturer of prime labels for F&B across North America and Europe.

Wine & Spirits (19% of net revenues)

Labels are perhaps the most significant way in which W&S producers establish, build and market their products' brand identities. As a result, W&S producers tend to focus on ensuring that label suppliers can deliver excellent quality and design, often with short lead times. We believe we are the largest manufacturer of prime labels for W&S across North America and Europe.

Home & Personal Care (16% of net revenues)

Within HPC, we provide labels for products ranging from shampoo to laundry detergents. Manufacturers of consumer products look to label vendors to create the image appeal and provide powerful support to the branding effort. Labels must provide function to the product as well as push the consumer to interact with the package. We provide graphically and visually seamless labels that combine brand images and regulatory requirements into an attractive package that interests and appeals to consumers. We believe we are tied for the number one position in prime label manufacturing for HPC across North America and Europe.

Healthcare, Industrial & Other Specialty (9% of net revenues)

In addition to the above-mentioned core end categories, we continue to see further growth potential in healthcare, industrial & other specialty end categories. We provide innovative labels for pharmaceutical and promotional products. Additionally, we provide innovative label solutions to industrial products such as paints & coatings, automotive, and agriculture. Scale customers in these end categories leverage our entrenched design-to-ship services and technical resources to support graphics design and help efficiently manage new product introductions. Our customers place a premium on labeling solutions which deliver security, durability and versatility. As with every end category we serve, we focus on delivering high-end labels whose shelf appeal is integral to the products' marketing strategy while adhering to relevant regulatory requirements. We believe we are the second largest manufacturer of prime labels for Specialty end categories across North America and Europe.

Our Customers

We have a diverse customer base consisting of approximately 19,000 customers including some of the world's leading brands. We have no meaningful customer concentration, as our top customer represents approximately 5% of net revenues for the twelve-months ended December 31, 2022. Our customers are broadly diversified across a range of consumer-facing end categories (summarized in the preceding section), which have demonstrated long-term resiliency and stable growth. Our differentiated value proposition has resulted in long-tenured relationships with our top ten customers of greater than 25 years on average, and we believe significant opportunities exist to increase share-of-wallet with existing customers while acquiring new customers.

Our History

We were founded in 1916 and began producing prime labels in 1918, marking the beginning of our leadership in shaping identity and shelf appeal of consumer products. We have since expanded our portfolio of technologies and customer base, organically and through acquisitions, to become the largest supplier of prime labels globally supporting a number of the world's most prominent brands across a broad range of resilient, consumer-facing end categories worldwide.

We completed an initial public offering in 1987 and have since expanded through a combination of organic growth initiatives and acquisitions. In 2017, we acquired Austrian flexible packaging manufacturer Constantia Flexibles' labels division, bringing together Constantia Labels' leading F&B

business with our strong W&S and HPC platforms. In 2019, we were taken private by Platinum Equity and proceeded to merge with a subsidiary of W/S Packaging Holdings, Inc. ("WS Packaging"), another label solutions leader within Platinum Equity's portfolio of companies. In July 2021, CD&R announced a definitive agreement under which CD&R funds would acquire Multi-Color from Platinum Equity. In October 2021, CD&R subsequently combined Multi-Color with Fort Dearborn (majority owned by Advent International), to create the world's largest prime label solutions company serving customers worldwide. The combination expanded the breadth and depth of the Company's comprehensive product portfolio and customer base, improved its diversification across label technologies, end categories, and geographies, and resulted in significant cost synergy opportunities. In addition to these three transformative acquisitions, the Company and its management team have a long track-record of expanding through strategically and financially accretive acquisition, having completed and successfully integrated more than 35 acquisitions since 2010. Most recently, we acquired Flexcoat and LUX in the fourth quarter of 2022 and have one target currently under a non-binding letter of intent ("LOI Target"), expected to sign and close in early Q2 2023. For additional information, see "Offering Circular Summary—Recent Developments."

Since closing of the 2021 Combination, we have been under the leadership of Kevin Kwilinski as CEO who, in partnership with Abhi Khandelwal as CFO, has successfully delivered profitable growth through a combination of commercial excellence, operating and margin improvement initiatives, cost synergy realization, and acquisitions.

Industry Overview

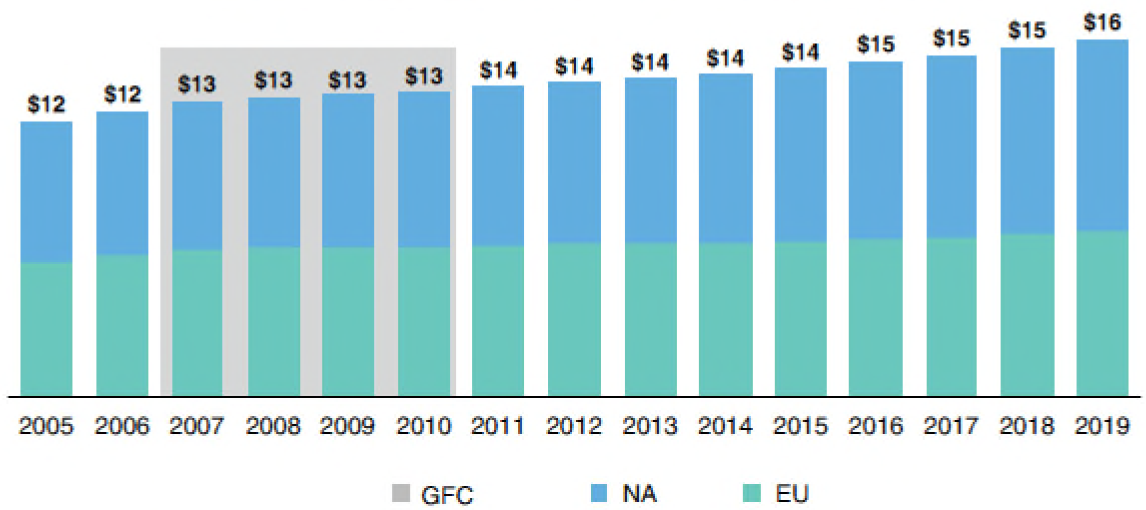
The global label industry was estimated to be approximately $41 billion in 2019 and volume is expected to grow at a CAGR of approximately 5% from 2019 to 2024 according to Smithers Pira. Within the broader label industry, we participate in the prime label product category, which consists of labels that are used specifically to identify products on a store shelf or in a retail environment and play a key role in "front-of-line" branding and shelf appeal. Based on findings from a third-party consulting firm and industry research, we estimate a global addressable market for prime labels of approximately $31 billion in 2019, and across North America and Europe, we estimate an addressable market of approximately $16 billion in 2019.

We believe prime labels are one of the most important and recognizable components of product identity and are key drivers of consumer preference and loyalty across a wide spectrum of consumer-facing end categories and applications. Prime labels are also used to convey consumer-related information, to provide a means of ensuring product integrity and security, and also to meet regulatory requirements. Prime labels comprise a very small percentage of overall customer product cost, estimated at approximately 1-3% for consumer packaged goods ("CPG") products. Low cost-to-value, high manufacturing and service complexity, and criticality of supply, coupled with significant portions of revenue under contract, result in enduring customer relationships among leading global prime label manufacturers.

Prime label manufacturers benefit from multiple dynamics that have a positive impact on pricing and mix. We believe trends toward increased premiumization, SKU redesign velocity and proliferation, and lead-time and order size variability will continue to manifest in average prime label unit price growth. These positive trends are driven in large part by customers' marketing departments, which continue to demand more premium labeling solutions, including foils, embossing, and etching, and consistently redesign SKUs, typically 2-3 times per year for seasonal and promotional items, enabling prime label suppliers to drive pricing improvement over the life of a contract. The growth in label redesigns is driven by increased market demand for customization, brand premiumization, sustainable packaging, and interactive packaging. Each redesign of a label is an opportunity to add value-added embellishments or special finishes to the label at an enhanced margin. Additionally, the fragmentation of large CPGs, which has resulted in smaller brands and shifting consumer preferences, has driven SKU proliferation, increasing the complexity and number of SKUs that prime label manufacturers help brands manage, which supports value-based pricing. Furthermore, SKU proliferation and increasingly complex global supply chains have made it exceedingly challenging for customers to forecast demand at the SKU level, which provides prime label manufacturers the opportunity to charge additional fees when order sizes and lead-times differ from those initially agreed upon. In addition to positive like-for-like pricing trends, a significant portion of prime label supply agreements allow for the contractual pass-through of raw material price inflation, which we believe has resulted in long-term margin stability across periods of inflation and deflation.

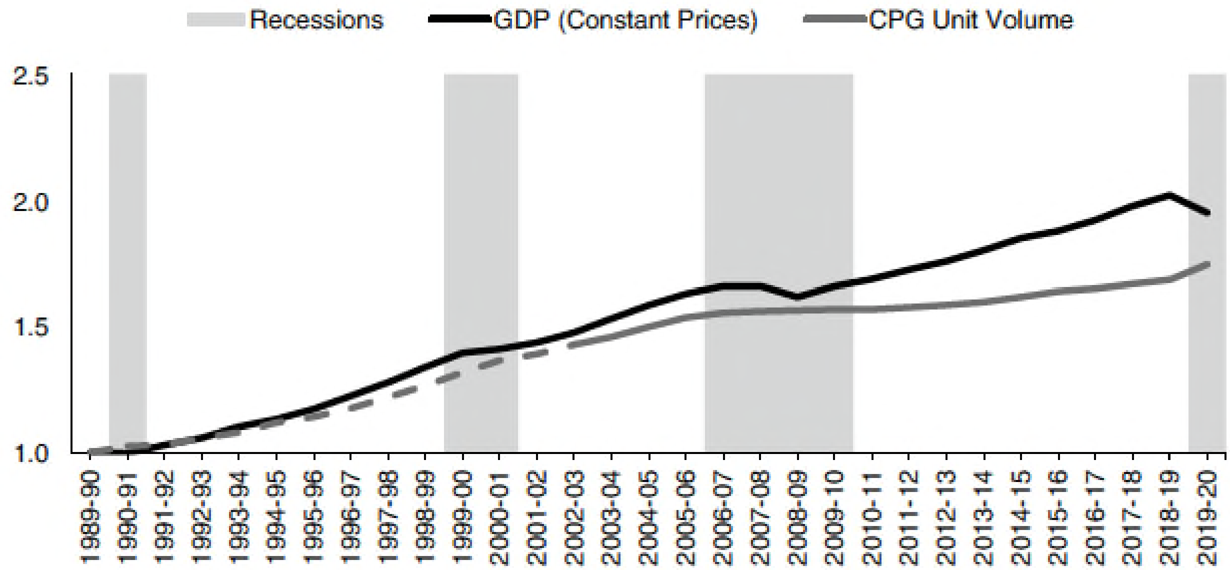
Demand for prime labels is primarily driven by recession-resilient, defensive end categories, most of which are consumer-facing, including F&B, HPC, W&S and Specialty. As a result, demand for prime labels has largely been insulated from the impact of economic downturns as evidenced by stable prime label demand growth across North America and Europe during the Great Financial Crisis and through the COVID-19 pandemic. We believe the most relevant indicator of underlying prime label demand is CPG unit volume, which has demonstrated long-term stability in demand relative to underlying GDP across a range of macroeconomic environments and downturns.

Prime Label Industry Size—North America & Europe ($bn)



Source: 3rd party consulting firm and industry research

CPG Unit Volume—North America (Indexed Growth: 1989 = 100)



Source: 3rd party consulting firm and industry research

In addition to enjoying underlying resiliency in demand due to the non-discretionary nature of most consumer-facing end categories, we believe prime label manufacturers face limited risk of long-term disruption and are well-positioned to benefit from increased focus on sustainability. We foresee no material future shifts in label converting technology, and we believe digital printing will benefit scaled prime label manufacturers by lowering the cost to serve small customers, unlocking opportunities for improved growth and profitability. Despite moderate volume headwinds faced by prime label manufacturers historically due to shifts in certain underlying packaging materials upon which prime labels are applied, namely the substitution of glass bottles to metal cans for beer and metal cans and rigid plastic to paper-based containers for liquids, we believe the most significant headwinds are lessening, or reversing. Furthermore, we believe the dynamics that drive favorable pricing and mix trends will continue, including premiumization, SKU redesign velocity and proliferation, and manufacturing and service complexity, and we foresee no meaningful dilution in the value proposition of prime labels as a result of increasing e-commerce penetration.

Importantly, we believe the main trends observed among our customers in transitioning to more sustainable offerings are in aggregate neutral to positive for prime label suppliers and that leading global prime label suppliers are well-positioned to be net beneficiaries as a result of being able to invest in differentiated sustainability capabilities and better serve their customers' evolving needs. Prime labels represent a very small component of overall packaging material usage and, as a result, have been an ancillary focus among our customers and end consumers. However, prime label manufacturers play a key role in enabling packaging recyclability by delivering labels with high ease of removal during the recycling process. Sustainable prime label offerings, including lighter-weight and biodegradable products, are expected to continue to benefit from secular demand growth and provide opportunities for value-based pricing and margin improvement. Most recycling trends that have resulted in volume headwinds for rigid packaging companies have had a neutral impact on prime label volume demand and afford opportunities to realize value-based pricing. Substrate substitution in favor of paper-based packaging (e.g., Tetra Pack), which typically does not use a prime label, has resulted in marginal volume headwinds, but there is evidence of this substitution trend reversing. Reduced single-use plastics consumption is expected to continue to result in lower prime label demand; however, the company is relatively insulated from this headwind as it has lower exposure to single-use plastics than the overall prime label industry and has minimal exposure to clear water, the most impacted product category. Overall, we believe that the accelerating trend toward more sustainable offerings represents limited risk to prime label volume demand, while introducing multiple opportunities for leading prime label suppliers to provide innovative higher-priced products with accretive financial contribution.

The global prime labels industry remains highly fragmented, with single plant manufacturers operating in a local market, or multi-plant manufacturers operating in certain regions, constituting the majority of industry capacity, with relatively few global manufacturers. We believe that this highly fragmented market will continue to experience consolidation as suppliers attempt to realize the benefits to scale in prime label manufacturing, across sourcing, operations, and organic growth and share gain, and as global customers continue to consolidate their prime label spend volume across leading global suppliers. We believe these factors have resulted in leading global prime label manufacturers historically taking share vis-à-vis smaller and mid-sized competitors, resulting in long-term above-market growth, a trend that we believe will continue to benefit leading global prime label manufacturers.

Overall, we believe the global prime label manufacturing industry is highly attractive and that our company is well-positioned as the global leader.

Competitive Strengths

Leading Global Prime Label Manufacturer in a Highly Fragmented Industry with Benefits to Scale

We are the leading global manufacturer of prime labels. We believe that we have approximately 15% market share of a highly fragmented estimated $16 billion addressable market for prime labels across North America and Europe, with approximately two times the scale of the next largest prime label manufacturer and approximately five times the scale of the third largest prime label manufacturer, based on net revenues. Further, we believe that we hold number one or number two positions in each of the key label technologies and end categories we serve across North America and Europe.

We believe our leading global position and scale in a highly fragmented industry provide advantages in comparison with smaller national, regional and local competitors. These advantages span procurement and sourcing, operational efficiency, and organic growth and share gain. Our scale affords us with advantaged buying power vis-à-vis our base of suppliers and unlocks volume discounts for certain spend categories. We believe our comprehensive fleet of label converting technologies will allow us to improve operating efficiency by driving down conversion costs via better alignment of order volume to the optimal equipment, in addition to enabling load-balancing across our manufacturing network to improve throughput and utilization.

Leading global prime label manufacturers have exhibited a long track-record of above-market growth (approximately two-times the underlying addressable market) and organic share gain. As a result of our scale, we believe we will increasingly benefit from our ability to invest in innovation and sustainability solutions, deliver best-in-class lead-times and service levels, and provide value-added services and supply security to our global customer base, which has been and is expected to continue to consolidate spend volume with leading global providers. Because of our competitive advantages relative to our national, regional, and local competitors, we believe we have an opportunity to deliver long-term above-market growth and share gain at attractive levels of profitability.

Strong Platform for Profitable Growth

We are a well-regarded, leading prime label manufacturer that is well positioned to support its global customers, expand share-of-wallet, and gain share in the marketplace while delivering profitable growth. Furthermore, we believe the 2021 Combination had significant industrial and strategic logic, as it created a leading global platform with unmatched scale and a well-invested asset base, operating in an industry that exhibits advantages to scale.

Our platform consists of state-of-the-art printing presses and a global footprint across over 100 strategically located manufacturing facilities that enable us to effectively service customers of all sizes, ranging from the largest multi-national customers in the world to small local accounts. We believe our approximately 12,275 employees globally provide us with unmatched local presence in key geographic regions and that our scaled global platform allows us to remain close to our customers in multiple regions, drive responsive customer service, attain superior lead times and offer increased flexibility and frequent collaboration in R&D and operational efforts. We are able to deliver multiple product types to our customers from multiple facilities, and in some instances, we embed employees in our customers' facilities to ensure the highest level of customer support.

We provide a full complement of label converting technologies including flexographic, lithographic, rotogravure, combination / screen, and digital, plus in-house pre-press services, which we believe differentiate us from our competitors and position us to serve customers across a wide variety of SKUs. Our recent investments in state-of-the-art printing presses and digital printing capabilities have strengthened our leadership in technology and manufacturing capabilities.

We have invested significant resources in commercial excellence and adhere to a targeted growth strategy predicated on capitalizing on significant share-of-wallet opportunities with existing customers, targeting attractive high growth and margin exposures, continuing to broaden our higher-growth emerging market footprint, utilizing sales continuous improvement to better serve regional customers, and leveraging e-commerce and digital printing capabilities to unlock smaller customers via lower cost to serve. We believe our best-in-class commercial systems, including customized lead generation and sales analytics capabilities, represent a key competitive differentiator and will allow us to execute on our targeted growth strategy. In addition to meaningful expected cost synergies, we believe our deep focus on operational excellence and significant identified "in-flight" cost savings, coupled with a well-executed topline growth strategy, will enable us to deliver long-term profitable growth across our global platform and customer base. We have a track record in recent years of realizing meaningful acquisition synergies and cost savings, which gives us confidence in our ability to continue to drive identified margin improvements. Furthermore, we believe that we are well-positioned to execute against a clear set of identified commercial and operational levers to close the meaningful addressable margin and organic growth gap relative to CCL's prime labels business, which has demonstrated a long-term track record of above-market growth and best-in-class margins, based on our greater scale and relative exposures and capabilities.

Well-Diversified Exposures & Long-Standing Relationships with Blue-Chip Customers

We maintain a diverse set of exposures across label technologies, end categories, and geographies. The 2021 Combination and subsequent acquisitions further improved our diversification due to highly complementary exposures across label technologies, end categories, and geographies, coupled with limited customer overlap. In addition to the recession-resilient, defensive nature of the underlying categories we serve, we believe our broadly diversified exposures will continue to support stable earnings and cash flow generation. Within each of our end categories and geographies, we service a broad range of customers, many of whom demand multiple label technologies. Our broad base of approximately 19,000 customers, ranging from blue-chip multinational companies to smaller local accounts, results in limited customer concentration, as our largest customer represents only approximately 5% of our twelve-months ended December 31, 2022 net revenues. We believe that we are a key link in our customers' supply chains and brand image, and that our comprehensive product portfolio and expansive global footprint, leadership in digital printing and prototyping, product innovation and sustainability solutions, and value-added services, provide our customers with a differentiated value proposition, which is further strengthened by our world-class supply chain and effective commercial strategy. We believe our customers highly value our certainty of supply and broad suite of value-added services, which includes advanced material science capabilities, artwork support and graphics management, on-site customer support, and inventory management. These factors support our long-tenured relationships across our customers, averaging more than 25 years across our top 10 customers.

Significant Margin Opportunity from Synergies & Operating Efficiency Initiatives

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022, which are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional $20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of “in-flight” cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives. Our history of successful acquisition integration and realization of cost synergies and cost savings gives us confidence in our ability to achieve our expected cost synergies and “in-flight” cost savings.

Strong Financial Profile & Cash Flow Generation

We believe we benefit from our differentiated scale and compelling value proposition, which have led to strong operating and financial performance, and resulted in 21.3% Pro Forma Adjusted EBITDA Margin Incl. LOI Target for the twelve-months ended December 31, 2022. The Company has generated 6% Acquisition Adjusted Revenue growth and 23% Adjusted EBITDA growth for the twelve-months ended December 31, 2022 relative to the twelve-months ended December 31, 2021. This strong earnings growth versus prior year for the twelve-months ended December 31, 2022 was driven by pricing actions to recover cost inflation, operational improvements, and cost synergy realization. Moreover, the Company demonstrated four consecutive quarters of Adjusted EBITDA growth in 2022 versus the prior year. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Quarterly Results”.

We have demonstrated strong free cash flow conversion despite meaningful historical investments to support future growth. We estimate that maintenance capital expenditures will only amount to approximately 1-2% of net revenues per annum and believe that our growth and productivity capital expenditures exhibit attractive return on capital profiles.

Experienced and Energized Management Team

We are led by an energized senior management team with deep industry experience that is focused on driving continued growth, profitability, and cash flow generation. Our executive team is led by President and CEO, Kevin Kwilinski, who has over 30 years of relevant industry experience and previously ran Fort Dearborn since 2017 prior to the 2021 Combination. Our executive leadership is supported by a deep bench of functional talent across our business units, including Abhi Khandelwal, who joined as our CFO in early 2022. Abhi was previously CFO of CIRCOR International and also spent 10 years at IDEX Corporation and 10 years at GE Consumer & Industrial. Since the 2021 Combination, we believe we have significantly improved the level of talent across our senior management team by making many new hires across key roles. Moreover, the team has successfully completed and integrated over 35 acquisitions since 2010 with a strong track record of exceeding cost synergy targets.

Our Business Strategy

We plan to further strengthen our competitive positioning and will pursue profitable growth, margin expansion, and cash flow generation through our strategic initiatives, including:

Leverage Global Leadership Position to Realize Benefits to Scale

We intend to leverage our global leadership position and relative market share to capitalize on the benefits to scale in label manufacturing. These advantages span procurement and sourcing, operational efficiency, and organic growth and share gain. We plan to utilize our purchasing scale to afford us with advantageous buying power vis-à-vis our base of suppliers and unlock volume discounts for certain spend categories. Enabled by our comprehensive fleet of label converting technologies, we plan to improve operating efficiency by driving down conversion costs via better alignment of order volume to the optimal equipment, in addition to improving load-balancing across our manufacturing network to drive higher throughput and utilization. Historically, leading global prime label manufacturers have exhibited a long track-record of above-market growth and organic share gain. As a result of our scale, we intend to continue to gain organic share and differentiate compared to national, regional, and local competitors by investing in innovation and sustainability solutions, delivering what we believe to be best-in-class lead-times and service levels, and providing value-added services and supply security to our global customer base, which has been and is expected to continue to consolidate spend volume with leading global providers.

Pursue Targeted Growth Strategy

We intend to continue to execute our effective growth strategy to increase our share across end categories, customers, and geographies. We plan to leverage our long-tenured relationships with existing customers to drive share-of-wallet gains to capitalize on meaningful identified white-space opportunities with key accounts. Historically, MCC has delivered increased growth through product innovation and penetration of higher growth emerging market geographies and has a demonstrated track record of expansion in higher growth exposures, including condiments, sauces and pet food within the broader F&B end category. We plan to continue to focus our sales and business development efforts on the most attractive high growth and margin exposures, in which we believe the company's value proposition is a significant differentiator. Identified focus areas include healthcare and global HPC, in addition to continuing to penetrate higher growth emerging market geographies. To better serve key regional and smaller customers, we intend to execute against identified sales continuous improvement initiatives and leverage our capabilities in digital printing and e-commerce to lower our cost to serve.

Invest in Innovation, Technology & Sustainability Solutions

We intend to continue to invest significant resources in innovation, technology, and sustainability offerings, which we believe are highly valued by our customers and will allow us to continue to differentiate and drive profitable growth over the long-term. We have built a strong culture of innovation with multiple R&D and prototyping centers that support customers globally. We generated approximately $130 million, over the twelve-months ended December 31, 2022, of digital sales utilizing one of the largest fleets of digital presses globally, including 95 digital presses across 46 facilities in 18 countries. Our digital fleet enables us to realize profitability at short run sizes and unlock smaller, high growth and margin customers. We plan to build upon our track record of success in innovation and digital printing to further expand our capabilities in these areas. Additionally, we believe label manufacturers play a key role in enabling packaging recyclability, and we intend to continue to grow our portfolio of innovative solutions, many of which are recognized by the Association of Plastic Recyclers and similar organizations abroad, to improve packaging recycling rates and sustainability. We also plan to continue executing on our systematic approach to light-weighting labels to reduce material content, reducing material waste, and improving energy efficiency.

Pursue Value-Enhancing Acquisitions Globally

We intend to continue to supplement organic growth with opportunistic acquisitions at attractive valuations in both existing and new markets, leveraging our proven consolidation platform and track record of successfully integrating acquisitions, realizing cost synergies, and better serve our customers. We believe we are well-positioned to capitalize on numerous synergistic global acquisition opportunities, and plan to employ a disciplined approach focused on targets with clear strategic and financial logic, many of which are expected to be balance sheet enhancing. For example, our recently closed acquisitions of Flexcoat and LUX and our planned acquisition of LOI Target demonstrate the meaningful global M&A opportunity, see "—Recent Developments."

Drive Earnings Growth Through Realization of Cost Synergies and "In-Flight" Cost Savings

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022. The cost synergies are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional $20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of "in-flight" cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives. Our history of successful acquisition integration and realization of cost synergies and cost savings gives us confidence in our ability to achieve our expected cost synergies and "in-flight" cost savings.

Continue to Focus on Commercial and Operational Excellence

We intend to continue to leverage our culture of operational excellence and best practice sharing to drive ongoing continuous improvement, resulting in sustainable margin expansion, robust organic sales growth, and improved capital efficiency and cash flow generation. Based on our scale and relative exposures and capabilities, we believe that we are well-positioned to execute against a clear set of identified commercial and operational levers to close the meaningful addressable margin and organic growth gap relative to CCL Industries' prime labels business, which has demonstrated a long-term track record of above-market growth and best-in-class margins.

Recent Developments

Letter of Intent with LOI Target

In the fourth quarter of 2022, we entered into a non-binding letter of intent to acquire LOI Target. LOI Target is a two plant operation in Europe primarily serving global export customers. LOI Target generated $52.0 million of revenue and $13.2 million in Adjusted EBITDA for the twelve-months ended December 31, 2022. We believe LOI Target's operations would provide our existing presence in the European region with an advantaged low-cost manufacturing position and additional scale in an attractive and high growth label technology, and we believe that overall, there is a meaningful synergy opportunity from operational improvements and best practice sharing. The non-binding letter of intent is subject to negotiation and execution of a definitive agreement and the transaction is expected to close during the beginning of the second quarter of 2023. However, there is no guarantee that this transaction will close within this timeframe or at all. See "Use of Proceeds". The offering of Notes hereby is not conditioned on consummating the LOI Target acquisition.

Corporate Information

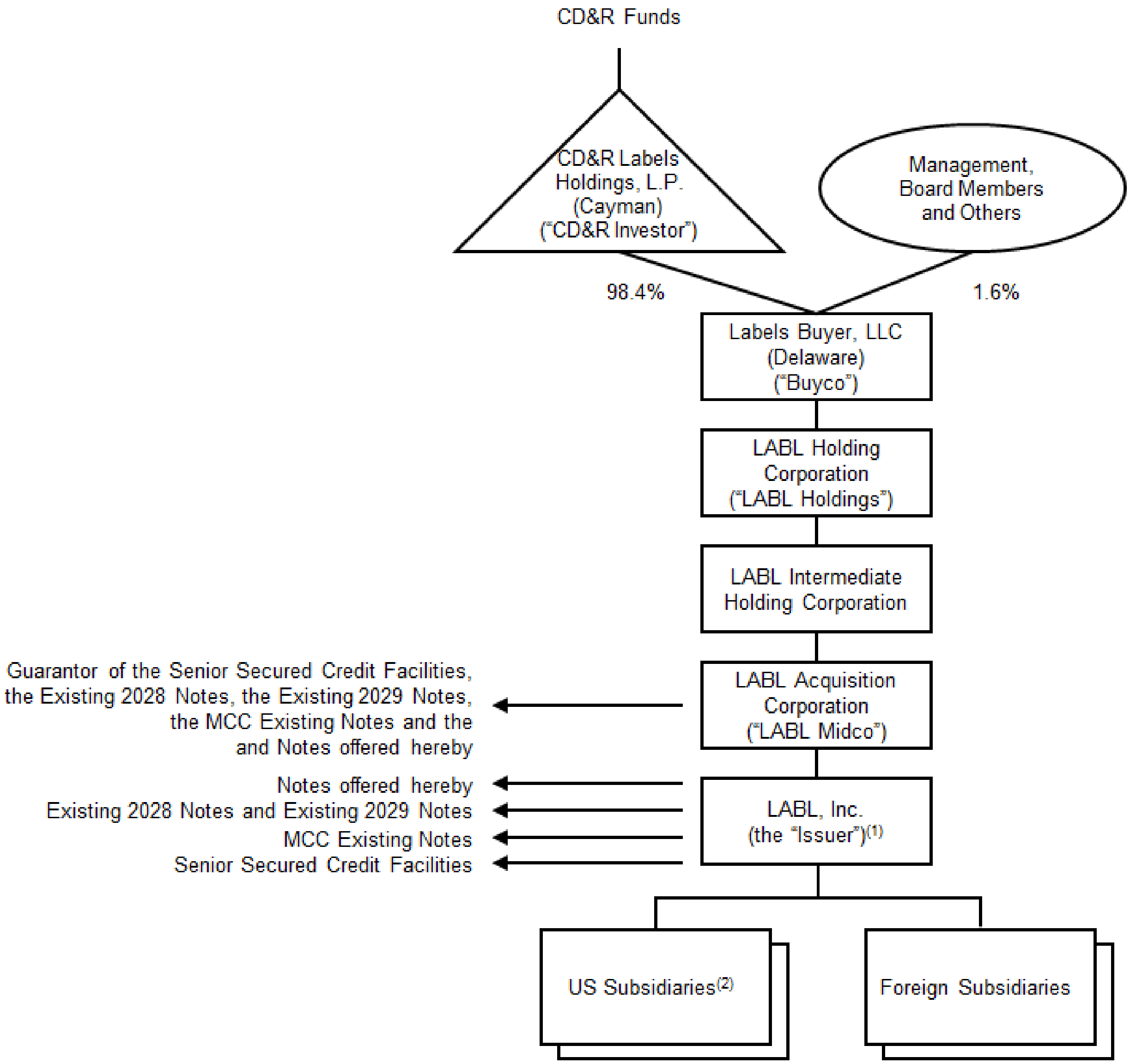
LABL, Inc., a Delaware corporation, is the issuer of the Notes offered hereby. Our principal executive offices are located in Elk Grove Village, Illinois. Our telephone number is (847) 357-9500.

Our Sponsor

Founded in 1978, Clayton, Dubilier & Rice is a private investment firm with a strategy predicated on building stronger, more profitable businesses. Since inception, CD&R has managed the investment of more than $40 billion in over 110 companies with an aggregate transaction value of approximately $175 billion. CD&R has a disciplined and clearly defined investment strategy with a particular focus on market-leading manufacturing, multi-location services, and distribution businesses.

Ownership and Corporate Structure

The chart below is a simplified overview of our organizational structure and illustrates the long-term debt that will be outstanding immediately following the issuance of the Notes.



(1) We have the ability to draw an initial aggregate principal amount of $200.0 million under the Senior Cash Flow Revolving Credit Facility and $590.0 million under the Senior ABL Revolving Credit Facility (subject to borrowing base limitations), under which we have approximately $221.0 million in borrowings and approximately $8.2 million of letters of credit outstanding as of December 31, 2022, based on Australian dollar to U.S. dollar and Euro to U.S. dollar conversion rates on December 30, 2022. The borrowing base availability under the Senior ABL Revolving Credit Facility is approximately $521.2 million and the net borrowing base availability is approximately $292.0 million, net of outstanding borrowings and letters of credit. We may draw on the Senior ABL Revolving Credit Facility or the Senior Cash Flow Revolving Credit Facility from

time to time to fund working capital or for other uses. In addition, we may draw on the Senior ABL Revolving Credit Facility or the Senior Cash Flow Revolving Credit Facility in the future for general corporate purposes, including for working capital. For a description of each of the Senior Secured Credit Facilities, see “Description of Other Indebtedness.”

(2) The Notes will be guaranteed by each of our wholly owned domestic subsidiaries that will guarantee our obligations under our Senior Secured Credit Facilities. See “Description of Notes—Subsidiary Guarantees”.

The Offering

The following summary contains basic information about the Notes and the guarantees thereof and is not intended to be complete. For a more complete understanding of the Notes and the guarantees, please refer to the sections entitled "Description of Notes" in this offering circular.

Issuer..	LABL, Inc.
Notes Offered...	$300 million aggregate principal amount of % Senior Secured Notes due 2028.
Maturity Date..	The Notes will mature on , 2028.
Interest Payment Dates..	and , commencing on , 2023. Interest will accrue on the Notes from , 2023.
Guarantees...	The Notes will be guaranteed, on a secured senior basis, by LABL Midco and each of our existing and subsequently acquired or organized direct or indirect wholly-owned U.S. restricted subsidiaries, with certain exceptions (each, a "Subsidiary Guarantor" and, together with LABL Midco, the "Guarantors"). The guarantees will rank equally in right of payment with all of the existing and future senior indebtedness of each such Guarantor and senior in right of payment to all future subordinated obligations of such Guarantor. The Notes and guarantees thereof will be effectively subordinated to all of the Issuer's and each Guarantor's existing and future indebtedness under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral securing such indebtedness. The Notes and guarantees thereof will be structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of the Issuer and the Subsidiary Guarantors that do not guarantee the Notes. The subsidiary guarantees are subject to release under specified circumstances. See "Description of Notes—Subsidiary Guarantees". As of December 31, 2022, our subsidiaries that will not guarantee the Notes would have had assets of approximately $3,175 million and liabilities of approximately $634 million and would have generated approximately $1,496 million of net revenue for the twelve-months ended December 31, 2022.

Security	The Notes will be secured by (i) a first priority security interest in the Fixed Asset Collateral, which also secures the Senior ABL Revolving Credit Facility on a second priority basis and the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes on a second priority basis, *pari passu* with the Notes and (ii) a second priority security interest in the Current Asset Collateral, which also secures the Senior ABL Revolving Credit Facility on a first priority basis and the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes on a *pari passu* basis.
Ranking	The Notes will be our secured senior indebtedness and will rank: • equal in right of payment with all of our existing and future senior indebtedness; • senior in right of payment to all of our future subordinated obligations; • effectively senior to all of our existing and future indebtedness under the Senior ABL Revolving Credit Facility to the extent of the value of the Fixed Asset Collateral securing such indebtedness; • effectively equal to all of our existing and future indebtedness under the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes, to the extent of the value of the assets securing such indebtedness; • effectively subordinated to all of our existing and future indebtedness under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral securing such indebtedness; and • structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of our non-guarantor subsidiaries (including the non-U.S. subsidiaries that are guarantors or borrowers under the Senior ABL Revolving Credit Facility). The guarantee of each Guarantor will be a secured senior obligation of such Guarantor and will rank: • equal in right of payment with all existing and future senior indebtedness of such Guarantor; • senior in right of payment to all future subordinated obligations of such Guarantor; • effectively senior to all of our existing and future indebtedness of such Guarantor under

	the Senior ABL Revolving Credit Facility to the extent of the value of the Fixed Asset Collateral owned by such Guarantor securing such indebtedness; • effectively equal to all of our existing and future indebtedness of such Guarantor under the Senior Cash Flow Credit Facilities, the MCC 2026 Notes and the Existing 2028 Notes, to the extent of the value of the assets owned by such Guarantor securing such indebtedness; • effectively subordinated to all of our existing and future indebtedness of such Guarantor under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral owned by such Guarantor securing such indebtedness; and • structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of any such Subsidiary Guarantor's subsidiaries that do not guarantee the Notes (including the non-U.S. subsidiaries that are guarantors or borrowers under the Senior ABL Revolving Credit Facility). See "Risk Factors—Risks Related to the Offering and the Notes—The Notes will be effectively subordinated to borrowings under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral, as well as to any other secured indebtedness of the Issuer and the Subsidiary Guarantors to the extent of the value of the assets securing such indebtedness on a basis senior to the Notes. The Notes will be structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries."
Intercreditor Agreements......................................	The Notes will become subject to the Base Intercreditor Agreement and the *Pari Passu* Intercreditor Agreement pursuant to the joinders thereto entered into on October 29, 2021. See "Description of Notes—Description of the Intercreditor Agreements."
Optional Redemption	We may redeem the Notes, in whole or in part, at any time (1) prior to , 2025 at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to but not including the redemption date, plus the applicable make-whole premium described under "Description of Notes—Optional Redemption," as applicable, and (2) on and after , 2025 at the applicable redemption prices described under "Description of Notes—Optional Redemption," as applicable, plus accrued

	and unpaid interest, if any, to but not including the redemption date.
Optional Redemption in any 12-Month Period	Prior to , 2025, during any 12-month period, we may redeem up to 10% of the Notes at 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including the redemption date.
Optional Redemption After Certain Equity Offerings	Prior to , 2025, we may redeem on one or more occasions up to 40% of the original aggregate principal amount of the Notes (after giving effect to any additional notes) in an amount not exceeding the net proceeds of one or more equity offerings at a redemption price equal to % of the principal amount of the Notes, plus accrued and unpaid interest, if any, to but not including the redemption date, as described under “Description of Notes—Optional Redemption”.
Change of Control	If we experience a change of control, we must offer to repurchase all of the Notes (unless otherwise redeemed) at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to but not including the repurchase date. See “Description of Notes—Change of Control.”
Asset Sales	If we sell assets under certain circumstances, each holder may require us to use the proceeds to make an offer to purchase Notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to but not including the date of purchase. See “Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.”
Certain Covenants	The indenture that will govern the Notes will, among other things, limit our ability and the ability of our restricted subsidiaries to: • incur additional indebtedness or issue certain preferred shares; • pay dividends, redeem stock or make other distributions; • voluntarily repurchase, prepay or redeem subordinated indebtedness; • make investments; • create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers; • create liens; • transfer or sell assets; • consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; • enter into certain transactions with our affiliates; and

	• designate subsidiaries as unrestricted subsidiaries. Most of these covenants will be suspended for so long as the Notes have investment grade ratings from either Moody's or S&P (each as defined in "Description of Notes") and there is no default under the indenture that will govern the Notes. These covenants are subject to important exceptions and qualifications, which are described under "Description of Notes—Certain Covenants," and "Description of Notes— Merger and Consolidation."
No Registration Rights	Holders of the Notes will not have registration rights with respect to the Notes. There can be no assurance as to the development or liquidity of any trading market for the Notes.
Transfer Restrictions	The Notes have not been and will not be registered under the Securities Act or any other state or other securities laws and are subject to restrictions on transfer. The Notes may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state or other securities laws. See "Notice to Investors."
No Prior Market	The Notes will be new securities for which there is currently no market. Although certain of the initial purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained. The Notes will not be listed on any securities exchange. In addition, the ability of the initial purchasers to make a market in the Notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.
Trustee and Note Collateral Agent......................	Wilmington Trust, National Association.
Use of Proceeds..	We intend to use the net proceeds of this offering, after deducting fees and expenses payable in connection with the offering, (i) to fund the acquisition of LOI Target, (ii) to repay the borrowings outstanding under the Senior ABL Revolving Credit Facility and (iii) for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. The non-binding letter of intent with LOI Target

	is subject to negotiation and execution of a definitive agreement and we cannot provide any assurances that we will be able to do so, in which case the net proceeds of this offering will be used to for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. See “Use of Proceeds”. Certain of the initial purchasers and/or certain of their respective affiliates are lenders under the Senior ABL Revolving Credit Facility and may be lenders or holders of our other existing indebtedness and, as a result, will receive a portion of the net proceeds of this offering. See “Plan of Distribution.”
Risk Factors	Investing in the Notes involves a high degree of risk. For a description of risks, you should consider before buying the Notes, see “Risk Factors.”

Summary Consolidated Historical Financial Information

The following table presents summary consolidated historical financial data for LABL. The consolidated financial statements prior to and including October 29, 2021 reflect LABL's historical accounting basis for the periods prior to the 2021 Combination, which such consolidated financial statements are labeled as "Predecessor", and the consolidated financial statements for the period from October 30, 2021 through December 31, 2021 and January 1, 2022 through December 31, 2022, reflect LABL's new accounting basis for the periods following the 2021 Combination, which such consolidated financial statements are labeled as "Successor". See "Presentation of Financial Information."

The summary consolidated historical financial data as of December 31, 2022 (Successor) and 2021 (Successor), for the twelve-months ended December 31, 2022 (Successor), for the period from October 30, 2021 to December 31, 2021 (Successor) and for the period from January 1, 2021 to October 29, 2021 (Predecessor) are derived from LABL's audited consolidated financial statements included elsewhere in this offering circular.

This information is only summary and should be read in conjunction with the information included in the sections entitled "Risk Factors," "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and LABL's historical consolidated financial statements included elsewhere in this offering circular.

Selected Consolidated Statement of Operations Data:

($ in thousands)	Successor Twelve months ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021
Net revenues	$ 3,341,449	$ 481,472	$ 1,853,062
Cost of revenues	2,713,016	446,263	1,555,119
Gross profit	628,433	35,209	297,943
Selling, general and administrative expenses	358,456	59,932	189,150
Facility closure expenses	10,359	2,354	74,868
Transaction, integration and restructuring costs	44,894	51,278	74,934
Operating (loss) income	214,724	(78,355)	26,991
Interest expense	359,466	55,067	164,659
Other (income) expense, net	(1,234)	(1,457)	(3,188)
Loss before income taxes	(143,508)	(131,965)	(134,480)
Income tax expense (benefit)	29,230	(20,190)	(6,394)
Net loss	**(172,738)**	(111,775)	(128,086)
Net (loss) income attributable to noncontrolling interests	(51)	(3)	30
Net loss attributable to LABL, Inc.	**$ (172,687)**	$ (111,772)	$ (128,116)

Selected Consolidated Balance Sheet Data:

($ in thousands)	As of December 31, 2022 Successor	2021 Successor
Cash and cash equivalents	$ 72,730	$ 52,915
Total assets	6,982,129	7,130,787
Total liabilities	6,083,976	5,958,026

Selected Consolidated Cash Flow Data:

Successor Twelve months	Successor Period from October 30, 2021 to December	Predecessor Period from January 1, 2021 to

($ in thousands)	ended December 31, 2022	31, 2021	October 29, 2021
Net cash provided by (used in) operating activities..	$ 81,315	$ (40,507)	$ 13,358
Net cash used in investing activities..	(135,649)	(3,143,022)	(377,355)
Net cash provided by financing activities............................	77,553	3,170,941	364,342

Other Financial Data [1]:

($ in millions)	Twelve-months ended December 31, 2022	2021
Adjusted EBITDA[2]..	$ 567.7	$ 462.1
Adjusted EBITDA Margin[3]...	16.7%	14.4%
Pro Forma Adjusted EBITDA[4]......................................	766.7	–
Pro Forma Adjusted EBITDA Incl. LOI Target[5]............	787.0	–
Pro Forma Adjusted EBITDA, Incl. LOI Target Margin[6]	21.3%	–
Acquisition Adjusted Free Cash Flow[7]..........................	473.5	315.5
Pro Forma Free Cash Flow Incl. LOI Target[8]................	684.9	–
Pro Forma Free Cash Flow Conversion[9]........................	87.0%	–

(1) Adjusted EBITDA, Adjusted EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Incl. LOI Target, Pro Forma Adjusted EBITDA Incl. LOI Target Margin, Acquisition Adjusted Revenue, Pro Forma Adjusted Revenue Incl. LOI Target, Acquisition Adjusted Capital Expenditures, Acquisition Adjusted Capital Expenditures Incl. LOI Target, Acquisition Adjusted Free Cash Flow, Pro Forma Free Cash Flow Incl. LOI Target and Pro Forma Free Cash Flow Conversion are not recognized terms under GAAP, and they do not purport to be an alternative to the most directly comparable financial GAAP measure as a measure of our financial results or condition. We present these non-GAAP measures because each is a primary measure used by LABL's management to evaluate operating performance. While we believe that these non-GAAP financial measures are useful in evaluating our performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. See "Use of Non-GAAP Financial Information" for additional information.

(2) We define Adjusted EBITDA as Acquisition Adjusted Net Loss (reported net loss inclusive of pre-acquisition results) plus (i) interest expense, net, (ii) provision for income taxes, (iii) depreciation and amortization, (iv) acquisition-related transaction costs, (v) inventory step-up, (vi) non-recurring facility costs, (vii) restructuring & other one-time costs, (viii) share-based compensation and (ix) other adjustments. Below is a reconciliation of net loss to Adjusted EBITDA for the periods presented:

($ in millions)	Twelve-months ended December 31, 2022	2021
Net loss..	**$ (172.7)**	**$ (239.9)**
Pre-acquisition net loss..	**(9.2)**	**(34.8)**
Acquisition Adjusted Net Loss....................................	**(181.8)**	**(274.7)**
Interest expense, net..	364.5	274.0
Provision for income taxes..	30.9	(28.2)
Depreciation and amortization.......................................	278.0	269.6
Reported EBITDA, Acquisition Adjusted..................	**491.5**	**240.6**
Acquisition-related transaction costs[a]..........................	35.2	140.3
Inventory step-up[b]..	1.2	22.6
Non-recurring facility costs[c]..	16.6	17.5
Restructuring & other one-time costs[d].........................	4.8	3.3
Share-based compensation[e]..	11.3	–
Other adjustments[f]...	7.2	37.8
Adjusted EBITDA...	**567.7**	**462.1**

(a) Represents historical acquisition-related expenses, sponsor and advisory fees and debt-related expenses.

(b) Relates to purchase accounting impact on inventory for CD&R transactions.

(c) Represents non-recurring facility costs, including facility consolidation expenses, right sizing of plants and plant start-up costs.

(d) Represents various one-time costs associated with restructuring costs.

(e) Represents non-cash cost associated with share-based compensation.

(f) Represents other non-cash, non-operating or non-recurring costs including foreign exchange gains or losses, non-cash stock-based compensation expense, an adjustment for acquisition-related policy change, COVID-19 bonuses, other non-operating income or expenses and other one-time costs.

(3) We define Adjusted EBITDA Margin as Adjusted EBITDA divided by Acquisition Adjusted Revenue.

We define Acquisition Adjusted Revenue as reported net revenues inclusive of $57.0 million for the twelve-months ended December 31, 2022, $881.9 million for the twelve-months ended December 31, 2021. Below is a reconciliation of net revenues to Acquisition Adjusted Revenue for the periods presented:

	Twelve-months ended December 31,	
($ in millions)	**2022**	**2021**
Net revenues	**$ 3,341.4**	**$ 2,334.5**
Pre-Acquisition Results	57.0	881.9
Acquisition Adjusted Revenue	**3,398.4**	**3,216.4**

(4) We define Pro Forma Adjusted EBITDA as Adjusted EBITDA plus (i) cost synergies, (ii) net price increase, (iii) "In-flight" cost savings and (iv) closed M&A pro forma adjustments. Below is a reconciliation of Adjusted EBITDA to Pro Forma Adjusted EBITDA for the periods presented:

($ in millions)	**Twelve-months ended December 31, 2022**
Adjusted EBITDA	**$ 567.7**
Cost synergies[(a)]	82.1
Net price increase[(b)]	39.1
"In-flight" cost savings[(c)]	63.8
Closed M&A pro forma adjustments[(d)]	14.0
Pro Forma Adjusted EBITDA	**766.7**

(a) Represents the estimated synergies from the 2021 Combination of $82.1 million. Of the $82.1 million, $6.0 million represents estimated cost synergies from the Hexagon and Skanem acquisitions and other post-merger acquisitions.

(b) Represents LABL and Fort Dearborn pro forma price increases, net of inflation.

(c) Represents LABL and Fort Dearborn pro forma "in flight" cost savings related to management cost saving initiatives and cost synergies from prior acquisitions, excluding MCC's Hexagon and Skanem acquisitions.

(d) Represents Flexcoat and LUX acquisition synergies.

(5) We define Pro Forma Adjusted EBITDA Incl. LOI Target as Pro Forma Adjusted EBITDA plus (i) Acquired Adjusted EBITDA (LOI Target) and (ii) Pro Forma Adjustments (Synergies from LOI Target). Below is a reconciliation of Pro Forma Adjusted EBITDA to Pro Forma Adjusted EBITDA Inc. LOI Target for the period presented:

($ in millions)		**Twelve-months ended December 31, 2022**
Pro Forma Adjusted EBITDA	$	766.7
Acquired Adjusted EBITDA (LOI Target)[a]		13.2
Pro Forma Adjustments (Synergies from LOI Target)[b]		7.1
Pro Forma Adjusted EBITDA Incl. LOI Target		**787.0**

(a) Represents EBITDA contribution from the LOI Target acquisition.

(b) Represents expected synergies from the LOI Target acquisition.

(6) We define Pro Forma Adjusted EBITDA Incl. LOI Target Margin as Pro Forma Adjusted EBITDA Incl. LOI Target divided by Pro Forma Adjusted Revenue Incl. LOI Target.

We define Pro Forma Adjusted Revenue Incl. LOI Target as Pro Forma Adjusted Revenue inclusive of $249.0 million for the twelve-months ended December 31, 2022 of Pro Forma revenue adjustments and $52.0 million of Acquired Revenue (LOI Target). Below is a reconciliation of Acquisition Adjusted Revenue to Pro Forma Adjusted Revenue Incl. LOI Target for the period presented:

($ in millions)		**Twelve-months ended December 31, 2022**
Acquisition Adjusted Revenue	**$**	**3,398.4**
Pro Forma Revenue Adjustments		249.0
Acquired Revenue (LOI Target)		52.0
Pro Forma Adjusted Revenue Incl. LOI Target		**3,699.4**

(7) We define Acquisition Adjusted Free Cash Flow as Adjusted EBITDA less Acquisition Adjusted Capital Expenditures. We define Acquisition Adjusted Capex as capital expenditures inclusive of $1.9 million and $39.4 million of pre-acquisition results from acquisitions in the twelve-months ended December 31, 2022 and 2021 respectively. Below is a reconciliation of Adjusted EBITDA to Acquisition Adjusted Free Cash Flow for the periods presented:

	Twelve-months ended December 31,			
($ in millions)		**2022**		**2021**
Adjusted EBITDA	**$**	**567.7**	**$**	**462.1**
Capital Expenditures		92.3		107.2
Pre-Acquisition capital expenditures		1.9		39.4
Acquisition Adjusted Capital Expenditures		**(94.2)**		**(146.6)**
Acquisition Adjusted Free Cash Flow		**473.5**		**315.5**

(8) We define Pro Forma Free Cash Flow Incl. LOI Target as Pro Forma Adjusted EBITDA Incl. LOI Target less Acquisition Adjusted Capital Expenditures Incl. LOI Target. We define Acquisition Adjusted Capital Expenditures Incl. LOI Target as Acquisition Adjusted Capital Expenditures less LOI Target Capital Expenditures. Below is a calculation of Pro Forma Free Cash Flow for the period presented:

($ in millions)	Twelve-months ended December 31, 2022
Pro Forma Adjusted EBITDA Incl. LOI Target........	**$ 787.0**
Acquisition Adjusted Capital Expenditures....................	94.2
LOI Target Capital Expenditures**....................................**	7.9
Acquisition Adjusted Capital Expenditures Incl. LOI Target	**(102.1)**
Pro Forma Free Cash Flow Incl. LOI Target.............	**684.9**

(9) We define Pro Forma Free Cash Flow Conversion as Pro Forma Free Cash Flow Incl. LOI Target divided by Pro Forma Adjusted EBITDA Incl. LOI Target.

RISK FACTORS

Any investment in the Notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this offering circular before deciding whether to invest in the Notes. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition, results of operations, reputation or cash flows could suffer and you could lose all or part of your original investment in the Notes. The risks discussed below also include forward-looking statements, and our actual results may differ materially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward Looking Statements."

Risks Related to Our Business

Strategic Risks

If we cannot effectively anticipate technology trends and develop and market new products and services to respond to changing customer preferences and an evolving regulatory environment, our business, financial condition, results of operations and cash flows could be materially adversely affected.

Our success in our end categories depends on our ability to offer differentiated solutions to capture market share and grow scale. To enable this, we must continually develop and introduce new products and services in a timely manner, or enhance existing products and services, to keep pace with technological and regulatory developments and achieve customer acceptance. Any failure on our part to predict future customer and market demands or end user preferences and develop and deliver new product and service offerings in response, could place pressure on our pricing strategies and impact our ability to compete effectively. Specifically, in recent times, customers and consumers are seeking more sustainable product offerings using recyclable components and enabling circularity in product use. If we are unable to offer such products, in circumstances where our competitors can, we may experience a decrease in the demand for our products and services, which could have a material adverse effect on our financial condition and results of operations.

The global labels industry is constantly evolving based on both industry-member and consumer preferences. The products and services that we provide may no longer meet the needs of our customers as the business models of our customers evolve. As a result, our customers may decide to change or decrease their product usage or forego the use of certain products and services entirely. The materialization of any of these risks could have a material adverse effect on our business, net revenues and results of operations.

We must continually invest in new product and service offerings to meet the evolving demands of our customers. We cannot guarantee that we will be successful in the introduction, marketing and adoption of any of our new products or services. Additionally, we may sustain undue financial loss if a substantial investment in the development of a new product or service fails.

Regulatory developments can also significantly alter the market for our products and services. For example, a move to electronic distribution of disclaimers and other paperless regimes could negatively impact our healthcare inserts and labels businesses by fundamentally reducing the demand for these products. In turn, this could have a material adverse effect on our financial condition, results of operations and cash flows.

We depend on key personnel, and we may not be able to operate and grow our business effectively if we lose their services or are unable to attract qualified personnel in the future.

We are dependent upon the efforts of our senior management team, other key personnel and our labor workforce. These employees have industry experience and relationships that we rely on to successfully implement our business plan. The success of our business is heavily dependent on our ability to retain our current management and to attract and retain qualified personnel in the future. Competition for senior management personnel is intense, and we may not be able to retain our personnel. We have not entered into employment agreements with all of our key personnel, and these individuals may not continue in their present capacity with us for any particular period of time. The loss of the services of one or more members of our senior management team could also require the remaining executive officers to divert immediate and substantial attention to seeking a replacement which could disrupt our business and impede our ability to execute our business strategy. Any inability to find a replacement for a departing executive officer on a timely basis could adversely affect our ability to operate and grow our business.

We are also dependent on the efforts of our workforce. While our machinery and equipment are generally available to our competitors, the experience and training of our workforce allows us to obtain a level of efficiency and a level of flexibility that management believes to be high relative to levels in the industries in which it competes. To date, we have been successful in recruiting, training and retaining our personnel over the long term. The loss of the services of certain of our experienced work force members, or any significant labor shortages, could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to effectively manage our growth or execute our long-term growth strategy.

We have experienced significant growth over the last year. Such growth, which includes organic growth initiatives coupled with acquisition and geographical expansion, has placed, and will continue to place, a strain on our management, administrative and operational infrastructure. We may not be able to implement improvements to our operational, financial and management controls, human resources policies, reporting systems and procedures or expand capacity or headcount in an efficient or timely manner to support such growth and may discover deficiencies in existing systems and controls. In addition, our expectations regarding the earnings, operating cash flow, capital expenditures and liabilities resulting from recently completed acquisitions are based on information currently available to us and may prove to be incorrect. If we are unable to manage expected future expansion, or if our long-term growth strategy is not successful, our ability to provide a high-quality customer experience could be harmed, which could damage our reputation and brand and harm our business and results of operations. In addition, projections made by us in connection with forming our long-term growth strategy are inherently uncertain and based on assumptions and judgments by management that may be flawed or based on information about our business and markets that may change in the future, many of which are beyond our reasonable control. These and various other factors may cause our actual results to differ materially from our projections.

If we are unable to grow our business through future acquisitions or strategic transactions, this could have a material adverse effect on our business, financial condition and results of operations.

We have a history of making acquisitions and, over the past several years, have invested, and in the future may continue to invest, a substantial amount of capital in acquisitions. We continue to evaluate potential acquisition opportunities to support, strengthen and grow our business.

Acquisitions involve a number of risks, including risks related to:

- the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations;
- increased costs of integration activities;
- disruption of our existing business operations;
- the incorporation of acquired products into our current offerings;
- problems associated with maintaining relationships with employees and customers of acquired businesses as a result of changes in ownership and management;
- the increasing demands on our operational systems resulting from integration of the systems of acquired businesses;
- an inability to integrate and implement effective disclosure controls and procedures and internal controls over financial reporting;
- possible adverse effects on our reported operating results, particularly during the first several reporting periods after such acquisitions are completed; and
- the difficulty of converting acquired companies to our corporate culture and brands.

We may become responsible for unanticipated liabilities and contingencies that we failed or were unable to discover in the course of performing due diligence in connection with historical acquisitions or any future acquisitions. We have typically required sellers to indemnify us against certain undisclosed liabilities. However, we cannot assure you that indemnification rights we have obtained, or will in the future obtain, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Although we have completed many acquisitions, there can be no assurance that we will be able to locate suitable acquisition candidates, acquire possible acquisition candidates, acquire such candidates on commercially reasonable terms, or integrate acquired businesses successfully in the future. Furthermore, because of the limitations imposed by the agreements governing our indebtedness, we may not be able to finance future acquisitions. Any governmental review or investigation of our proposed acquisitions, such as by the Federal Trade Commission or the European Commissioner for Competition, may impede, limit or prevent us from proceeding with an acquisition. Future acquisitions may require us to incur additional debt and contingent liabilities, which may adversely affect our business, results of operations and financial condition.

We may fail to successfully integrate completed acquisitions, which in turn may compromise the growth opportunities, cost savings and synergies that are anticipated from our acquisitions.

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022, which are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional

$20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of "in-flight" cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives.

However, we may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems. The costs of such integration could have a material adverse effect on our results of operations and financial condition. Furthermore, the process of integrating acquired businesses into our existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain customers or management personnel. Although we conduct what we believe to be a prudent level of investigation regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such businesses and their assets and operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations.

The benefits that we expect to achieve as a result of our acquisitions will depend in part on our ability to realize anticipated growth opportunities, cost savings and synergies. Our success in realizing these opportunities and synergies, and the timing of this realization, depends on the successful integration of the acquired businesses and operations with our business and operations and the adoption of best practices. Even if we are able to integrate these businesses and operations successfully, this integration may not result in the realization of the full benefits of the growth opportunities and synergies we currently expect from this integration within the anticipated timeframe, or at all. Accordingly, the benefits from these acquisitions may be offset by unanticipated costs or delays in integrating the companies.

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

We rely on several large customers and the loss of one of these customers could have a material adverse effect on our results of operations and cash flows.

While we maintain sales contracts with certain of our largest customers, such contracts do not impose minimum purchase or volume requirements and these contracts require renewal on a regular basis in the ordinary course of business. We cannot guarantee that these contracts will be successfully renewed in the future. The volume and type of services we provide all of our customers may vary from year to year and could be reduced if a customer were to change its procurement strategy. On occasion, a customer's strategies or needs may change, resulting in a loss of business.

In addition, the industries in which our customers operate may be subject to future consolidation. Any such consolidation could lead to a decline in our market share if an existing customer merges with or is acquired by an entity that is a customer of one of our competitors. Any termination of a business relationship with, or a significant sustained reduction in business received from, one or more of our largest customers could have a material adverse effect on our business, business prospects, financial condition and results of operations.

Moreover, such consolidation may be accompanied by pressure from customers for lower prices, reflecting the increase in the total volume of products purchased or the elimination of a price differential between the acquiring customer and the company acquired. Increased pricing pressures from our customers could have a material adverse effect on our financial condition and results of operations.

Operational Risks

Raw material cost increases or shortages could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our sales and profitability are dependent upon the availability and cost of various raw materials, which are subject to price fluctuations due to factors such as changing economic conditions, pandemics (such as the COVID-19 pandemic), currency and commodity price fluctuations, resource availability, transportation costs, weather conditions and natural disasters, political unrest and instability, global conflicts, including the Russia-Ukraine war, and other factors impacting supply and demand pressures.

If we are unable to control the fluctuating costs of raw materials, pass on any price increases to our customers or find suitable alternative suppliers offering sufficient quantities at competitive prices, we may not be able to produce sufficient quantities of product to satisfy market demand, product shipments may be delayed, or our material or manufacturing costs may increase. As a result, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, if adverse developments arise concerning certain key raw material vendors, such as disruptions in their productions, raw material shortages resulting in unfulfilled orders or a breakdown of business relations, our profit margin may decline, especially if the inflationary conditions that have occurred in these markets in the recent past continue to occur.

Our transportation or energy costs may be higher than we anticipated, which could have a material adverse effect on our business, financial condition and results of operations.

We distribute our products primarily by truck and rail. Reduced availability of trucks or rail cars could negatively impact our ability to ship our products in a timely manner, resulting in customer dissatisfaction and potential customer loss. Additionally, our business operations are vulnerable to any increases in transportation rates or fuel surcharges, as there can be no assurance that we will be able to recoup any such increases through price increases for our products.

Energy, including energy sourced from coal, diesel fuel, electricity and natural gas, represents a significant portion of our manufacturing costs. Energy costs have fluctuated significantly and such fluctuations have primarily impacted us in the logistics processes, with a more minor impact on manufacturing costs.

If transportation or energy costs are greater than anticipated, our business, financial condition and results of operations could be materially adversely affected.

Problems associated with operational efficiency could have a material adverse effect on our business, financial conditions and results of operations.

Changes in customer demand or interruptions in production could have a material adverse effect on our ability to utilize production capacity efficiently. In turn, an inability to adjust production capacity may lead to lost opportunities in the case of increasing demand or reduced profitability in the case of decreasing demand. We typically produce goods against orders received, rather than for stock. A variety of conditions may cause customers to reduce, delay or cancel anticipated or confirmed orders, or to lower capacity utilization to align their production with the demand. Accordingly, this could give rise to rapid production changes, which may be challenging to implement, and in turn, could increase our vulnerability to adverse general economic and industry conditions. Problems associated with operational efficiency could have a material adverse effect on our business, financial condition and results of operations.

Failure of quality control measures and systems resulting in faulty or defective products could have a material adverse effect on our business, financial condition, results of operations and reputation.

We have quality control measures and systems in place to ensure the quality of our products. The consequences of a product not meeting these standards due to, among other things, defective raw materials, human error or equipment fault, could be severe. Such consequences may include adverse effects on consumer health, litigation exposure, loss of market share, financial costs and loss of sales.

Quality issues discovered prior to shipping may cause delays and potentially cancelled orders. In addition, quality issues discovered in our current products and services after shipment or performance may cause additional shipping costs, possible discounts or refunds, and potential loss of future sales. These quality issues may result in a reduction in our customer base, decrease our net revenues and profit margins, damage our reputation and impact our market share.

In addition, if our products fail to meet acceptable quality standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from end consumers) and to reimburse customers or end consumers for losses that they suffered as a result of these failures. Customers and end consumers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim despite there being no negligence or other fault on our part.

Placing an unsafe product on the market, failing to notify the regulatory authorities of a safety issue, failing to take appropriate corrective action and failing to meet other regulatory requirements relating to product safety could also result in regulatory investigation, enforcement action or prosecution. Any product quality or safety issue may also result in adverse publicity, which may damage our reputation. This could, in turn, have a material adverse effect on our business, financial condition and results of operations. Although we have not conducted any substantial product recalls or other material corrective action in recent years, these events may occur in the future.

In certain contracts, we provide guarantees that our products are produced in accordance with customer specifications regarding the proper functioning of our products and the conformity of a product to the specific use defined by the customer. In addition, our customers may allege that our products do not comply with such specifications, even if the packaging complies with contractual specifications. Such liability, if it were to be established in relation to a sufficient volume of claims or to claims for sufficiently large amounts, could have a material adverse effect on our business, financial condition, results of operations and reputation.

We face risks related to interruptions of our operations and a lack of redundancy.

Our production facilities, transaction processing systems, supply chain and customer service operations may be vulnerable to interruptions. Specifically, the long-term shutdown of our printing presses or malfunctions experienced with our presses could negatively impact our ability to fulfill customers' orders and on-time delivery needs and adversely impact our results of operations and cash flows. Disruptions or shutdowns at any of our production facilities could be caused by:

- outages to conduct maintenance activities that cannot be performed safely during operations;
- prolonged power failures or reductions, including the effect of lightning strikes on our electrical supply;

- breakdown, failure or substandard performance of any of our presses, diecutters and print and packaging-related machinery or other equipment;

- noncompliance with material environmental requirements or permits;

- disruptions in the transportation infrastructure, including railroad tracks, bridges, tunnels or roads;

- fires, floods, earthquakes, tornadoes, hurricanes, significant winter storms or other catastrophic disasters; or

- other operational problems.

We have not identified alternatives to all of our facilities, systems, supply chains and infrastructure, including production, to serve us in the event of an interruption, and if we were to find alternatives, they may not be able to meet our requirements on commercially acceptable terms, or at all. In addition, we are dependent, in part, on third parties for the implementation and maintenance of certain aspects of our communications and production systems, and because many of the causes of system interruptions or interruptions of the production process may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. Any interruptions that cause any of our websites to be unavailable, reduce our order fulfillment performance, or interfere with our manufacturing, technology or customer service operations could result in lost revenue, increased costs, negative publicity, damage to our reputation and brand, and an adverse effect on our business and results of operations.

Building redundancies into our infrastructure, systems and supply chain may require us to commit substantial financial, operational and technical resources, in some cases before the volume of our business increases with no assurance that our net revenues will increase. We may also be required to incur substantial costs in maintaining our facilities in good operating condition.

The occurrence of natural or man-made disasters may adversely affect our business, financial condition or results of operations.

We are exposed to various risks arising from natural disasters, including fires, tornadoes and floods, as well as man-made disasters and core infrastructure failures, including fires, explosions, acts of terrorism, military actions, power grid and telephone or internet infrastructure failures, which may adversely affect our business, financial condition or results of operations by causing, among other things:

- loss of customers due to lack of product availability;

- supply shortages of raw materials, energy and water used for our business; and

- disruption of our normal business operations due to catastrophic property damage, loss of life, or disruption of public and private infrastructure, including communications and financial services.

Any such disruption could have a material adverse effect on our business, financial condition and results of operations. Additionally, we may sustain substantial costs in maintaining our facilities in good operating condition, which could negatively impact our financial condition and results of operations.

We may encounter difficulties in restructuring operations, closing facilities and disposing of assets and facilities.

We have closed facilities, sold assets and otherwise restructured operations in an effort to improve our cost competitiveness and profitability. Some of these activities are ongoing, and there is no guarantee that any such activities will not divert the attention of management or disrupt our operations or achieve the intended cost and operations improvements. These activities, and any future activities we may undertake, could have a material adverse effect on our business, financial condition and results of operations.

We are highly dependent on information technology. If our systems fail or are unreliable, our business, financial condition, results of operations and reputation could be materially adversely affected.

We use our information systems to, among other things, deliver our core product and service offerings including the production, distribution and marketing of labels, manage inventories and accounts receivable, make purchasing decisions, manage our customer web portals, process transactions, sell and ship goods on a timely basis, respond to customer questions, facilitate manufacturing and assembly of products, monitor our results of operations, and securely process, transmit, and store sensitive and electronic data (including sensitive data such as trade secrets, confidential business information and personally identifiable data relating to employees, customers and business partners). In addition, we rely upon production technology in the printing industry, particularly with respect to the pre-press component of production.

The efficient operation of our business depends on our information technology infrastructure, websites, printing technology and our management information systems. These systems are all vulnerable to damage, interruption or failure from natural or man-made disasters, terrorist attacks, cybersecurity attacks, power outages and system failures, computer viruses or hackers, power loss, other computer systems, Internet telecommunications, or data network failures, as well failures or malfunctions in our critical applications systems or their associated hardware.

Any significant failure, virus or destruction could impede the processing of data, the accessing of key databases, lead to improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, and disrupt the provision of our products and services and the day-to-day management of our business. Any system outages or security breaches, whether caused intentionally or unintentionally, can interrupt our operations, delay production and shipments, result in theft of trade secrets and intellectual property, damage our reputation, result in defective products or services, give rise to legal proceedings, liabilities and penalties, and cause us to incur increased costs for insurance premiums, security, remediation, and regulatory compliance. The materialization of any of these risks could have a material adverse effect on our business, financial condition, results of operations or reputation.

We also periodically upgrade and install new systems which, if installed or programmed incorrectly, could cause significant disruptions, resulting in financial loss.

We are highly dependent on information technology networks and systems, including those networks and systems managed by vendors or other third-parties. From time to time these networks and systems may be subject to computer viruses, malicious software, attacks by hackers and other forms of cyber intrusions or unauthorized access, any of which can create system disruptions, shutdowns or unauthorized disclosure of sensitive data.

Our liability insurance might not be sufficient in type or amount to adequately cover us against claims related to security breaches, cyberattacks and other related breaches.

Cybersecurity threats could disrupt operations and result in unanticipated financial loss and liability.

Cybersecurity incidents can result from deliberate attacks or unintentional events. Cyber security risks are increasing across the global labels industry, with an increase in the number and sophistication of cyberattacks, and greater penalties for data breaches, particularly with the implementation of the EU General Data Protection Regulation and UK Data Protection Act 2018 which incorporates the EU General Data Protection Regulation into UK law (together and individually, the "GDPR") and increased focus on data protection. Cybersecurity attacks are becoming more sophisticated and include malicious software, attempts to gain unauthorized access to data (either directly or through our vendors and customers), collecting ransoms, corrupting data, denial of service attacks and other electronic security breaches. Cybersecurity incidents could result in disrupted operations, misstated or misappropriated financial data, theft of our intellectual property or other confidential information (including of our customers, suppliers, and employees), liability for stolen assets or information, increased cybersecurity protection costs, and reputational damage adversely affecting customer or investor confidence. The materialization of any of these outcomes could have a material adverse effect on our business, financial condition, results of operations and reputation.

In addition, if any information, including sensitive protected and personal information relating to our customers, company and workforce, were the subject of a successful cybersecurity attack against us, we could be subject to litigation or other claims by the affected customers or by governments enforcing data privacy regulations. Such claims may result in significant sanctions, monetary costs, or other harm to us, including a loss of confidence in our security measures and a reduction in our customer base, which could have a material adverse effect on our business, financial condition, results of operations and reputation.

Finally, we may incur significant additional costs in order to implement the security measures we feel are appropriate to protect our IT systems, which could have a material adverse effect on our business, financial condition and results of operations.

MCC experienced a ransomware incident in October 2022, which resulted in one-time costs. We immediately contained the threat and did not experience any material impact to our operations. We suffered unexpected costs and impacts from the ransomware incident, and may in the future incur costs in connection with any future cybersecurity incidents, including infrastructure investments, remediation efforts and legal claims resulting from the above.

If we are unable to adequately protect our intellectual property, we may lose some of our competitive advantage.

Our ability to compete and grow our business could suffer if our intellectual property rights are not adequately protected. In particular, our success is determined in part by our ability to obtain United States and foreign patent protection for our technology and to preserve our trade secrets. We rely on a combination of patents, copyrights, trademarks and trade secret protection and contractual rights to establish and protect our intellectual property. There can be no assurance that our patent applications will result in patents being issued or that current or additional patents will afford protection against competitors. Similarly, because of the differences in foreign trademark, patent and other laws concerning proprietary rights, our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States.

Any failure of our patents, copyrights, trademarks and trade secret protection, non-disclosure agreements and other measures to protect our technology and intellectual property, the independent discovery by third parties of our trade secrets and proprietary know-how and the independent development of substantially equivalent proprietary information or techniques by third parties could impair our competitive advantage. In particular, the infringement, expiration or other loss of these patents and other proprietary information would reduce the barriers to entry into our existing lines of business and may result in loss of market share, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to litigation in the ordinary course of business, and uninsured claims or a rise in insurance premiums may adversely impact our results of operations.

In the ordinary course of business, we are subject to various claims, litigation and governmental proceedings, including those related to intellectual property and environmental matters and actions brought against us by our employees, customers, consumers or others. For example, we may be subject to claims arising from our failure to manufacture a product to the specifications of our customers or from personal injury arising from a consumer's use of a product we have manufactured.

Any such claims, regardless of merit, could be time-consuming and expensive to defend and could divert management's attention and resources. For instance, in our healthcare end category, we print information on our labels, inserts and packages that, if incorrect, could give rise to product liability claims. The ultimate outcome of these claims, lawsuits, and governmental proceedings cannot be predicted with certainty, but could have a material adverse effect on our business and results of operations.

In accordance with customary practice, we maintain insurance against some, but not all, of these potential claims. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. The levels of insurance we maintain may not be adequate to fully cover any and all losses or liabilities. Further, we may not be able to maintain insurance at commercially acceptable premium levels, or at all.

If any significant accident, judgment, claim (or a series of claims) or other event is not fully insured or indemnified against, it could have a material adverse impact on our business, financial condition and results of operations. There can be no assurance as to the actual amount of these liabilities or the timing thereof. We cannot be certain that the outcome of any future litigation will not have a material adverse impact on our business and results of operations.

We could become involved in intellectual property litigation, which is costly and could cause us to lose our intellectual property rights or subject us to liability.

The technology, products and trade secrets that we have developed and use in our operations may infringe upon the patents or other intellectual property rights of others. In the event of infringement, we could, under certain circumstances, be required to obtain a license or modify aspects of the technology, products and trade secrets we developed or refrain from using them.

Furthermore, third parties may assert that our intellectual property rights are invalid, which could result in significant expenditures by us to refute such assertions. We may not have the necessary financial resources to defend an infringement or invalidity claim made against us or be able to successfully terminate any infringement in a timely manner, upon acceptable terms and conditions, or at all. If we become involved in litigation, we could lose our proprietary rights, be subject to damages, and incur substantial unexpected operating expenses. Intellectual property litigation is expensive and time-consuming, even if the claims are subsequently proven unfounded, and could divert management's attention from our business.

If there is a successful claim of infringement, we may not be able to develop non-infringing technology or enter into royalty or license agreements on acceptable terms, if at all. This could prohibit us from providing our products and services to customers, which could have a material adverse effect on our financial condition.

We are exposed to payment delays and defaults by our customers.

Our customers are generally required to pay us within a certain time period following the date of delivery of our products and services. As a result, we are subject to certain credit risks comprising both the immediate default risk and the danger of a subsequent decline in our customers' creditworthiness, either of which could have a material adverse effect on our business, financial condition and results of operations.

Labor disputes or increased labor costs could materially adversely affect our results of operations.

As of December 31, 2022, we employed approximately 12,275 people, of whom approximately 5,875 are located in the United States and approximately 6,400 are located in other countries. Certain employees in the United States, Canada, Mexico, Chile, South Africa, Tanzania, China, Vietnam, Indonesia, Australia, Germany, France, Ireland, Poland, Sweden, Denmark and Norway are represented by unions and our French and German employees are represented by works councils.

During the previous decade, we have not experienced a stoppage in work or poor labor relations at any of our facilities. Management believes that our relations with our employees are sound. Nevertheless, we cannot provide assurance that we will maintain harmonious relations with our employees. Any organizing efforts, significant work stoppages, or any significant increase in labor costs could have a material adverse effect on our business, financial condition and results of operations.

Employee benefit costs, including increasing health care costs for our employees, as well as insurance costs, could have a material adverse effect on our business, financial condition and results of operations.

We seek to provide competitive benefit programs to our employees, including healthcare benefits. We have obligations to defined benefit pension plans, as well as other pension-like arrangements that are unfunded. In recent years, costs for healthcare have increased more rapidly than general inflation in the U.S. economy. If this trend continues, or there are subsequent changes to healthcare regulation in the United States, our cost to provide such benefits could increase, which could have a material adverse effect on our business, financial condition and results of operations.

Additionally, the cash outflow and expenses associated with these plans may be higher than expected, which could have a material adverse effect on our financial condition.

In addition, we maintain general liability and property insurance. The cost of insurance coverage varies and the availability of certain coverage has fluctuated in recent years. If our insurance coverage is not sufficient to cover all future claims or is not available in adequate amounts or at reasonable rates, this could have a material adverse effect on our financial condition.

Currency exchange rate fluctuations could have a material adverse effect on our net revenues, cash flows and financial results.

Because we conduct a significant portion of our business outside the United States, our net revenues and earnings and the value of our foreign net assets are affected by fluctuations in foreign currency exchange rates, which may favorably or adversely affect reported earnings and net assets. Currency exchange rates fluctuate in response to, among other things, changes in local, regional or global economic conditions, the imposition of currency exchange restrictions and unexpected changes in regulatory or taxation environments. Fluctuations in currency exchange rates may affect our operating performance by impacting net revenues and expenses outside of the United States due to fluctuations in currencies other than the U.S. dollar or where we translate into U.S. dollars for financial reporting purposes the assets and liabilities of our foreign operations conducted in local currencies.

Our business operations have been, and may in the future continue to be, adversely impacted by the COVID-19 pandemic and other potential pandemics.

The COVID-19 pandemic, and the various governmental, industry and consumer actions related thereto, have had, and may continue to have, negative impacts on our business. These impacts include significant volatility or decreases in the demand for our products and services, changes in customer and consumer behavior and preferences, disruptions in or closures of our manufacturing operations or those of our customers and suppliers, disruptions within our supply chain, limitations on our employees' ability to work and travel, potential financial difficulties of customers and suppliers, significant changes in economic or political conditions and related financial and commodity volatility, including volatility in raw material and other input costs. In addition, future changes in our cost of capital, expected cash flows, or other factors as a result of the above may cause our long-lived assets, including goodwill, to be impaired, resulting in a non-cash charge against results of operations to write down such long-lived assets for the amount of the impairment. Even after the COVID-19 pandemic subsides, we may continue to experience material adverse effects to our businesses as a result of the pandemic's global economic impact, including any related recession.

We have experienced minimal disruptions to our operations to date as we have largely been deemed as providing essential services. However, we experienced volatility in customer order patterns during our fiscal year 2021 and 2022 and could continue to experience volatility in the demand for our products and services in the future. We have experienced, and may experience in the future, increased cancellations of seasonal promotional campaigns with in-person events.

Although we cannot currently predict the overall impact of the COVID-19 pandemic and ongoing vaccine developments, the longer the duration of the pandemic, the more likely it is that it could have a material adverse effect on our business, financial position, results of operations and cash flows. In particular, factors including the duration, spread and severity of the outbreak, the various legislation and other responses taken in the United States and other countries to contain COVID-19 and mitigate its public health effects, the impact on the U.S. and global economies and demand for our products and services and how quickly and to what extent normal economic and operating conditions resume could significantly impact our business, financial condition and results of operations, in ways which are not possible to foresee at this time.

Further, the impact of the COVID-19 pandemic could exacerbate the other risks described in this "Risk Factors" section, such as those relating to our ability to service our indebtedness, our ability to comply with the covenants under the agreements governing our indebtedness, fluctuations in foreign exchange rates, international operations, changes in consumer demand, the global economic environment, operational disruptions, the availability and cost of raw materials, reliance on key management and personnel, cybersecurity and data privacy and goodwill, among others.

Economic, Industry and Regulatory Risks

Our business performance may be impacted by general economic conditions, including downturns in the geographies and target markets that we serve.

The growth of our business and demand for our products and services is affected by changes in the health of the overall global economy and regional economies. Demand for our products is principally driven by consumer consumption of the products sold in the packages or with the inserts and labels we produce, which is affected by general economic conditions and changes in consumer preferences. Our primary end categories are Food & Beverage, Wine & Spirits, Home & Personal Care and Specialty. Decreases in global economic activity, including reductions in business and consumer spending, may result in downturns or periods of economic weakness in our primary end categories. In turn, we may experience decreased demand for our products and services, which could have a material adverse effect on our business, financial condition and cash flows.

Similarly, reduced global economic activity may affect our customers' businesses, compelling them to reduce their spending on advertising and premiumization. This has led, and may in the future lead, to diminished demand for our products and services, which could result in reductions in net revenues, operating margins, earnings and growth rates, as well as difficulty in managing inventory levels and collecting accounts receivable. Economic downturns may also result in restructuring actions and associated expenses and the impairment of long-lived assets, including goodwill and other intangibles. Uncertainty about future economic conditions makes it difficult for us to forecast operating results and to make decisions about future investments.

Additionally, economic downturns, rising interest rates and financial and credit market fluctuations may affect one or more of our lenders' ability to fund future draws on our Senior ABL Revolving Credit Facility or our Senior Cash Flow Revolving Credit Facility and our ability to access the capital markets or obtain new financing arrangements that are favorable to us. In such an event, our liquidity could be constrained with an adverse impact on our ability to operate our businesses. Obtaining new financing arrangements or amending our existing one may result in significantly higher fees and ongoing interest costs as compared to those in our current arrangement, which could have a material adverse effect on our business, financial condition and results of operations.

Competition in our industry could limit our ability to retain current customers and attract new customers.

Our businesses often compete with other label suppliers serving customers in the Food & Beverage, Wine & Spirits, Home & Personal Care and Specialty end categories. We compete primarily based on the level and quality of customer service, technological leadership, product performance and price and an inability to successfully overcome competition in our business could have a material adverse effect on our results of operations and cash flows. Some of our competitors have greater financial and other resources than us and may have lower operating costs, greater operational flexibility, greater productive capacity, more financial flexibility and other resources that are greater than ours. Competitors with lower operating costs than ours will have a competitive advantage over us with respect to products that are particularly price sensitive. We could face competitive pressure as a result of any of the following: (i) our inability to improve our product and service offerings and keep abreast of and integrate technological advances and industry evolutions; (ii) our inability to replicate new products developed by our competitors that are of superior quality, cheaper and more fittingly align with our customers' needs; (iii) the obtainment or development of new patents by our competitors; (iv) consolidation by our competitors; (v) pricing pressures; (vi) a loss of proprietary supplies of certain materials; and (vii) a decrease in the utilization of labels. The inability to successfully identify, develop and sell new or improved products and to overcome competition in our business could have a material adverse effect on our results of operations and cash flows.

Various laws and governmental regulations applicable to manufacturers and distributors of consumer products could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to numerous federal, state, provincial, local and foreign laws and regulations, including laws and regulations with respect to labor and employment, product safety, including regulations enforced by the United States Consumer Products Safety Commission, import and export activities, the Internet and e-commerce, antitrust issues, taxes, chemical usage, air emissions, wastewater and storm water discharges and the generation, handling, storage, transportation, treatment and disposal of waste materials, including hazardous materials. We routinely incur costs in complying with these regulations.

If we fail to comply with applicable laws and regulations, we may be subject to criminal sanctions or civil remedies, including fines, injunctions, or prohibitions on importing or exporting. A failure to comply with applicable laws and regulations, or concerns about product safety, also may lead to product recalls or post-manufacture repairs of selected products, resulting in the rejection of our products by our customers and consumers, lost sales, increased customer service and support costs, and costly litigation. In addition, failure to comply with environmental requirements could require us to shut down one or more of our facilities.

Although we believe that we are in substantial compliance with all applicable laws and regulations because legal requirements frequently change and are subject to interpretation, we are unable to predict the ultimate cost of compliance or the consequences of non-compliance with these requirements, or the effect on our operations, any of which may be significant. Any changes in regulations, the imposition of additional regulations, or the enactment of any new governmental legislation that impacts employment/labor, trade, health care, tax, environmental or other business issues could have a material adverse impact on our financial condition and results of operations.

We could incur significant costs in complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws.

Our business and facilities are subject to a wide range of federal, state, provincial, local and foreign general and industry-specific environmental, health and safety laws and regulations, including those relating to air emissions, wastewater discharges, management and disposal of regulated materials and site remediation. Violations of these laws and regulations, or of any conditions contained in any environmental permit, can result in substantial fines or penalties, injunctive relief, requirements to install pollution or other controls or equipment, civil and criminal sanctions, permit revocations or facility shutdowns. In addition, in the course of our operations, we use, store and dispose of hazardous substances.

Certain of our facilities and operations require environmental permits or other approvals from governmental authorities, and certain of these permits and approvals are subject to expiration, denial, revocation or modification under various circumstances. We are also subject to frequent inspections and monitoring by government authorities. Compliance with these laws, regulations, permits and approvals is a significant factor in our business. From time to time we incur, and may in the future incur, significant capital and operating expenditures to achieve and maintain compliance with applicable environmental laws, regulations, permits and approvals. Our failure to comply with applicable environmental laws and regulations or permit or approval requirements could result in substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring investigative, remedial or corrective measures, installation of pollution control equipment or other actions or costs, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, as an owner and operator of real estate, we may be responsible under environmental laws and regulations for the investigation, remediation and monitoring, as well as associated costs, expenses and third-party damages, including tort liability and natural resource damages, relating to past or present releases or threats of releases of regulated materials at, on, under or from our properties. Liability under these laws may be imposed without regard to whether we knew of or were responsible for the presence of those materials on our property; may be joint and several, meaning that the entire liability may be imposed on each party without regard to contribution; and may be retroactive and may not be limited to the value of the property.

In addition, we or others may discover new material environmental liabilities, including liabilities related to third-party owned properties that we or our predecessors formerly owned or operated, or at which we or our predecessors have disposed of, or arranged for the disposal of, certain regulated materials. We may be involved in administrative or judicial proceedings and inquiries in the future relating to such environmental matters, which could have a material adverse effect on our business, financial condition and results of operations.

Some of our current and former facilities are currently being investigated or remediated as a result of releases of hazardous substances or the presence of other regulated materials. Many of our facilities have a history of industrial usage for which investigation and remediation obligations could arise in the future and which could require us to make material expenditures or otherwise materially affect the way we operate our business.

Certain of our operations result in emissions of greenhouse gases ("GHG"), such as carbon dioxide. Growing concern about the sources and impacts of global climate change has led to a number of national and supranational legislative and administrative measures, both proposed and enacted, to monitor, regulate and limit carbon dioxide and other GHG emissions, including in the United States. Such measures, for example, could adversely affect our energy supply, or the costs and types of raw materials we use for fuel, or impose costs on us associated with GHG emissions resulting from our operations. Although we believe it is likely that GHG emissions will continue to be regulated in the United States and elsewhere in the future, we cannot yet predict the form such regulation will take (such as a cap-and-trade program, technology mandate, emissions tax or other regulatory mechanism) or, consequently, estimate the direct or indirect financial impact to our business.

In addition, the physical impacts of climate change may have an adverse impact on our operations and facilities, including to the extent extreme weather events result in physical damage to our facilities, the availability or safety of our workforce, fluctuations or limitations on energy supply, supply-chain disruptions, delays in manufacturing or restrictions on availability of raw materials or the availability of water. Such disruptions can result in a material adverse impact, including loss of customers.

New environmental laws or regulations (or changes in existing laws or regulations or their enforcement) may be enacted that require significant expenditures by us. If the resulting expenses significantly exceed our expectations, our business, financial condition and results of operations could be materially and adversely affected.

We are also subject to various federal, state, local and foreign requirements concerning safety and health conditions at our manufacturing facilities, including those promulgated by the United States Food and Drug Administration ("FDA") and the U.S. Occupational Safety and Health Administration. The operation of manufacturing facilities involves many risks, including the failure or substandard performance of equipment, suspension of operations and new governmental statutes, regulations, guidelines and policies. Our and our customers' operations are also subject to various hazards incidental to the production, use, handling, processing, storage and transportation of certain hazardous materials. These hazards can cause personal injury, severe damage to and destruction of property and equipment and environmental damage. Furthermore, we may become subject to claims with respect to workplace exposure, workers' compensation and other matters. We may be subject to material financial penalties or liabilities for noncompliance with safety and health requirements, as well as potential business disruption, if any of our facilities or a portion of any facility is required to be temporarily closed as a result of any significant injury or any noncompliance with applicable requirements.

At the E.U. level, many laws and regulations are designed to protect human health and the environment. For example, Directive 2004/35/EC concerns obligations to remedy damages to the environment, which could require us to investigate or remediate contamination identified at sites we own or use. Other E.U. directives limit pollution from industrial activities, reduce emissions to air, water and soil, protect water resources, reduce waste, protect employee health and safety and regulate the registration, evaluation, authorization and restriction of chemicals. Failure to comply with these laws, or a change in the applicable legal framework, could affect our business, financial condition or results of operations. We could be held liable for the costs to address contamination at any real property we have ever owned, operated or used as a disposal site. We also could incur fines, penalties, sanctions or be subject to third-party claims for property damage, personal injury or nuisance or otherwise as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials. Changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental liabilities or obligations in the future, including additional investigation or other obligations with respect to any potential health hazards of our products or business activities or the imposition of new permit requirements, may lead to additional compliance or other costs that could have a material adverse effect on our business, financial condition or results of operations.

The occurrence of material operational issues, including, but not limited to, the above events, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with our international operations which may increase the cost of doing business in foreign jurisdictions.

We have operations in North America, South America, Europe, Africa and Asia Pacific and we intend to continue expanding our international operations. Approximately 44% of our sales are derived from our foreign operations (based on the country from which the product was shipped) during the last twelve-months ended December 31, 2022. As a result, our business is exposed to risks inherent in foreign operations, particularly as we expand our operations through organic growth and acquisitions. These risks, which can vary substantially by jurisdiction, include the difficulties associated with managing an organization with operations in multiple countries, compliance with differing laws and regulations (including the U.S. Foreign Corrupt Practices Act ("FCPA"), the Canadian Corruption of Foreign Public Officials Act ("CFPOA"), the U.K. Bribery Act of 2010 and similar laws in the countries in which we operate prohibiting payments to government officials and other corrupt practices, tax laws, regulations and rates), enforcing agreements and collecting receivables through foreign legal systems. We are also at risk of our employees, contractors and agents violating such policies. Any such violations could subject us to civil or criminal penalties, including material fines, onerous compliance requirements, prohibitions on our ability to offer our products and services in one or more countries, reputational damage and loss of authorizations needed to conduct aspects of our international business. The materialization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

In addition, geopolitical risks, including those arising from political turmoil, trade tension and/or the imposition of trade tariffs, terrorist activity and acts of civil or international hostility, are increasing. For instance, the ongoing military conflict between Russia and Ukraine has had negative impacts on the global economy and created uncertainty in the global capital markets and is expected to have further global economic consequences. Additional risks include the potential for restrictive actions by foreign governments, changes in economic conditions in each market, foreign customers who may have longer payment cycles than customers in the United States, the impact of economic, political and social instability of those countries in which we operate, regulatory change, government nationalization of certain industries, currency controls and acts of nature, such as typhoons, tsunamis, or earthquakes. The overall volatility of the economic environment has increased the risk of disruption and losses resulting from hyperinflation, currency devaluation and tax or regulatory changes in certain countries in which we have operations.

We also face the challenges and uncertainties associated with operating in developing markets, which may subject us to a relatively high risk of political and social instability and economic volatility, all of which are enhanced, in many cases, by uncertainties as to how local law is applied and enforced, including in areas most relevant to commercial transactions and foreign investment.

We cannot predict whether the countries in which our products are sold or manufactured, or may be sold or manufactured in the future, or the customers to whom we sell our products, will be subject to new or additional trade restrictions or sanctions imposed by the U.S. or other governments. Trade restrictions (including new or increased tariffs, quotas, embargoes, sanctions, safeguards and customs restrictions) against the products we sell, as well as foreign labor strikes, work stoppages or boycotts, could increase the cost or reduce the supply of the products available to us and to our suppliers, and may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition and results of operations.

The foreign regulatory environment regarding privacy and data protection regulations could have a material adverse effect on our results of operations.

Personal data is highly regulated in many countries in which we operate. In the E.U. and the European Economic Area (the “EEA”) and the United Kingdom, we are subject to the GDPR. The GDPR governs our collection, control, processing, sharing, disclosure and other use of personal data (i.e. data relating to an identified or directly or indirectly identifiable natural person). We may process personal data in relation to our employees, customers, business partners, distributers, suppliers and other third parties. The GDPR imposes restrictions on the collection and use of personal data that, in many respects, are more stringent, and impose more significant burdens on businesses subject to the GDPR, than current privacy standards in the United States. The GDPR imposes a strict data protection compliance regime including: providing detailed obligations governing how personal data is to be collected and processed; demonstrating that valid consent or another appropriate legal basis is in place or otherwise exists to justify data processing activities; granting rights for data subjects in regard to their personal data (including the right to be “forgotten” and the right to data portability, as well as data subject access requests); a requirement to notify data protection regulators or supervisory authorities (and in certain cases, affected individuals) of data breaches; defining pseudonymized (i.e., key-coded) data; imposing limitations on the retention of personal data; maintaining a record of data processing; and complying with the principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. Other countries have enacted or are considering enacting data localization laws that require certain data to stay within their borders.

We may also face audits or investigations by one or more foreign government agencies relating to our compliance with these regulations that could result in the imposition of penalties or fines. The costs of compliance with, and other burdens imposed by, such laws, regulations and policies that are applicable to us may limit the use and adoption of our products and solutions and could have a material adverse impact on our results of operations.

We are also subject to E.U. and UK restrictions with respect to cross-border transfers of personal data out of the E.U., EEA and UK. Where we transfer personal data out of the E.U., EEA or UK to countries which are not considered by the European Commission or UK Government to offer adequate protection of personal data, we comply with the relevant data export requirements from time to time, including by entering into the EU Commission approved Standard Contractual Clauses for the transfer of personal data to third countries (i.e., the model clauses), and in regard to transfers of personal data (HR data and non-HR data) to the United States.

We depend on a number of third parties in relation to the operation of our business, a number of which process personal data on our behalf. There is a risk that third party providers may process data in violation of our privacy obligations or lack sufficient technical and organizational security measures in place to ensure compliance. Any violation of data protection or security laws by our third-party processors could have a material adverse effect on our business and result in fines and penalties.

Unauthorized disclosure of sensitive or confidential information, whether through system failure or breaches or employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose customers. Specifically, any failure to comply with our obligations under the GDPR may result in substantial fines up to the greater of 20 million Euros (or £17.5 million) or 4% of total global annual turnover. In addition to the foregoing, a breach of the GDPR could result in regulatory investigations, orders to cease or change our processing of our data, enforcement notices, assessment notices (for a compulsory audit), as well potential civil claims including class action type litigation where individuals suffer harm.

The GDPR is directly applicable in each E.U. and EEA Member State and provides that each Member State may establish further conditions, limitations and regulations in relation to personal data. Any expansion of our privacy obligations may limit our ability to collect, control, process, share, disclose and otherwise use personal data or could cause our compliance costs to increase, ultimately having an adverse impact on our business.

We are also subject to evolving E.U. privacy laws on cookies and e-marketing. The E.U. is in the process of replacing the e-Privacy Directive with a new set of rules taking the form of a regulation. The draft e-Privacy Regulation imposes strict opt-in marketing rules with limited exceptions for business-to-business communications, alters rules on third-party cookies, web beacons and similar technology and significantly increases fining powers to the same levels as the GDPR (i.e. the greater of 20 million Euros or 4% of total global annual turnover). While the e-Privacy Regulation was originally intended to be adopted on May 25, 2018 (alongside the GDPR), it is still going through the European legislative process. We are likely to be required to expend further capital and other resources to ensure compliance with these changing laws and regulations.

The impact of volatility and disruptions in the global credit and financial markets could have a material adverse effect on our business, financial condition and results of operations.

Failures of financial institutions and any related liquidity crisis may impact depositors' access to their cash deposits at financial institutions and create disruption in capital and credit markets. For example, recent events surrounding Silicon Valley Bank, First Republic Bank and Signature Bank created temporary uncertainty on their customers' cash deposits in excess of Federal Deposit Insurance Corporation ("FDIC") limits prior to actions taken by governmental entities. We currently have no direct exposure to Silicon Valley Bank, First Republic Bank or Signature Bank. However, there is no guarantee that other financial institutions won't experience similar liquidity issues or that actions taken by governmental entities to mitigate these risks will be sufficient to ensure access to our cash deposits and sources of liquidity. As a result, a failure of one or more financial institutions with which we do business could have a material adverse effect on our business, financial condition and results of operations.

A liquidity crisis may also result in additional disruption that is not immediately evident but which results in, for example, negative impact on the ability of our customers to pay amounts owed to us in a timely basis or at all, reductions in the liquidity of our vendors that impact product availability, and changes in interest rates and availability of credit. As such, a liquidity crisis could also have an indirect material adverse effect on our business, financial condition and results of operations.

Accounting Risks

We may be subject to material weaknesses or deficiencies in our internal controls, and accounting and financial controls, giving rise to inaccurate or misleading financial reporting.

Robust internal controls and accounting practices are necessary for us to provide reliable financial information. In the past, we have identified significant deficiencies in our internal controls and accounting practices, which have rendered our financial statements inaccurate. We cannot guarantee that our accounting practices, procedures, methodologies or methods of accounting controls will not be subject to material weaknesses or significant deficiencies in the future.

Our total assets include substantial amounts of goodwill and intangible assets and an impairment of our goodwill or intangible assets could have a material adverse effect on our results of operations.

LABL's goodwill and intangible assets represented approximately 65% of LABL's total assets as of December 31, 2022. We evaluate our goodwill for impairment on an annual basis and at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. We evaluate intangible assets for impairment when facts or circumstances suggest that the carrying value of these assets may not be recoverable. Our evaluation of impairment requires us to make certain estimates and assumptions, including projections of future results. Such estimates and assumptions may not prove to be accurate in the future. After performing our evaluation for impairment, including an analysis to determine the recoverability of intangible assets, we will record a noncash impairment loss when the carrying value of the underlying asset, asset group or reporting unit exceeds its fair value. There can be no assurance that reviews of our goodwill and other intangible assets will not result in impairment losses.

During the early years of an acquisition, the risk of impairment to goodwill and intangible assets is naturally higher. This is because the fair values of these assets align very closely with what we recently paid to acquire the reporting units to which these assets are assigned. This means the difference between the carrying value of the reporting unit and its fair value (typically referred to as “headroom”) is naturally smaller at the time of acquisition. Until this headroom grows over time (due to business growth or lower carrying value of the reporting unit due to natural amortization, etc.), a relatively small decrease in reporting unit fair value can trigger an impairment. That fair value is affected by actual business performance but is also determined by the market (usually reflected in the value of our common stock). As a consequence, sometimes even with favorable business performance, the market alone can drive an impairment condition if general business valuations decline significantly. When impairment charges are triggered, they tend to be material due to the sheer size of the assets involved. If these impairment losses are significant, our results of operations could be adversely affected.

Risks Related to the Offering and the Notes

We have substantial indebtedness, which could adversely affect our financial health, limit our ability to raise additional capital or obtain financing in the future and prevent us from making payments on the Notes.

We have substantial indebtedness. As of December 31, 2022, on an as adjusted basis after giving effect to this offering and the application of the estimated proceeds therefrom, we would have had total indebtedness of approximately $5,905 million, including $1,390 million of MCC Existing Notes, $500 million of Existing 2028 Notes, $460 million of Existing 2029 Notes, $300 million of Notes offered hereby and $2,178 million of borrowings under the Senior Term Loan Facility. In addition, we have the ability to draw an initial aggregate principal amount of $200.0 million under the Senior Cash Flow Revolving Credit Facility and $590.0 million under the Senior ABL Revolving Credit Facility (subject to borrowing base limitations), under which have approximately $221.0 million in borrowings and $8.2 million of letters of credit outstanding as of December 31, 2022, based on Australian dollar to U.S. dollar and Euro to U.S. dollar conversion rates on December 31, 2022. The borrowing base availability under the Senior ABL Revolving Credit Facility is approximately $521.2 million and the net borrowing base availability is approximately $292.0 million, net of outstanding borrowings and letters of credit.

Our substantial indebtedness may have important consequences for us and the holders of the Notes. For example, it may:

- make it more difficult for us to make payments on our indebtedness, including the Notes;
- increase our vulnerability to general economic and industry conditions, including recessions and periods of significant inflation and financial market volatility;
- expose us to the risk of increased interest rates because any borrowings we make under the Senior Cash Flow Revolving Credit Facility and the Senior ABL Revolving Credit Facility and our borrowings under the Senior Term Loan Facility under certain circumstances, will bear interest at variable rates;
- require us to use a substantial portion of our cash flows from operations to service our indebtedness including the MCC Existing Notes, the Existing 2028 Notes, the Notes, the

Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility, thereby reducing our ability to fund working capital, capital expenditures and other expenses;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- increase our cost of future borrowing;

- place us at a competitive disadvantage compared to competitors that have less indebtedness or comparable debt at more favorable interest rates;

- limit our ability to incur additional indebtedness to finance future acquisitions;

- limit our ability to refinance indebtedness and increase the associated costs of our indebtedness; and

- limit our ability to borrow additional funds that may be needed to operate and expand our business.

The MCC Existing Indentures (as further described in “Description of Other Indebtedness—MCC Existing Notes”), the Existing 2028 Indenture, the Existing 2029 Indenture, the Cash Flow Credit Agreement and the ABL Credit Agreement (as further described in “Description of Other Indebtedness—Senior Cash Flow Credit Facilities” and “Description of Other Indebtedness—Senior ABL Revolving Credit Facility,” respectively) contain, and the indenture that will govern the Notes, will contain, restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Those covenants include restrictions, among others, on our ability to incur more indebtedness, pay dividends, redeem stock or make other distributions, make investments, create liens, transfer or sell assets, merge or consolidate and enter into certain transactions with our affiliates. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all of our indebtedness. See also “—The agreements that will govern our material indebtedness, including the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture, the indenture that will govern the Notes, the Cash Flow Credit Agreement and the ABL Credit Agreement, will restrict our current and future operations and our ability and may restrict the ability of any of our subsidiaries to engage in certain business and financial transactions, and, as a result, may adversely affect our business, financial condition, cash flows and results of operations.”

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness, including secured debt, which may increase the risks to our financial condition, cash flows and results of operations created by our substantial indebtedness.

The terms of the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture, the Cash Flow Credit Agreement and the ABL Credit Agreement provide and those of the indenture that will govern the Notes will provide us and our subsidiaries with the flexibility to incur a substantial amount of indebtedness in the future, which indebtedness may be secured or unsecured. If new indebtedness is added to our debt levels, the related risks that we or our subsidiaries now face could intensify. As of December 31, 2022, on an as adjusted basis after giving effect to this offering and the application of the estimated proceeds therefrom, we would have had total indebtedness of approximately $5,905 million. In particular, if we are in compliance with certain incurrence ratios set forth in the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture, Cash Flow Credit Agreement, the ABL Credit Agreement and the indenture that will govern the Notes, we and such subsidiaries may be able to incur substantial additional indebtedness to finance future acquisitions, capital expenditures or other items. Any such incurrence of additional indebtedness may increase the risks created by our current substantial indebtedness. In addition, we have the ability to draw an initial aggregate principal amount of $200.0 million under the Senior Cash Flow Revolving Credit Facility and $590.0 million under the Senior ABL Revolving Credit Facility (subject to borrowing base limitations), under which we have approximately $221.00 million in borrowings and approximately $8.2 million of letters of credit outstanding as of December 31, 2022, based on Australian dollar to U.S. dollar and Euro to U.S. dollar conversion rates on December 30, 2022. The borrowing base availability under the Senior ABL Revolving Credit Facility is approximately $521.2 million and the net borrowing base availability is approximately $292.0 million, net of outstanding borrowings and letters of credit. All of these borrowings under the Senior Cash Flow Revolving Credit Facility and the Senior ABL Revolving Credit Facility would be secured, and the MCC 2026 Notes and the Existing 2028 Notes are and the Notes will be secured, and the Notes and any subsidiary guarantees thereof will be effectively subordinated to borrowings under the Senior ABL Revolving Credit Facility to the extent of the value of the Fixed Asset Collateral. See "Description of Other Indebtedness—Senior Cash Flow Credit Facilities," "Description of Other Indebtedness—Senior ABL Revolving Credit Facility", "Description of Other Indebtedness—MCC Existing Notes" and "Description of Other Indebtedness—Existing 2028 Notes."

The Notes will be effectively subordinated to borrowings under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral, as well as to any other secured indebtedness of the Issuer and the Subsidiary Guarantors to the extent of the value of the assets securing such indebtedness on a basis senior to the Notes. The Notes will be structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries.

All obligations under the Senior ABL Revolving Credit Facility are guaranteed by certain non-U.S. subsidiaries of the Issuer, which non-U.S. Subsidiaries will not guarantee the Notes. In addition, the MCC 2026 Notes and the Existing 2028 Notes are secured, and the Senior Cash Flow Credit Facilities, Senior ABL Revolving Credit Facility and the Notes will be secured, by substantially all of the Issuer's assets and by substantially all of the assets of any Subsidiary Guarantor of the Senior Secured Credit Facilities, the Notes, the Existing 2028 Notes and the MCC 2026 Notes, including the capital stock of any Subsidiary Guarantor of the Senior Secured Credit Facilities held by the Issuer or any other Subsidiary Guarantor and a lien on substantially all of the Issuer's tangible and intangible assets and all of the tangible and intangible assets of any Subsidiary Guarantor of the Senior Secured Credit Facilities, subject to certain exceptions. The Notes will be effectively subordinated to borrowings under the Senior ABL Revolving Credit Facility to the extent of the value of the Current Asset Collateral, as well as to any other secured indebtedness of the Issuer and the Subsidiary Guarantors to the extent of the value of the assets securing such indebtedness on a basis senior to the Notes.

Payments on the Notes are required to be made only by the Issuer and the Subsidiary Guarantors. Our subsidiaries that do not guarantee the Notes will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of any of our non-guarantor subsidiaries, including trade and other creditors and preferred stockholders, if any. All obligations of any of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to us or a Subsidiary Guarantor of the Notes. Any non-guarantor subsidiary will also be permitted to incur additional debt in the future under the indenture that will govern the Notes.

In addition, our subsidiaries that provide, or will provide, guarantees of the Notes will be automatically released from those guarantees in accordance with the terms of the indenture that will govern the Notes upon the occurrence of certain events. If any subsidiary guarantee 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 such subsidiary will be effectively senior to the claim of any holders of the Notes. See "Description of Notes—Subsidiary Guarantees."

We have substantial indebtedness. As of December 31, 2022, on an as adjusted basis after giving effect to this offering and the application of the estimated proceeds therefrom, we would have had total indebtedness of approximately $5,905 million, including $1,390 million of MCC Existing Notes, $500 million of Existing 2028 Notes, $460 million of Existing 2029 Notes, $300 million of Notes offered hereby and $2,178 million of borrowings under the Senior Term Loan Facility. In addition, we have the ability to draw an initial aggregate principal amount of $200.0 million under the Senior Cash Flow Revolving Credit Facility and $590.0 million under the Senior ABL Revolving Credit Facility (subject to borrowing base limitations), under which we have approximately $221.00 million in borrowings and approximately $8.2 million of letters of credit outstanding as of December 31, 2022, based on Australian dollar to U.S. dollar and Euro to U.S. dollar conversion rates on December 30, 2022. The borrowing base availability under the Senior ABL Revolving Credit Facility is approximately $521.2 million and the net borrowing base availability is approximately $292.0 million, net of outstanding borrowings and letters of credits.

As of December 31, 2022, our subsidiaries that will not guarantee the Notes would have had assets of approximately $3,175 million and liabilities of approximately $634 million and would have generated approximately $1,496 million of net revenue for the twelve-months ended December 31, 2022.

The agreements that govern our material indebtedness, including the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture, the indenture that govern the Notes, the Cash Flow Credit Agreement and the ABL Credit Agreement, will restrict our current and future operations and our ability and may restrict the ability of any of our subsidiaries to engage in certain business and financial transactions, and, as a result, may adversely affect our business, financial condition, cash flows and results of operations.

The MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture and the indenture that will govern the Notes contain and will contain, respectively, restrictive covenants that, among other things, limit our ability and the ability of any of our restricted subsidiaries to:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends, redeem stock or make other distributions in respect of capital stock;
- repurchase, prepay or redeem subordinated indebtedness;
- make investments;
- create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;
- create liens;
- transfer or sell assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

Agreements that govern the Senior Secured Credit Facilities.

The Cash Flow Credit Agreement and the ABL Credit Agreement contain a number of covenants that limit our ability and the ability of any of our restricted subsidiaries to:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends, redeem stock or make other distributions in respect of capital stock;
- repurchase, prepay or redeem the Notes and subordinated indebtedness;
- make investments;
- create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;
- incur additional liens;
- transfer or sell assets;
- make negative pledges;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- change the nature of our business;
- enter into certain transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

In addition, our Senior Cash Flow Revolving Credit Facility under certain circumstances requires us to maintain a maximum total secured leverage ratio, and our Senior ABL Revolving Credit Facility will under certain circumstances require us to maintain a minimum consolidated fixed charge coverage ratio. The agreement that governs our Senior ABL Revolving Credit Facility also contains other covenants customary for asset-based facilities of this nature. Our ability to borrow additional amounts under the Senior Cash Flow Revolving Credit Facility and Senior ABL Revolving Credit Facility depends upon satisfaction of these covenants. Events beyond our control can affect our ability to meet these covenants. See “Description of Other Indebtedness—Senior Cash Flow Credit Facilities” and “Description of Other Indebtedness—Senior ABL Revolving Credit Facility.”

We are required to make mandatory prepayments under the Cash Flow Credit Agreement and the ABL Credit Agreement upon the occurrence of certain events, including the sale of assets and the issuance of debt, in each case subject to certain limitations and conditions set forth in the Cash Flow Credit Agreement and the ABL Credit Agreement.

In addition, any future financing arrangements entered into by us may contain similar restrictions. As a result of these covenants and restrictions, we may be limited in 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.

Our failure to comply with obligations under the agreements that govern our indebtedness as described above, as well as others contained in any future debt instruments from time to time, may result in an event of default under the indentures governing the MCC Existing Notes, the Existing 2028 Indenture, the Existing 2029 Indenture, the indenture that will govern the Notes, the Cash Flow Credit Agreement and the ABL Credit Agreement. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our business, results of operations, financial condition and cash flows could be adversely affected.

We may not have access to the cash flow and other assets of our subsidiaries that may be needed to make payment on the Notes and our other indebtedness.

The Issuer's ability to make payments on the Notes and our other indebtedness may be dependent in part on the earnings and the distribution of funds from its subsidiaries. The ability of the Issuer's subsidiaries to make distributions, dividends or advances to the Issuer will depend on their future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control. Under the terms of the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture and the indenture that will govern the Notes, the Cash Flow Credit Agreement and the ABL Credit Agreement, the Issuer's subsidiaries will be permitted to incur additional indebtedness that may restrict or prohibit distributions, dividends or loans from those subsidiaries to the Issuer. We cannot assure you that the agreements that will govern the future indebtedness of any of our subsidiaries will permit them to provide the Issuer with sufficient dividends, distributions or loans to fund payments on the Notes when due.

Furthermore, none of the Issuer's domestic subsidiaries that are not borrowers or guarantors under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility will guarantee the Notes. See "Description of Notes—Subsidiary Guarantees." The Notes will be structurally subordinated to any future indebtedness and other liabilities of our non-guarantor subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors and preferred shareholders, if any, will generally be entitled to payment of claims from the assets of such subsidiaries before any assets are or could be made available for distribution to the Issuer.

As of December 31, 2022, our subsidiaries that will not guarantee the Notes would have had assets of approximately $3,175 million and liabilities of approximately $634 million and would have generated approximately $1,496 million of net revenue for the twelve-months ended December 31, 2022.

Because each Subsidiary Guarantor's liability under its guarantee of the Notes may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the Subsidiary Guarantors.

Any of our wholly-owned domestic subsidiaries that is a guarantor under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility will be a Subsidiary Guarantor of the Notes. However, the guarantees are limited to the maximum amount that the Subsidiary Guarantors are permitted to guarantee under applicable law. As a result, a Subsidiary Guarantor's liability under a guarantee could be reduced to zero depending on the amount of other obligations of such entity and the other guarantors. Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee (and any related security interest) or subordinate the guarantee to other obligations of the guarantor. In addition, you will lose the benefit of a particular guarantee if it is released under the circumstances described under "Description of Notes—Subsidiary Guarantees."

As a result, an entity's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its and the other guarantors' other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in our corporate interests or where the burden of that guarantee exceeds the benefit to us may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee and the applicable court may determine that the guarantee should be limited or voided. If any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee apply, the

Notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor, or to such liabilities to the extent of such agreed limitations.

If we or our subsidiaries default on our and their obligations to pay our and their indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements that govern our or our subsidiaries' indebtedness, including a default under the Cash Flow Credit Agreement, the ABL Credit Agreement, the MCC Existing Indentures, the Existing 2028 Indenture or the Existing 2029 Indenture, that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness, could make us unable to pay principal, premium, if any, and interest on the Notes when due and substantially decrease the market value of the Notes.

If we or our subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we or they otherwise fail to comply with the various covenants in the instruments that will govern our or their indebtedness (including covenants in the Cash Flow Credit Agreement, the ABL Credit Agreement, the MCC Existing Indentures, the Existing 2028 Indenture, the Existing 2029 Indenture and the indenture that will govern the Notes), we or they could be in default under the terms of the agreements that will govern such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Senior Cash Flow Credit Facilities or the Senior ABL Revolving Credit Facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, which could further result in a cross-default or cross-acceleration of our debt issued under other instruments (including the Notes), and we could be forced into bankruptcy or liquidation. If amounts outstanding under the Senior Cash Flow Credit Facilities, the Senior ABL Revolving Credit Facility, the MCC Existing Notes, the Existing 2028 Notes, the Existing 2029 Notes, the Notes or other debt of our subsidiaries are accelerated, all our non-guarantor subsidiaries' debt and liabilities would be payable from such subsidiaries' assets, prior to any distributions of our non-guarantor subsidiaries' assets to pay interest and principal on the Notes, and we might not be able to repay or make any payments on the Notes.

We may not be able to repurchase the Notes upon a change of control as required by the terms of the indenture that will govern the Notes.

Upon the occurrence of a change of control event specified in the indenture that will govern the Notes, any holder of the Notes may require us to offer to repurchase all outstanding Notes (unless otherwise redeemed) at a price equal to 101% of the principal amount of Notes, plus accrued and unpaid interest and additional interest, if any, to but not including the date of repurchase. It is possible, however, that we will not have sufficient funds available at the time of the change of control to make the required repurchase of Notes. Furthermore, restrictions in the Cash Flow Credit Agreement and the ABL Credit Agreement may not allow those repurchases unless we have made an offer to repay the indebtedness and terminate the commitments under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility or we have received the requisite consents of the lenders under the Senior Cash Flow Credit Facilities and the lenders under the Senior ABL Revolving Credit Facility. We may be unable to repay all of that indebtedness or to obtain such requisite consents. Any requirement to offer to repurchase outstanding Notes may therefore require us to refinance our other outstanding debt or to obtain third party financing, which we may not be able to do on commercially reasonable terms, if at all. In addition, it is also possible that the events that constitute a change of control may also be events of default under the Senior Cash Flow Credit Facilities or the Senior ABL Revolving Credit Facility. These events may permit the lenders under the Senior Cash Flow Credit Facilities or the Senior ABL Revolving Credit Facility to accelerate the indebtedness outstanding thereunder. In addition, our failure to repurchase the Notes after a change of control in accordance with the terms of the indenture that will govern the Notes would (subject to certain exceptions) constitute an event of default under such indenture, which in turn would result in a default under the Senior Cash Flow Credit Facilities or the

Senior ABL Revolving Credit Facility, and could ultimately result in the acceleration of the indebtedness represented by the Notes and under the Senior Cash Flow Credit Facilities, the Senior ABL Revolving Credit Facility, the MCC Existing Notes, the Existing 2028 Notes and the Existing 2029 Notes.

Certain corporate events may not trigger a change of control event, in which case we will not be required to redeem the Notes.

The indenture that will govern the Notes will permit us to engage in certain important corporate events, such as leveraged recapitalizations, that would increase indebtedness or otherwise affect our capital structure or credit ratings but would not constitute a "Change of Control" (as defined in the sections entitled "Description of Notes—Change of Control." If we effected a leveraged recapitalization or other such non-change of control transaction that resulted in an increase in indebtedness or otherwise affected our capital structure or credit ratings, our ability to make payments on the Notes would be adversely affected. However, we would not be required to redeem the Notes, and you might be required to continue to hold your Notes, despite our decreased ability to meet our obligations under the Notes.

Holders of the 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 the Issuer's assets.

One of the circumstances under which a Change of Control may occur is upon the sale or disposition of "all or substantially all" of our assets. 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 "substantially all" of our assets. As a result, it may be unclear as to whether a Change of Control has occurred and whether we are required to make an offer to repurchase the Notes. Under certain circumstances the sale or disposition of a "Minority Business" shall not at any time be deemed to constitute a disposition of "all or substantially all" of our assets. See "Description of Notes."

Actions taken under the indenture that will govern the Notes by beneficial owners with short positions in excess of their interests in the Notes will be disregarded, and under certain circumstances the Issuer will have the right to cause such beneficial owners to transfer their Notes.

By acceptance of a beneficial interest in the Notes, each beneficial owner agrees to not take any action, whether consenting, affirmatively not consenting or otherwise, for any amendment, supplement, waiver or modification of the Notes or the indenture that will govern the Notes, or otherwise give any request, demand, authorization, direction, notice, consent or waiver (collectively, "notices") under the indenture that will govern the Notes, to the extent it is a Net Short Holder, as defined in the indenture that will govern the Notes. In addition, any Notes beneficially owned by a Net Short Holder will be deemed to be not outstanding for purposes of taking any such actions or providing any such notices. As a result, such beneficial owners will not have the right to consent to any such amendment, supplement, waiver or modification or provide any such notices (or affirmatively withhold from giving such consent or notice) in respect of the Notes or the indenture that will govern the Notes, although any such consent or notice will be binding in the event the requisite principal amount of the Notes agrees to such action. In addition, in the event that a beneficial owner of the Notes makes any misrepresentation, deemed misrepresentation or incorrect certification under the indentures that will govern the Notes with respect to its status as a Net Short Holder, the Issuer will have the right to cause such person to transfer its Notes in accordance with the indenture at a price that may be less than par and without accrued interest. See "Description of Notes— Net Short Holders." These restrictions may decrease the liquidity and value of the Notes by reducing the pool of potential investors in the Notes. In addition, these restrictions may impact our ability to make certain amendments or take certain actions related to the indenture that will govern the Notes in the future.

An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability, decrease our liquidity and impact our solvency.

Our indebtedness under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility bears interest at variable rates, and our future indebtedness may bear interest at variable rates. As a result, increases in interest rates could increase the cost of servicing such debt and materially reduce our profitability and cash flows. As of December 31, 2022, assuming all Senior Cash Flow Revolving Credit Facility and Senior ABL Revolving Credit Facility revolving loans were fully drawn, each 0.125 percentage point change in interest rates would result in an approximately $0.9 million change in annual interest expense on the Senior Secured Credit Facilities. The impact of such an increase would be more significant for us than it would be for some other companies because of our substantial debt.

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 Senior Cash Flow Credit Facilities and Senior ABL Revolving Credit Facility. The potential consequences from discontinuation, modification, or reform of LIBOR, implementation of alternative reference rates, and any interest rate transition process cannot be fully predicted and may have an adverse impact on values of LIBOR-linked securities and other financial obligations or extensions of credit and may involve among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR, reductions in effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent processes. 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.

U.S. Federal and state fraudulent conveyance or fraudulent transfer laws may permit a court to avoid the Notes and the guarantees, and the liens securing the Notes and the related guarantees, and, if that occurs, you may not receive any payments on the Notes.

The issuance of the Notes and the guarantees and the grant of liens by us and the Subsidiary Guarantors (including any future guarantees and future liens) may be subject to review under federal and state fraudulent conveyance and fraudulent transfer statutes (including the Bankruptcy Code), if an action (either in connection with a bankruptcy, liquidation or reorganization case or under a lawsuit in which a bankruptcy is not involved), were commenced at some future date by the Issuer, by any Subsidiary Guarantor or on behalf of our unpaid creditors or the unpaid creditors of any Subsidiary 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 the related grant of liens generally will be a fraudulent conveyance or a fraudulent transfer if (i) the transactions relating to the issuance of the Notes or guarantees or the related grant of liens were undertaken with the intent of hindering, delaying or defrauding other creditors or (ii) we or any of the Subsidiary Guarantors, as applicable, received less than reasonably equivalent value or fair consideration in exchange for issuing either the Notes or a guarantee or the related granting of liens and, in the case of (ii) only, any one of the following is also true:

- we were or such Subsidiary Guarantor was insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of the guarantees (or the granting of related security interests);

- the issuance of the Notes or the incurrence of the guarantees (or the granting of related security interests) left us or such Subsidiary Guarantor with an unreasonably small amount of capital or assets to carry on its business (as engaged in or contemplated); or

- we or such Subsidiary Guarantor intended to, or believed that we, or such Subsidiary Guarantor, would, incur debts beyond our or its ability to pay as they mature.

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 we or a Subsidiary Guarantor thereof did not receive reasonably equivalent value or fair consideration for the Notes or such guarantee and/or lien if we or a Subsidiary Guarantor did not substantially benefit directly or indirectly from the issuance of the Notes or the incurrence of the applicable guarantee and/or lien. Thus, if the guarantees or liens were legally challenged, any guarantee or lien could be subject to the claim that, since the guarantee or lien was incurred for our benefit, and only indirectly for the benefit of the Subsidiary Guarantor, the obligations of the applicable Subsidiary Guarantor were incurred for less than reasonably equivalent value or fair consideration. Therefore, a court could avoid the obligations under the guarantees and the granting of any related liens, subordinate them to the applicable Guarantor's other debt or take other action detrimental to the holders of the Notes, including requiring the return of amounts previously paid to such holders.

The measures of insolvency for purposes of fraudulent conveyance or fraudulent transfer 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 a Subsidiary Guarantor was insolvent at the relevant time or, regardless of the standard that a court uses, that it would not determine that the Issuer or a Subsidiary Guarantor was indeed insolvent at that time; that any payments to the holders of the Notes (including under the guarantees or the related security interests) did not constitute preferences, fraudulent conveyances or fraudulent transfers on other grounds; or that the issuance of the Notes and the guarantees would not be subordinated to the Issuer's or any of the Subsidiary Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

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

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as such debts mature.

If a court were to find that the issuance of the Notes or the incurrence of a guarantee or the grant of liens was a fraudulent transfer or conveyance, the court could avoid the payment obligations under the Notes or that guarantee, could subordinate the Notes or that guarantee to presently existing and future indebtedness of the applicable obligor, could require the holders of the Notes to repay any amounts received with respect to the Notes or that guarantee or avoid the granting of liens securing the Notes or the related guarantees. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the Notes and could even be required to return amounts you had previously received. Further, the avoidance of the Notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Although the indenture that will govern the Notes will contain a "savings clause" intended to limit a Subsidiary Guarantor's liability under its guarantee to the maximum amount that it could incur without causing the guarantee to be a fraudulent conveyance or fraudulent transfer under applicable law, this provision may not be effective as a legal matter or otherwise to protect those guarantees from being avoided under fraudulent conveyance or fraudulent transfer law, or, if effective, may reduce that Guarantor's obligation to an amount that effectively makes its guarantee worthless.

In addition, any payment on account of the Notes or guarantees made at a time when the Issuer or any of the Subsidiary Guarantors were subsequently found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment was made to an insider within a one-year period prior to a bankruptcy filing or within 90 days to any non-insider party, and such payment would give the recipient more than it would have received in a liquidation of the payor entity under the Bankruptcy Code.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Notes to other claims against us under the principle of equitable subordination if the court determines that (*1*) the holders of the Notes engaged in some type of inequitable conduct, (*2*) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Notes and (*3*) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us or the Notes, if any, could cause the liquidity or market value of the Notes to decline.

The Notes have been rated by nationally recognized rating agencies and our debt securities, including the Notes, and our debt facilities may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. The interest rates and other terms within the Cash Flow Credit Agreement and the ABL Credit Agreement are not and will not be impacted by rating agency actions. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could reduce the liquidity or market value of the Notes.

Any future lowering of our ratings may make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the Notes is subsequently lowered or withdrawn for any reason, you may lose some or all of the value of your investment.

If the lenders under the Cash Flow Credit Agreement and the ABL Credit Agreement release any Subsidiary Guarantors, those Subsidiary Guarantors will be released from their guarantees of the Notes.

The lenders under the Cash Flow Credit Agreement and the ABL Credit Agreement have the discretion to release any guarantees under the Cash Flow Credit Agreement and the ABL Credit Agreement, as applicable. The guarantees under the MCC Existing Notes, the Existing 2028 Notes and the Existing 2029 Notes can also be released in certain circumstances. If a subsidiary that is a Subsidiary Guarantor is no longer a guarantor of obligations under the Senior Secured Credit Facilities or any other successor credit facilities that may be then outstanding, then the guarantee of the Notes by such subsidiary will be released automatically without action by, or consent of, any holder of the Notes or the trustee under the indenture that will govern the Notes. See "Description of Notes—Subsidiary Guarantees." 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 and preferred stock, if any, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of holders of the Notes.

Certain restrictive covenants in the indenture that will govern the Notes will not apply during any time that the Notes achieve investment grade ratings.

Most of the restrictive covenants (and related events of default) in the indenture that will govern the Notes will not apply during any time that the Notes achieve investment grade ratings from Moody's Investment Service, Inc. or S&P Global Ratings, provided at such time no default under the applicable indenture has occurred or is continuing. If these restrictive covenants cease to apply, we may take actions, such as incurring additional debt or making certain dividends or distributions, which would otherwise be prohibited under the indenture that will govern the Notes. To the extent the covenants are subsequently reinstated, any such actions taken while such covenants were suspended would not result in a default or event of default under the indenture that will govern the Notes. Ratings are given by these rating agencies based upon analyses that include many subjective factors. The investment grade ratings, if granted, may not reflect all of the factors that would be important to holders of the Notes.

Holders of the Notes will not be entitled to registration rights, and we do not currently intend to register the Notes under applicable securities laws. There are restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws.

We are offering the Notes under exemptions from registration under the Securities Act and applicable state securities laws. The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, you may offer or sell the Notes only pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. You will not have the benefit of any exchange or registration rights and may be required to bear the risk of your investment for an indefinite period of time. See "Notice to Investors."

There is no established trading market for the Notes, which means there are uncertainties regarding the price and terms on which a holder could dispose of the Notes, if at all.

The Notes will constitute a new issue of securities with no established trading market. We cannot assure you that an active trading market will develop for the Notes. If no active trading market develops, you may not be able to resell your Notes at their fair market value or at all. Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Certain of the initial purchasers have informed us that they currently intend to make a market in the Notes after this offering is completed; however, the initial purchasers are not obligated to do so, and they may cease their market-making at any time. We do not intend to list the Notes on any securities exchange. In addition, the ability of the initial purchasers to make a market in the Notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

We cannot assure you that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell your Notes will be favorable. We also cannot assure you as to the level of liquidity of the trading market for the Notes if one develops. Future trading prices of the Notes will depend on many factors, including:

- our operating performance and financial condition;
- the amount of indebtedness we have outstanding;
- prevailing interest rates;
- the interest of securities dealers in making a market and the number of available buyers; and
- the market for similar securities.

You should not purchase any of the Notes unless you understand and can bear all of the investment risks involving the Notes.

The trading price of the Notes may be volatile.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruptions could 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 the initial offering price of the Notes depending on the prevailing interest rates, the market for similar securities, our performance and other factors, many of which are beyond our control.

If we and the Subsidiary Guarantors do not fulfill our obligations to you under the Notes or the Note guarantees, you will not have any recourse against our parent companies or their equity holders.

None of our equity holders, investors, directors, officers, employees or affiliates, including, without limitation, CD&R, Buyco or the CD&R Funds, will be an obligor or guarantor under the Notes. If we do not fulfill our obligations to you under the Notes, you will have no recourse against any of our equity holders, directors, officers, employees or affiliates, including, without limitation, the entities or persons listed above.

We are indirectly controlled by affiliates of CD&R, and their interests as equity holders may conflict with your interests as a holder of the Notes.

We are indirectly controlled by affiliates of CD&R, which have the ability to control our policy and operations. The interests of such affiliates as holders of equity interests in the Issuer may not in all cases be aligned with your interests as a holder of the Notes. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of the affiliates of CD&R might conflict with your interests as a holder of the Notes. In addition, the affiliates of CD&R may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such a transaction might involve risks to you as a holder of the Notes. Furthermore, one or more of the affiliates of CD&R may in the future own businesses that directly or indirectly compete with us. One or more of the affiliates of CD&R may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us.

We will not be subject to the reporting requirements that we otherwise would be if we were required to register the Notes with the SEC, including the Sarbanes-Oxley Act of 2002.

Since we will not register the Notes or the Note guarantees under the Securities Act, we will not be required to file periodic and current reports with the SEC on Forms 10-K, 10-Q and 8-K. Accordingly, there may be less information available about us than is regularly published by or about SEC-registered issuers and the information that is provided to our investors may not be subject to the same scrutiny as the information provided by SEC-registered issuers. Because we will not register the Notes with the SEC, we will not be required to comply with the Sarbanes-Oxley Act of 2002, including the requirement that issuers have and maintain effective systems of disclosure controls and internal controls over financial reporting. As a result, our internal controls over financial reporting will not be subject to the same scrutiny as those of a reporting company. We can provide no guarantee that internal control procedures more similar to those of a reporting company would not uncover errors in our financial reporting, some of which may be material. We will also not be required to comply with any stock exchange listing requirements, such as those required by the NASDAQ and NYSE, regarding corporate governance. Accordingly, you are not entitled to the corporate governance protections that would otherwise require the board of directors of the Issuer or any of its parent companies to have a majority of independent directors, its board nominations to be selected, or recommended for the Board's selection, either by a nominating committee comprised entirely of independent directors or by a majority of its independent directors, and a compensation committee and audit committee to be comprised entirely of independent directors. As a result, you may not have the same protections afforded to investors in companies that are subject to those rules.

The indenture 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 indenture that will govern the Notes will not be qualified under the Trust Indenture Act of 1939, as amended (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 indenture that will govern the Notes.

There may not be sufficient Collateral to pay all or any of the Notes.

No appraisal of the value of the Collateral has been made in connection with this offering and the value of the Collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. Consequently, liquidating the Collateral securing the Notes may not produce proceeds in an amount sufficient to pay any amounts due on the Notes.

Our obligations under the Cash Flow Credit Agreement, the MCC 2026 Notes and the Existing 2028 Notes are secured by the Collateral ratably with our obligations under the Notes. Our obligations under the Senior ABL Revolving Credit Facility are secured by the Current Asset Collateral on a senior basis with respect to our obligations under the Notes and on a junior basis with respect to the Fixed Asset Collateral.

As a result, upon any distribution to our creditors, foreclosure, liquidation, reorganization, bankruptcy or other insolvency proceedings, or following acceleration of our indebtedness or an event of default under our indebtedness, the lenders under the Senior ABL Revolving Credit Facility will be entitled to be repaid in full from the proceeds of the Current Asset Collateral before any payment is made to holders of the Notes from the proceeds of such collateral, and the lenders under the Cash Flow Credit Agreement, the holders of the MCC 2026 Notes, the holders of the Existing 2028 Notes and the holders of the Notes will be entitled to be repaid in full from the proceeds of the Fixed Asset Collateral and the Current Asset Collateral before any payment is made to the holders of any other subordinated indebtedness from the proceeds of such collateral. Moreover, the lenders under the Cash Flow Credit Agreement, the holders of the MCC 2026 Notes and the holders of the Existing 2028 Notes will share the proceeds of the Fixed Asset Collateral and the Current Asset Collateral ratably with the holders of the Notes, thereby diluting the collateral coverage. In addition, the terms of the indenture that will govern the Notes will permit, subject to certain limitations, the incurrence of additional debt that may be secured on a *pari passu* priority basis with, or a junior basis to, the Notes with respect to the Fixed Asset Collateral.

The fair market value of the Collateral securing the Notes is subject to fluctuations based on factors that include, among others, the condition of our industry, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and other factors. The amount to be received upon a sale of the Collateral would 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 its 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 the event of a foreclosure, liquidation, reorganization, bankruptcy or other insolvency proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the Notes. In addition, in the event of any such proceeding, the ability of the holders of the Notes to realize upon any of the Collateral would be subject to applicable bankruptcy and insolvency law limitations.

In addition, the security interests of the Note Collateral Agent are subject to practical problems generally associated with the realization of security interests in Collateral. For example, the Note Collateral Agent may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the Note Collateral Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Also, certain items included in the Collateral, such as licenses and other permits, may not be transferable (by their terms or pursuant to applicable law) and therefore the Note Collateral Agent may not be able to realize value from such items in the event of a foreclosure.

The Fixed Asset Collateral and the Current Asset Collateral are subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the collateral agent for the Cash Flow Credit Agreement, the collateral agent for the ABL Credit Agreement or other representatives of the respective obligations under the Cash Flow Credit Agreement or the ABL Credit Agreement from time to time. These exceptions, defects, encumbrances, liens and other imperfections may be significant. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Note Collateral Agent to realize or foreclose on such Collateral.

Certain assets are excluded from the Collateral.

Certain assets are excluded from the Collateral securing the Notes as described under "Description of Notes—Security for the Notes." If an event of default occurs and the Notes are accelerated, the Notes and the guarantees will rank equally with the holders of the other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

Rights of holders of the Notes in the Collateral may be adversely affected by the failure to perfect security interests in collateral.

Applicable law provides 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. There can be no assurance that all actions necessary to create properly perfected security interests in the Collateral will be taken, which may result in the loss of the priority of the security interest in favor of the holders of the Notes to which they would otherwise have been entitled, including making the security interest in the Fixed Asset Collateral junior to the security interest securing the obligations under the Senior ABL Revolving Credit Facility. In addition, the security interests granted in favor of the Note Collateral Agent to secure the Notes are not in all cases required to be created or perfected by the issue date. See "—Security over certain collateral may not be in place or perfected on the date of the sale of the Notes." If we, or any Guarantor, were to become subject to a bankruptcy proceeding, any liens recorded or perfected after the issue date would face a greater risk of being invalidated than if they had been recorded or perfected on the issue date. Liens recorded or perfected after the issue date (and not within a 30-day safe harbor) may be treated under the Bankruptcy Code as if they were delivered to secure previously existing indebtedness. In bankruptcy proceedings commenced within 90 days (or one year, for certain statutory insiders) of lien perfection, a lien given to secure previously existing indebtedness is materially more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the issue date (or within 30 days thereof). Accordingly, if we or any Guarantor were to file for bankruptcy protection after the issue date and the liens had been perfected less than 90 days (or one year, for insiders) before commencement of such bankruptcy proceeding, the liens securing the Notes may be particularly subject to challenge as a result of having been delivered after the issue date. To the extent that such challenge succeeded, the holders of the Notes would lose the benefit of the security that the Collateral was intended to provide and could be required to return amounts previously paid to them.

In addition, applicable law provides that certain property and rights acquired after the grant of a general security interest, including, among other examples, real property, equipment subject to a certificate of title and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. We and the Guarantors have limited obligations to perfect the security interest of the holders of the Notes in specified collateral. The Note Collateral Agent does not have an obligation to monitor, and there can be no assurance that we will inform the Note Collateral Agent of, the future acquisition of property and rights that constitute collateral, and that we will take (or cause to be taken) the necessary action to properly perfect the security interest in such after-acquired collateral. Neither the trustee, the Note Collateral Agent, the collateral agent for the Cash Flow Credit Agreement, the collateral agent for the ABL Credit Agreement, the collateral agent for the MCC 2026 Notes nor the collateral agent for the Existing 2028 Notes will have an obligation to monitor the acquisition of additional property or rights that constitute collateral or the creation, perfection, priority, sufficiency or protection of any security interest. Our failure to cause the creation and perfection of certain property may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the holders of the Notes against third parties, including making the security interest in the Fixed Asset Collateral junior to the security interest securing the obligations under the Senior ABL Facility. Even if the Note Collateral Agent, the collateral agent for the Cash Flow Credit Agreement, the collateral agent for the ABL Credit Agreement, the collateral agent for the MCC 2026 Notes or the collateral agent for the Existing 2028 Notes does properly perfect liens on any property and rights that constitute Collateral acquired or arising in the future, such liens may potentially be avoidable as a preference in any bankruptcy proceeding under certain circumstances. See "—Any future pledge of Collateral or future guarantee might be avoidable in bankruptcy" below.

Additionally, a failure, for any reason that is not permitted or contemplated under the security documents relating to the Collateral, to perfect the security interests in the properties and assets included in the Collateral securing the Notes may result in a default under the indenture that will govern the Notes and the other agreements governing the Notes.

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

The Intercreditor Agreements provide, among other things, that the lenders under our Cash Flow Credit Agreement, and their authorized representative acting on their behalf, control substantially all matters related to enforcement of remedies with respect to the collateral securing the Notes that is Fixed Asset Collateral, and that the lenders under our Senior ABL Facility, and their authorized representative acting on their behalf, control substantially all matters related to enforcement of remedies with respect to the collateral securing the Notes that is Current Asset Collateral. Such lenders and such representatives may foreclose on or take other actions with respect to the Collateral with which holders of the Notes may disagree or that may be contrary to the interests of holders of the Notes.

The *Pari Passu* Intercreditor Agreement (as defined in "Description of Notes – Description of the Intercreditor Agreements") also provides that, as among the Cash Flow Credit Agreement, MCC 2026 Notes, the Existing 2028 Notes and the Notes, while our Senior Cash Flow Credit Facilities are outstanding, the collateral agent with respect thereto will control all decisions related to enforcement of remedies with respect to the Collateral securing the Notes at all times, unless, at such time, (i) our obligations under our Senior Cash Flow Credit Facilities (or any refinancing indebtedness in respect thereof) are no longer secured pursuant to the terms of the documents governing the our Senior Cash Flow Credit Facilities or (ii) 180 days have elapsed after the occurrence of an event of default under any agreement governing obligations secured by the Fixed Asset Collateral on a first priority basis that constitutes the largest series of all obligations subject to the *Pari Passu* Intercreditor Agreement and that is continuing and acceleration of such series of obligations, so long as the collateral agent for the Cash Flow Credit Agreement has not commenced the exercise of remedies with respect to Collateral, is not stayed from pursuing any such exercise pursuant to the Base Intercreditor Agreement and neither the Issuer nor any of the Guarantors is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding. Following such time, the authorized representative for the largest then-outstanding series of first lien priority obligations party to the *Pari Passu* Intercreditor Agreement would control all decisions related to enforcement of remedies with respect to the collateral securing the Notes at all times and holders of the Notes would only be permitted to take enforcement action with respect to such collateral if the Notes are the largest then-outstanding series of first lien priority obligations party to the *Pari Passu* Intercreditor Agreement. In addition, the *Pari Passu* Intercreditor Agreement will also prohibit the Notes Collateral Agent and the holders of the Notes from objecting following the filing of a bankruptcy petition to a proposed financing (or the liens securing the same) to be provided to us to be secured by the Collateral and/or to our use of cash collateral that constitutes

Collateral that is not also objected to by the then-controlling collateral agent and satisfies certain terms and conditions.

After the discharge of the obligations with respect to our Cash Flow Credit Agreement, at which time the parties to our Cash Flow Credit Agreement will no longer have the right to direct the actions with respect to the Collateral securing the Notes pursuant to the *Pari Passu* Intercreditor Agreement, that right passes to the authorized representative of holders of the next largest outstanding principal amount of indebtedness secured by a senior priority lien on the Collateral. If we issue additional indebtedness that is equal in priority to the lien securing the Notes in the future in a greater principal amount than the 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 Note Collateral Agent. Accordingly, the Note Collateral Agent may never have the right to control remedies and take other actions with respect to the Collateral.

The rights of holders of Notes in the Current Asset Collateral may be adversely affected by the Base Intercreditor Agreement.

Under the terms of the Base Intercreditor Agreement, the liens on the Current Asset Collateral securing the obligations under the Senior ABL Revolving Credit Facility (or any replacement facilities), together with any other obligations permitted to be secured by the Current Asset Collateral on a first-priority basis, will rank senior to the liens on such Current Asset Collateral securing our and the guarantors' obligations under the Notes and the related guarantees. The Base Intercreditor Agreement also provides that the obligations under the Senior ABL Revolving Credit Facility (or any replacement facilities), together with any other obligations permitted to be secured by the Current Asset Collateral on a first-priority basis (including post-petition interest, fees and expenses, whether or not allowed or allowable in any bankruptcy case), will be paid with the proceeds of the Current Asset Collateral prior to the obligations under the Notes and related guarantees in certain circumstances, including in the event of any foreclosure by the lenders under the Senior ABL Revolving Credit Facility or a bankruptcy event. The lenders under the Senior ABL Revolving Credit Facility, as holders of first-priority liens on the Current Asset Collateral, will (at all times prior to the expiration of a 180-day standstill period) control substantially all enforcement matters related to such Current Asset Collateral, pursuant to the terms of the Base Intercreditor Agreement. The holders of the permitted first-priority liens on the Current Asset Collateral, including under the Senior ABL Revolving Credit Facility, may cause the collateral agent under the Senior ABL Revolving Credit Facility (the "ABL Collateral Agent") to dispose of, release, or foreclose on, or take other actions with respect to, the Current Asset Collateral (including certain amendments of and waivers under the security documents with respect thereto) with which holders of the Notes may disagree or that may be contrary to the interests of holders of the Notes, even after a default under the Notes in the case of an enforcement action by the ABL Collateral Agent.

The Base Intercreditor Agreement will (at all times prior to the expiration of a 180-day standstill period) prohibit parties with second-priority liens on the Current Asset Collateral, including the holders of the Notes, from foreclosing on such collateral at any time prior to the payment in full of the permitted obligations secured by the Current Asset Collateral on a first-priority basis, including all obligations under the Senior ABL Revolving Credit Facility. To the extent the Current Asset Collateral is released from securing the obligations secured by the Current Asset Collateral on a first-priority basis, including all obligations under the Senior ABL Revolving Credit Facility, the Base Intercreditor Agreement will provide that, in certain circumstances (including in connection with the exercise of remedies by the agent under the Senior ABL Revolving Credit Facility or in connection with a sale or other disposition of the Current Asset Collateral permitted under the terms of both the Senior ABL Revolving Credit Facility and the indenture that will govern the Notes), the second-priority liens securing the Notes in the Current Asset Collateral will automatically also be released. In addition, the indenture that will govern the Notes and the security documents related to the holders of the Notes' second-priority lien on the Current Asset Collateral may not be amended in any manner that contravenes the terms of the Base Intercreditor Agreement without the consent of the ABL Collateral Agent and each other collateral agent party to the Base Intercreditor Agreement that has a permitted first-priority lien on the Current Asset Collateral until such first-priority lien obligations are paid in full, and the Senior ABL Revolving Credit Facility and the security documents related to the first-priority lien on the Current Asset Collateral securing the obligations under the Senior ABL Revolving Credit Facility may not be amended in any manner that contravenes the terms of the Intercreditor Agreements without the consent of the ABL Collateral Agent. The Base Intercreditor Agreement further provides that, under certain circumstances, the holders of the Notes would be required to turn over to the holders of obligations under the Senior ABL Revolving Credit Facility amounts they receive from the Issuer with respect to the Current Asset Collateral. We cannot assure you that in the event of a foreclosure by the holders of the obligations under the Senior ABL Revolving Credit Facility or a bankruptcy event, the proceeds from the sale of the Current Asset Collateral would be sufficient to satisfy all or any of the amounts outstanding under the Notes after payment in full of the obligations secured by such first-priority liens on the Current Asset Collateral, including all obligations under the Senior ABL Revolving Credit Facility. See "Description of Notes—Description of Intercreditor Agreements."

In addition, in the event of any insolvency or liquidation proceeding, if the lenders under the Senior ABL Revolving Credit Facility desire to permit any use of cash collateral consisting of Current Asset Collateral or debtor-in-possession ("DIP") financing that is secured at least in part by the Current Asset Collateral, the holders of the Notes would (assuming certain protections and other requirements are in place with respect to their liens on the Fixed Asset Collateral in connection with such use of cash collateral or DIP financing) be limited in raising objections to such use of cash collateral or DIP financing. The Base Intercreditor Agreement will also limit the right of the holders of the Notes to raise various other objections or take various other actions in any insolvency or liquidation proceeding with respect to the Current Asset Collateral prior to the payment in full of the obligations under the Senior ABL Revolving Credit Facility, including, among other things, seeking relief from the "automatic stay" with respect to the Current Asset Collateral, and will also place certain restrictions on their right to seek "adequate protection" of their interests in the Current Asset Collateral from a bankruptcy court, even though such holders' rights with respect to such collateral were being affected.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and guarantees will be released automatically, without your consent or the consent of the trustee or the Note Collateral Agent, and you may not realize any payment upon disposition of such collateral.

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

- so long as any Parity Lien Obligations are outstanding, upon the release of all Liens thereon securing all the Parity Lien Obligations;
- so long as any Priority Lien Obligations are outstanding, upon the release of all Liens thereon securing Priority Lien Obligations;
- to enable the sale, transfer or other disposal of such Collateral in a transaction not prohibited under the indenture that will govern the Notes, including the sale of any entity in its entirety that owns or holds such Collateral;
- with respect to Collateral held by a guarantor, upon the release of such guarantor from its guarantee;
- pursuant to the Intercreditor Agreements;
- in whole upon satisfaction and discharge of the indenture that will govern the Notes as described in the section titled "Description of Notes—Satisfaction and Discharge"; and

- in whole upon a legal defeasance or covenant defeasance of the indenture that will govern the Notes as described in the section titled “Description of Notes—Defeasance.”

In the event of a bankruptcy of us or any of the Guarantors, holders of the Notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the Notes exceed the value of the Collateral available to secure the Notes and other pari passu or senior indebtedness.

In any bankruptcy proceeding with respect to us or any of the Guarantors, it is possible that the Issuer or any Guarantor, as debtor-in-possession, a bankruptcy trustee, if applicable, or competing creditors will assert that the value of the Collateral securing the Notes is less than the then-current principal amount outstanding under the Notes and other indebtedness secured on a *pari passu* basis with the Notes (including the MCC 2026 Notes, the Existing 2028 Notes and the Cash Flow Credit Agreement) or on a senior basis with respect to the Current Asset Collateral (including the Senior ABL Revolving Credit Facility) on the date of the bankruptcy filing, or at any other relevant time. Upon a finding by the bankruptcy court that the Notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the Notes would be bifurcated between a secured claim up to the value of the Collateral and an unsecured claim for any deficiency. As a result, the claim of the holders of the Notes could be unsecured in whole or in part.

The consequences of a finding of under-collateralization would include, among other things, a lack of entitlement on the part of the Notes to receive post-petition interest, fees and expenses and a lack of entitlement to receive “adequate protection” under the Bankruptcy Code with respect to the unsecured portion of the Notes. See “—Bankruptcy laws may limit the ability of holders of the Secured to realize value from the Collateral.” 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 recharacterized by the bankruptcy court as a reduction of the principal amount of the Notes.

Bankruptcy laws may limit the ability of holders of the Notes to realize value from the Collateral.

The right of the Note Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an event of default under the indenture that will govern the Notes is likely to be significantly impaired (or at a minimum delayed) by applicable bankruptcy laws if a bankruptcy case were to be commenced by or against us before the Note Collateral Agent repossessed and disposed of the pledged assets (and sometimes even after). Under the Bankruptcy Code, upon the commencement of a bankruptcy case, an automatic stay goes into effect which, among other things, stays:

- the commencement or continuation of any action or proceeding against the debtor that was or could have been commenced before the commencement of the bankruptcy case to recover a claim against the debtor that arose before the commencement of the bankruptcy case;

- any act to obtain possession of, or control over, property of the bankruptcy estate or the debtor;

- any act to create, perfect or enforce any lien against property of the bankruptcy estate; and

- any act to collect or recover a claim against the debtor that arose before the commencement of the bankruptcy case.

For example, under the Bankruptcy Code, pursuant to the automatic stay imposed upon the bankruptcy filing, a secured creditor is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, or taking other actions to levy against a debtor, without prior bankruptcy court approval, which may not be given or could be materially delayed. Moreover, the Bankruptcy Code permits the debtor to continue to retain and to use and sell collateral (including cash collateral) even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given “adequate protection” with respect to the secured portion of its claim against the debtor. The meaning of the term “adequate protection” may vary according to circumstances (and is within the discretion of the bankruptcy court), but it is intended in general to protect the secured creditor against diminution in the value of the secured creditor’s interest in the collateral as a result of the automatic stay or disposition or any use or sale of the collateral by the debtor during the pendency of the bankruptcy case. Adequate protection may take the form of cash payments or the granting of additional or replacement security, if and at such times as the court in its discretion determines. Generally, adequate protection payments, in the form of interest or otherwise, are not required to be paid by a debtor to a secured creditor unless the bankruptcy court determines that the value of the secured creditor’s interest in the collateral is declining during the pendency of the bankruptcy case. Due to the imposition of the automatic stay, the lack of a precise definition of the term “adequate protection” and the broad discretionary powers of a bankruptcy court, and even if the Notes were fully collateralized, it is impossible to predict (a) whether or when payments under the Notes could be made following the commencement of a bankruptcy case (or the length of any delay in the making of any such payments), (b) whether or when the Note Collateral Agent could or would repossess or dispose of the pledged assets, if ever, (c) whether or to what extent holders of the Notes would be compensated for any delay in payment or loss of value of the pledged assets through the requirements of “adequate protection,” or what form any such adequate protection would take, or otherwise, or (d) the value of the Collateral as of the commencement of any bankruptcy case or at any other relevant time.

In addition, as noted above and as described further in the Description of Notes, the respective Intercreditor Agreements will impose certain restrictions on the holders of the Notes to take various actions or file various objections in any future bankruptcy case.

The Collateral is subject to casualty risks and potential environmental liabilities.

We maintain insurance for our properties against loss or damage by fire or other hazards to a similar extent as other companies operating properties of a similar nature in the same or similar localities. There are, however, some losses that may be either uninsurable or not economically insurable, or insured for values less than the then current fair market value of relevant assets, in whole or in part. As a result, insurance proceeds may not compensate us fully for our losses. If there is a total or partial loss of any of the pledged assets, the proceeds received by us in respect thereof may not be sufficient to satisfy all the secured obligations, including the Notes.

Moreover, the Note Collateral Agent may need to evaluate the impact of potential liabilities before determining to foreclose on collateral consisting of real property because owners and operators of real property may be held liable under environmental laws for the costs of investigating or remediating contamination or preventing the release or threatened release of hazardous substances at such real property. Consequently, the Note Collateral Agent may be unable to or may decline to foreclose on such collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the holders of Notes.

We will in most cases have control over the Collateral.

The security documents generally allow us and the Guarantors to remain in possession of, to retain exclusive control over, to freely operate and to collect, invest and dispose of any income from, the Collateral. These rights may adversely affect the value of the Collateral at any time.

Any future pledge of collateral or guarantee in favor of the holders of the Notes might be avoidable in bankruptcy.

Any future pledge of collateral or future incurrence of a guarantee in favor of the holders of the Notes, including pursuant to security documents or guarantees delivered after the date of the indenture that will govern the Notes, might be avoidable by the pledgor (as debtor-in-possession) or by a trustee in bankruptcy, to the extent applicable, or potentially by our other creditors if certain events or circumstances exist or occur, including, under the Bankruptcy Code, if the pledgor or guarantor is insolvent at the time of the pledge or incurrence of the guarantee, the pledge or incurrence of the guarantee permits the holders of the Notes to receive a greater recovery than what the holders of the Notes would receive in a liquidation under Chapter 7 of the Bankruptcy Code if the pledge or guarantee had not been given and a bankruptcy proceeding in respect of the pledgor or guarantor is commenced within 90 days following the pledge, or, in certain circumstances, one year.

The value of the Collateral securing the Notes may not be sufficient to give the holders of the Notes the right to receive post-petition interest, fees and expenses.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, holders of Notes will only be entitled to post-petition interest fees and expenses under the Bankruptcy Code to the extent that the value of their security interest in the Collateral is greater than their pre-bankruptcy claim (after satisfying all of our other obligations that are secured on a *pari passu* or senior basis with respect to all or a portion of the Collateral). Holders of Notes that have a security interest in the Collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest, fees or expenses under the Bankruptcy Code. No appraisal of the fair market value of the Collateral has been prepared in connection with this offering, and we therefore cannot assure you that the value of the holders' interest in the Collateral will equal or exceed the principal amount of the Notes as well as all of our other obligations that are secured thereby (in whole or in part) on a *pari passu* or senior basis.

USE OF PROCEEDS

We estimate that the proceeds from this offering will be approximately $ million after deducting fees and estimated expenses.

We intend to use the net proceeds of this offering, after deducting fees and expenses payable in connection with the offering, (i) to fund the acquisition of LOI Target, (ii) to repay the borrowings outstanding under the Senior ABL Revolving Credit Facility and (iii) for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. The non-binding letter of intent with LOI Target is subject to negotiation and execution of a definitive agreement and we cannot provide any assurances that we will be able to do so, in which case the net proceeds of this offering will be used to for general corporate purposes, which may include repaying, redeeming or repurchasing outstanding debt. See "Use of Proceeds." Certain of the initial purchasers and/or certain of their respective affiliates are lenders under the Senior ABL Revolving Credit Facility and may be lenders or holders of our other existing indebtedness and, as a result, will receive a portion of the net proceeds of this offering. See "Plan of Distribution."

Based on the current Average Daily Excess Availability Percentage (as defined in the ABL Credit Agreement), USD borrowings under the Senior ABL Revolving Credit Facility bear interest at Alternate Base Rate (as defined in the ABL Credit Agreement) plus 0.50% or Term SOFR (as defined in the ABL Credit Agreement) plus 1.50%. The weighted average interest rate on the outstanding balance under the Senior ABL Revolving Credit Facility as of February 28, 2023 was 6.15%.The proceeds of the Senior ABL Revolving Credit Facility were used to finance our working capital needs, as well as in connection with the financing of the Skanem, Flexcoat and LUX acquisitions.

You should read the table below together with the information under the headings "Capitalization" included elsewhere in this offering circular.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2022, on a (i) historical basis for LABL and (ii) as adjusted to give effect to the issuance of the Notes in this offering and the application of the estimated proceeds therefrom.

	As of December 31, 2022	
(dollars in millions)	**Historical**	**As Adjusted**
Cash and cash equivalents	$ 73	$ 73
Debt:		
Senior ABL Revolving Credit Facility[a]	$ 221	$ 86
Senior Cash Flow Revolving Credit Facility[b]	—	—
Senior Term Loan Facility	2,178	2,178
Notes offered hereby[c]	—	300
6.75% Senior Secured Notes	700	700
10.50% Senior Notes	690	690
5.875% Senior Secured Notes	500	500
8.250% Senior Unsecured Notes	460	460
Finance Leases and Other Debt	93	93
Total debt[d]	4,841	5,007
Total equity	$ 898	$ 898
Total capitalization	$ 5,739	$ 5,904

(a) The total amount available under the Senior ABL Revolving Credit Facility is an amount up to $590.0 million, subject to a borrowing base. The table above does not reflect any potential draw on the Senior ABL Revolving Credit Facility at closing that we may make, including for working capital. For a description of the Senior ABL Revolving Credit Facility, see "Description of Other Indebtedness—Senior ABL Revolving Credit Facility."

(b) The total amount available under the Senior Cash Flow Revolving Credit Facility is $200.0 million. The table above does not reflect any potential draw on the Senior Cash Flow Revolving Credit Facility at closing that we may make, including for working capital. The total amount of availability under the Senior ABL Revolving Credit Facility and the Senior Cash Flow Revolving Credit Facility is $790.0 million but may be allocated differently between the two facilities and, with respect to the Senior ABL Revolving Credit Facility, subject to a borrowing base. For a description of the Senior Cash Flow Revolving Credit Facility, see "Description of Other Indebtedness—Senior Cash Flow Credit Facilities."

(c) Represents the aggregate principal amount of the Notes offered hereby and does not reflect the initial purchasers' discount or estimated fees and expenses related to the offering.

(d) Does not reflect estimated original issue discount with respect to the Senior Term Loan Facility or debt issuance costs.

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

The following discussion should be read in conjunction with LABL's historical consolidated financial statements included elsewhere in this offering circular. In addition to historical information, the following discussion contains forward looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by this forward-looking information due to factors discussed under the section entitled "Risk Factors" and elsewhere in this offering circular. See "Cautionary Note Regarding Forward Looking Statements."

Executive Overview

We were founded in 1916 and began producing prime labels in 1918, marking the beginning of our leadership in shaping identity and shelf appeal of consumer products. We have since expanded our portfolio of technologies and customer base, organically and through acquisitions, to become the largest supplier of prime labels globally supporting a number of the world's most prominent brands across a broad range of resilient, consumer-facing end categories worldwide.

We completed an initial public offering in 1987 and has since expanded through a combination of organic growth initiatives and acquisitions. In 2017, we acquired Austrian flexible packaging manufacturer Constantia Flexibles' labels division, bringing together Constantia Labels' leading F&B business with our strong W&S and HPC platforms. In 2019, we were taken private by Platinum Equity and proceeded to merge with WS Packaging, another label solutions leader within Platinum Equity's portfolio of companies. In July 2021, CD&R announced a definitive agreement under which CD&R funds would acquire Multi-Color from Platinum Equity. In October 2021, CD&R subsequently combined Multi-Color with Fort Dearborn (majority owned by Advent International), to create the world's largest prime label solutions company serving customers worldwide. The combination expanded the breadth and depth of the Company's comprehensive product portfolio and customer base, improved its diversification across label technologies, end categories, and geographies, and resulted in significant cost synergy opportunities. In addition to these three transformative acquisitions, the Company and its management team have a long track-record of expanding through strategically and financially accretive acquisition, having completed and successfully integrated more than 35 acquisitions since 2010. Most recently, we acquired Flexcoat and LUX in the fourth quarter of 2022 and have one target currently under a non-binding letter of intent, expected to sign and close in early Q2 2023. For additional information, see "Offering Circular Summary—Recent Developments."

Since closing of the 2021 Combination, we have been under the leadership of Kevin Kwilinski as CEO who, in partnership with Abhi Khandelwal as CFO, has successfully delivered profitable growth through a combination of commercial excellence, operating and margin improvement initiatives, cost synergy realization, and acquisitions.

Key Factors Affecting Our Business and Results of Operations

Our operating results will be influenced by a broad range of factors, including those outlined below.

Competitive Dynamics

We are the leading global manufacturer of prime labels. We believe that we have approximately 15% market share across North America and Europe, with approximately two times the scale of the next largest prime label manufacturer and approximately five times the scale of the third largest prime label manufacturer, based on net revenues. Further, we believe that we hold number one or number two positions in each of the key label technologies and end categories we serve across North America and Europe.

The global prime labels industry remains highly fragmented, with single plant manufacturers operating in a local market, or multi-plant manufacturers operating in certain regions, constituting the majority of industry capacity, with relatively few global manufacturers. We believe our leading global position and scale in a highly fragmented industry provide meaningful advantages in comparison with smaller national, regional and local competitors. These advantages span procurement and sourcing, operational efficiency and commercial/organic growth. Our scale affords us with advantaged buying power vis-à-vis our base of suppliers and unlocks volume discounts for certain spend categories.

We believe the principal competitive factors for the global prime labels market include local selling capabilities, availability, breadth and cost of materials and supplies, technical knowledge and expertise, value-add service capabilities, customer and supplier relationships, reliability and accuracy of service, product performance, effective use of technology, technology leadership, delivery capabilities and timeliness, pricing of products and the provision of credit. We believe that our key strengths and strategy allow us to compete effectively in our markets.

Customer Relationships

We benefit from strong, enduring relationships with our customers, ranging from the largest global CPG companies to smaller CPG companies. We have a diverse customer base consisting of approximately 19,000 customers. Our customers include a wide range of consumer product companies, and we supply labels for many of the world's best-known brands and products. Our top customer represented only approximately 5% of net revenues for the twelve-months ended December 31, 2022. Our differentiated value proposition has resulted in long-tenured relationships with our top ten customers of greater than 25 years on average, and we believe significant opportunities exist to increase share-of-wallet with existing customers while acquiring new customers.

We continue to monitor and analyze new trends in the packaging and consumer products industries to ensure that we are providing appropriate services and products to our customers. Certain factors that influence our business include consumer spending, new product introductions, new packaging technologies and demographics.

Realization of Cost Synergies and "In-Flight" Cost Savings

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022. The cost synergies are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional $20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of "in-flight" cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives. Our history of successful acquisition integration and realization of cost synergies and cost savings gives us confidence in our ability to achieve our expected cost synergies and “in-flight” cost savings.

Key Business Metrics

Net revenues

Net revenues are primarily generated from the sale of prime labels to external customers, reduced for customer credits, sales returns and allowances, earned early payment discounts, and earned customer rebates. Net revenues can be impacted by our customers’ production and marketing cycles, particularly in the areas of promotional and coupon applications, whose run dates can vary year to year. The end categories served include F&B, W&S, HPC and Specialty, which tend to provide a generally stable base of sales from quarter to quarter. Net revenues are generally not seasonal.

Expenses

Our expenses primarily consist of:

Cost of revenues. Cost of revenues includes raw materials (primarily paper and ink), cores, cartons, labor and benefits, production supplies, parts and repairs, rents, utilities, freight, and other direct and indirect costs associated with the manufacturing process. Cost of goods sold is generally driven by the cost of these items and the volume and mix of the products manufactured.

Selling general and administrative expenses. These expenses include salaries and commissions for corporate and sales personnel, marketing expenses, professional fees, legal and consulting fees, bad debt expense and other corporate administrative costs not allocated to cost of products sold. Selling, general, and administrative expenses are primarily driven by wage increases, the occurrence and timing of consulting projects, and other legal and professional fees, offset by headcount reductions.

Facility closure expenses. Facility closure expenses primarily include severance, contract termination and other associated costs (including, but not limited to costs to consolidate or close facilities and relocate employees).

Transaction, integration and restructuring costs. Transaction, integration and restructuring costs primarily include direct costs related to acquisition of businesses, integration of acquisitions into our existing operations and restructuring of operations. These costs include legal, accounting, valuation, engineering, finders’ fees, severance, contract termination costs and other associated costs.

Amortization expense and loss on impairment of intangible assets. We record amortization of identifiable intangible assets on a straight-line basis over the contractual or estimated useful life of each intangible asset. Identifiable intangible assets are reviewed for impairment whenever events or circumstances indicate the carrying amount of the asset may not be fully recoverable. When the carrying value of an asset exceeds its fair value, an impairment loss is recognized.

Interest expense. Interest expense includes interest accruing on our indebtedness, including capital leases. Interest expense is affected by changes in average outstanding indebtedness and variable interest rates.

Other expense (income), net. Other income includes proceeds from the sale of scrap and rental income collected on properties sub-leased subsequent to operational restructurings. Other income also includes the gains and losses resulting from foreign currency transaction adjustments. Other income is primarily driven by scrap values.

Income tax expense. Income taxes include current taxes payable or refundable, plus or minus the change during the period in deferred tax assets and liabilities.

Quarterly Results

($ in millions)	Three Months Ended March 31, 2021	Three Months Ended June 30, 2021	Three Months Ended September 30, 2021	Three Months Ended December 31, 2021	Three Months Ended March 31, 2022	Three Months Ended June 30, 2022	Three Months Ended September 30, 2022	Three Months Ended December 31, 2022
Net loss	**$ 13.7**	**$ (72.2)**	**$ (22.7)**	**$ (193.4)**	**$ (45.2)**	**$ (23.3)**	**$ (24.4)**	**$ (88.9)**
Interest expense, net	63.3	64.6	66.8	79.3	83.8	86.7	93.1	100.9
Provision for income taxes	(30.5)	46.7	(12.6)	(31.9)	2.5	7.3	11.1	10.0
Depreciation and amortization	64.2	70.8	65.6	69.0	72.3	70.1	62.6	73.0
Reported EBITDA, Acquisition Adjusted	**110.8**	**109.8**	**97.0**	**(77.1)**	**113.4**	**140.7**	**142.4**	**95.0**
Acquisition-related transaction costs[a]	5.7	10.8	20.3	103.5	16.2	7.7	5.9	5.5
Inventory step-up[b]	—	—	0.2	22.4	1.2	—	—	(0.1)
Non-recurring facility costs[c]	4.7	5.7	2.1	4.9	0.9	1.8	1.3	12.6
Restructuring & other one-time costs[d]	0.2	0.0	(0.0)	3.1	2.2	1.3	0.3	1.0
Share-based compensation[e]	—	—	—	—	—	—	—	11.3
Other adjustments[f]	2.3	2.6	0.1	32.8	(2.7)	0.5	3.0	6.3
Adjusted EBITDA	**123.7**	**129.0**	**119.8**	**89.6**	**131.1**	**152.1**	**152.9**	**131.6**

(a) Represents historical acquisition-related expenses, sponsor and advisory fees and debt-related expenses.

(b) Relates to purchase accounting impact on inventory for CD&R transactions.

(c) Represents non-recurring facility costs, including facility consolidation expenses, right sizing of plants and plant start-up costs.

(d) Represents various one-time costs associated with restructuring costs.

(e) Represents non-cash cost associated with share-based compensation.

(f) Represents other non-cash, non-operating or non-recurring costs including foreign exchange gains or losses, non-cash stock-based compensation expense, an adjustment for acquisition-related policy change, COVID-19 bonuses, other non-operating income or expenses and other one-time costs.

Results of Operations

Twelve-months Ended December 31, 2022 Compared to the twelve month period ended December 31, 2021 (the "2021 period"), which is a non-GAAP presentation:

Net Revenues

($ in thousands)	Twelve-months Ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Net revenues	$ 3,341,449	$ 481,472	$ 1,853,062	$ 1,006,915	43%

Net revenues were $3,341,449 during the twelve-months ended December 31, 2022 (Successor) compared to $2,334,534 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed

$921,713 or 39% to the net revenues increase. Organic growth increased net revenues compared to the prior year by $191,133 or 8% primarily due to increased sales in Europe, North America and Latin America as a result of inflation recovery actions executed in recent quarters. This increase was partially offset by unfavorable foreign exchange of $115,354 or 5%.

Cost of Revenues and Gross Profit

($ in thousands)	Twelve-months Ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Cost of revenues	$ 2,713,016	$ 446,263	$1,555,119	$ 711,634	36%
% of Net revenues	81.2%	92.7%	83.9%		
Gross profit	628,433	35,209	297,943	295,281	89%
% of Net revenues	18.8%	7.3%	16.1%		

Cost of revenues were $2,713,016 during the twelve-months ended December 31, 2022 (Successor) compared to $2,001,382 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $728,185 to the cost of revenues increase. Inventory purchase accounting adjustments increased cost of revenues by $22,590 in the 2021 period. The organic cost of revenues increase of $94,026 or 5% was primarily due to increased net revenues and raw materials inflation, partially offset by cost synergies. The increase was also partially offset by favorable foreign exchange of $96,551 or 5%.

Gross profit was $628,433 during the twelve-months ended December 31, 2022 (Successor) compared to $333,152 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $193,528 to the gross profit increase. Inventory purchase accounting adjustments increased cost of revenues by $22,590 in the 2021 period. Organic gross profit increased by $97,107 or 29%, as a result of inflation recovery actions and cost synergies. The increase was partially offset by unfavorable foreign exchange of $18,803 or 6%. Gross margins were 18.8% of net revenues in the current year compared to 14.3% in the prior year period as a result of the gross profit impacts previously mentioned.

Operating Expenses

($ in thousands)	Twelve-months Ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Selling, general and administrative expenses	$ 358,456	$ 59,932	$ 189,150	$ 109,374	44%
% of Net revenues	10.7%	12.4%	10.2%	–	–
Facility closure expenses	10,359	2,354	6,868	1,137	12%
% of Net revenues	0.3%	0.5%	0.4%	–	–
Transaction, integration and restructuring costs	44,894	51,278	74,934	(81,318)	(64%)
% of Net revenues	1.3%	10.7%	4.0%	–	–

Selling, general and administrative (SG&A) expenses were $358,456 during the twelve-months ended December 31, 2022 (Successor) compared to $249,082 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $86,429 to the SG&A expenses increase. Amortization related to intangible assets increased by $26,364 related to the Legacy LABL, Inc. acquisition and favorable foreign exchange decreased SG&A expenses by $11,957. The remaining increase of $8,538 is primarily due to compensation costs in the current year period driven by the build out of the leadership team and higher incentive accruals based on improved current year results, partially offset by cost synergies. SG&A expenses of 10.7% of net revenues for the current year period compared to 10.6% in the prior year period as a result of the SG&A expenses impacts previously mentioned.

Facility closure expenses were $10,359 during the twelve-months ended December 31, 2022 (Successor) compared to $9,222 in the 2021 period. Facility closure expenses in the current year primarily related to the closure of our manufacturing facilities in Fulton, NY, Norwood, OH, Dallas, TX and Sparks, NV and the merger of our facilities in Bangkok and Chonburi, Thailand into one facility. The prior year costs primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH, Fulton, NY, Vittel, France, Reyrieux, France, one of our facilities in Monterrey, Mexico, the former Tyson Print Shop business located in Springdale, AR and the merger of our facilities in Rawang, Balakong and Kuala Lumpur, Malaysia into one facility. Facility closure expenses fluctuate from period to period based on the facilities closed and the timing of closure activities.

During the twelve-months ended December 31, 2022 (Successor), the Company incurred $44,894 of transaction, integration and restructuring costs compared to $126,212 in the 2021 period. In the current year period, these expenses primarily related the integration of the acquisitions of Legacy LABL, Inc., FDC and Skanem. In the 2021 period, these expenses primarily related to integration of the Legacy Label, Inc. business as well as the acquisition of Hexagon.

Interest Expense and Other (Income) Expense, Net

($ in thousands)	Twelve-months Ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Interest expense	$ 359,466	$ 55,067	$ 164,659	$ 139,740	64%
Other (income) expense, net	(1,234)	(1,457)	(3,188)	3,411	(73%)

Interest expense was $359,466 during the twelve-months ended December 31, 2022 (Successor) compared to $219,726 in the 2021 period primarily due to increased debt related to the Legacy LABL, Inc., FDC, Skanem, Hexagon and Herrods acquisitions.

Other income, net was $(1,234) during the twelve-months ended December 31, 2022 (Successor) compared to $(4,645) in the 2021 period, which includes gains and losses on foreign exchange.

Income Tax Expense (Benefit)

($ in thousands)	Twelve-months Ended December 31, 2022	Successor Period from October 30, 2021 to December 31, 2021	Predecessor Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Income tax expense (Benefit)	$ 29,230	$ (20,190)	$ (6,394)	$ 55,814	(210%)

Income tax expense was $29,230 during the twelve-months ended December 31, 2022 (Successor) compared to a benefit of $(26,584) in the 2021 period due to due to changes in the valuation allowance related to disallowed interest expense.

Liquidity and Capital Resources

Comparative Cash Flow Analysis

Twelve-months Ended December 31, 2022 compared to the 2021 period, which is a non-GAAP presentation:

($ in thousands)	Successor		Predecessor[(1)]
	Twelve-months Ended	Period from	Period from

	December 31, 2022	October 30, 2021 to December 31, 2021	January 1, 2021 to October 29, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (172,737)	$ (111,77	$ (128,086)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	136,859	22,41	80,214
Amortization of intangible assets	136,461	25,25	54,512
Amortization of debt issuance costs, premiums and discounts	10,823	1,76	12,282
Loss on extinguishment of debt	-		100
Amortization of inventory step-up	1,229	22,70	-
Loss on impairment of long-lived assets	727		222
Net loss on disposal or sale of property, plant and equipment	3,283	36	961
Stock-based compensation	11,268		25,677
Deferred income taxes, net	(9,404)	(15,63	(35,094)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable, net	(63,460)	18,76	(41,147)
Inventories, net	(64,613)	(1,91	(34,438)
Prepaid expenses and other assets	(13,968)	(12,52	1,852
Accounts payable	103,385	(21,96	57,096
Accrued expenses and other liabilities	1,462	32,02	19,207
Net cash provided by (used in) operating activities	**81,315**	**(40,50**	**13,358**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(92,329)	(25,10	(82,057)
Acquisitions, net of cash acquired	(68,460)	(3,119,34	(297,546)
Return of cash consideration in escrow	5,224		-
Note receivable with a related party	-		-
Proceeds from sale of long-lived assets	19,916	1,42	2,248
Net cash used in investing activities	**(135,649)**	**(3,143,02**	**(377,355)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under revolving lines of credit	421,039	113,68	150,358
Payments under revolving lines of credit	(303,040)	(10,65	(58,086)
Borrowings of long-term debt	-	3,204,30	293,604
Repayments of long-term debt	(39,699)	(3,16	(12,939)
Debt issuance costs	(747)	(133,23	(7,408)
Payments of acquisition related deferred payments	-		(1,187)
Distributions to Legacy LABL, Inc. stockholders	-		-
Net cash provided by (used in) financing activities	**77,553**	**3,170,94**	**364,342**
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(3,404)	(97	(1,389)
Net increase (decrease) in cash, cash equivalents and restricted cash	19,815	(13,56	(1,044)
Cash, cash equivalents and restricted cash, beginning of period	52,915	66,47	67,523
Cash, cash equivalents and restricted cash, end of period	**$ 72,730**	**$ 52,91**	**$ 66,479**

(1) The Predecessor Period from January 1, 2021 to October 29, 2021 reflects cash flows of Legacy LABL, Inc. and a portion of Hexagon and Herrods acquisitions. It does not reflect FDC and Skanem acquisitions.

Liquidity

Historically, our liquidity requirements have principally been the payment of operating expenses, capital expenditures and scheduled principal and interest payments on our indebtedness. We have historically funded these liquidity requirements primarily from cash generated by our operations and borrowings under our credit facilities. Our primary sources of liquidity at December 31, 2022 were (i) $73 million in cash and cash equivalents and (ii) unused committed debt facilities of up to $492 million from an asset based lending facility and a cash flow revolving credit facility expiring on October 29, 2026.

Our long-term needs primarily include meeting debt service requirements, working capital requirements, and capital expenditures. Our ability to service our indebtedness and to fund our other liquidity requirements will depend on our ability to generate and access cash in the future. This is subject to general economic, financial, contractual, competitive, legislative, regulatory and other factors, some of which are beyond our control, as well as the factors described in “Risk Factors.”

Contractual Obligations

The following table summarizes LABL’s contractual obligations as of December 31, 2022:

($ in thousands)	Total	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years
Long-term debt	$ 4,748,801	$ 22,242	$ 21,996	$ 21,996	$ 942,996	$ 711,996	$ 3,027,575
Finance leases	109,180	20,768	19,260	17,469	20,699	9,966	21,018
Interest on long-term debt(1)	2,022,586	405,405	392,288	371,871	339,914	277,118	235,990
Rent due under operating leases	216,193	36,671	30,264	26,735	23,985	21,405	77,133
Unconditional purchase obligations	26,530	26,269	212	45	4	–	–
Unrecognized tax benefits	–	–	–	–	–	–	–
Deferred purchase price	400	–	–	400	–	–	–
Total contractual obligations	**$ 7,123,690**	**$ 511,355**	**$ 464,020**	**$ 438,516**	**$ 1,327,598**	**$ 1,020,485**	**$ 3,361,716**

(1) Interest on floating rate debt was estimated using projected forward London Interbank Offered Rate (LIBOR) and Euro Interbank Offered Rate (EURIBOR) as of December 31, 2022.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2022 or December 31, 2021.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. We continually evaluate our estimates, including, but not limited to, those related to operating lease assets and liabilities, revenue recognition, bad debts, business consolidations, inventories and any related reserves, income taxes, fixed assets, goodwill and intangible assets. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the facts and circumstances. Actual results may differ from these estimates under different assumptions or conditions.

We believe that the following accounting estimates are critical to our financial results:

Goodwill and Intangible Assets, net

We test goodwill for impairment by comparing the estimated fair value of the reporting units to the related carrying value. If the fair value of the reporting unit is lower than its carrying amount, goodwill is written down for the amount by which the carrying amount exceeds fair value. However, the loss recognized cannot exceed the carrying amount of goodwill. Reporting units are defined as either operating segments or one level below the operating segments for which discrete financial information is available and reviewed by the business management.

When performing our annual impairment assessments, we estimate the fair value of reporting units using a combination of: (i) a market approach based on multiples of net revenues and earnings before interest depreciation and amortization (EBITDA) from recent comparable transactions and other market data; and (ii) an income approach based on expected future cash flows discounted at rates ranging between 10.5% to 11.5%. Significant assumptions inherent in the valuation methodologies include estimates of future projected business results (principally net revenues and EBITDA), long-term growth rates, and the discount rate. The discount rate reflects the risk associated with each respective reporting unit, including the industry and geographies in which they operate. The discount rate may be impacted by adverse changes in the macroeconomic environment, specifically the COVID-19 pandemic, our ability to achieve our most recent forecasts, and other factors not known at this time. Discounted cash flow models are highly reliant on various assumptions, including projected business results, long-term growth factors and discount rate. Management judgement is involved in estimating these variables, and they include inherent uncertainties since they are forecasting future events. We perform sensitivity analyses by using a range of inputs to confirm the reasonableness of the long-term growth rate and discount rate estimates. These assumptions are typically not considered individually because assumptions used to select one variable should also be considered when selecting other variables; however, sensitivity of the overall fair value assessment to each significant variable is also considered.

Income Taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. The provision for income taxes includes income taxes paid, currently payable or receivable, and deferred taxes. Under GAAP, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax loss and credit carryforwards. The effect on deferred taxes of changes in tax rates is recognized in the period in which the enactment date occurs. Valuation allowances are established, when necessary, on a jurisdictional basis to reduce deferred tax assets to the amounts expected to be realized. Deferred taxes are not provided on the unremitted earnings of subsidiaries outside of the United States when it is expected that these earnings are indefinitely reinvested. In the event that the actual outcome of future tax consequences differs from our estimates and assumptions due to changes or future events such as tax legislation, geographic mix of earnings, completion of tax audits or earnings repatriation plans, the resulting change to the provision for income taxes could have a material effect on the consolidated statement of operations and the consolidated balance sheet.

The recoverability of deferred tax assets and the recognition and measurement of uncertain tax positions are subject to various assumptions and judgment. If actual results differ from the estimates made by us in establishing or maintaining valuation allowances against deferred tax assets, the resulting change in the valuation allowance would generally impact earnings. Additionally, the positions taken with regard to tax contingencies may be subject to audit and review by tax authorities, which may result in future taxes, interest and penalties. Positive and negative evidence is considered in determining the need for a valuation allowance against deferred tax assets, which includes such evidence as historical earnings, projected future earnings, tax planning strategies and expected timing of reversal of existing temporary differences. In determining the recoverability of deferred tax assets, we give consideration to all available positive and negative evidence including reversals of deferred tax liabilities and recent trends in financial results. In evaluating the objective evidence that historical results provide, we generally consider three years of cumulative income or loss at the jurisdictional taxpayer level as an important factor.

New Accounting Pronouncements

For a discussion of new accounting pronouncements, see Note 2 to LABL's audited consolidated financial statements as of and for the twelve-months ended December 31, 2022 included elsewhere in this offering circular.

Qualitative Disclosures About Market Risk

Interest Rate Risk

Our indebtedness under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility bears interest at variable rates, and our future indebtedness may bear interest, at variable rates. As a result, increases in interest rates would increase the cost of servicing such debt and could materially reduce our profitability and cash flows.

As of December 31, 2022, assuming all Senior Cash Flow Revolving Credit Facility and Senior ABL Revolving Credit Facility revolving loans were fully drawn and LIBOR exceeded 0.50%, each 0.125 percentage point change in interest rates would result in approximately a $0.9 million change in annual interest expense on the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility. The impact of such an increase would be more significant for us than it would be for some other companies because of our substantial debt.

We may manage our exposure to fluctuations in interest rates with respect to our Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility by entering into certain market-based interest rate hedging instruments, such as swaps or caps.

Foreign Currency Risk

Foreign currency exchange risk arises from our international operations as well as from transactions with customers or suppliers denominated in currencies other than the U.S. dollar. The functional currency of each of our subsidiaries is generally the currency of the country in which the subsidiary operates or the U.S. dollar. The results of operations of our foreign subsidiaries are translated into U.S. dollars at the average exchange rate for each monthly period. As foreign exchange rates change, there are changes to the U.S. dollar equivalent of sales and expenses denominated in foreign currencies.

Unfavorable movements in exchange rates between the U.S. dollar and Canadian dollar and other foreign currencies may have an adverse impact on our reported results. These exchange rate movements could create a foreign currency gain or loss that could be realized or unrealized for us.

We may enter into certain market-based hedging instruments, such as forward contracts or purchase option agreements, to hedge foreign currency risks. Historically, the Company has entered into foreign exchange forward contracts to fix the purchase price in U.S. dollars of foreign currency denominated raw materials. These forward contracts have been designated as cash flow hedges with gains and losses, net of tax, measured on an ongoing basis, recorded in accumulated other comprehensive income (loss).

Commodity Pricing Risk

The primary raw materials that we use are paper and ink. To reduce price risk caused by market fluctuations, we may incorporate price adjustment clauses in certain sales contracts. We do not believe that changes in the price of paper and other raw materials will have a material effect on our consolidated annual results of operations or cash flows because these costs are generally passed through to our customers.

Credit Risk

We are exposed to credit risk on accounts receivable balances. This risk is mitigated due to our large, diverse customer base, dispersed over various geographic regions and industrial sectors. We intend to maintain provisions for potential credit losses and evaluate the solvency of our customers on an ongoing basis to determine if additional allowances for doubtful accounts receivable need to be recorded. Significant economic disruptions or a slowdown in the economy could result in additional charges.

BUSINESS

The "Company," "we," "us," and "our" refer collectively to LABL.

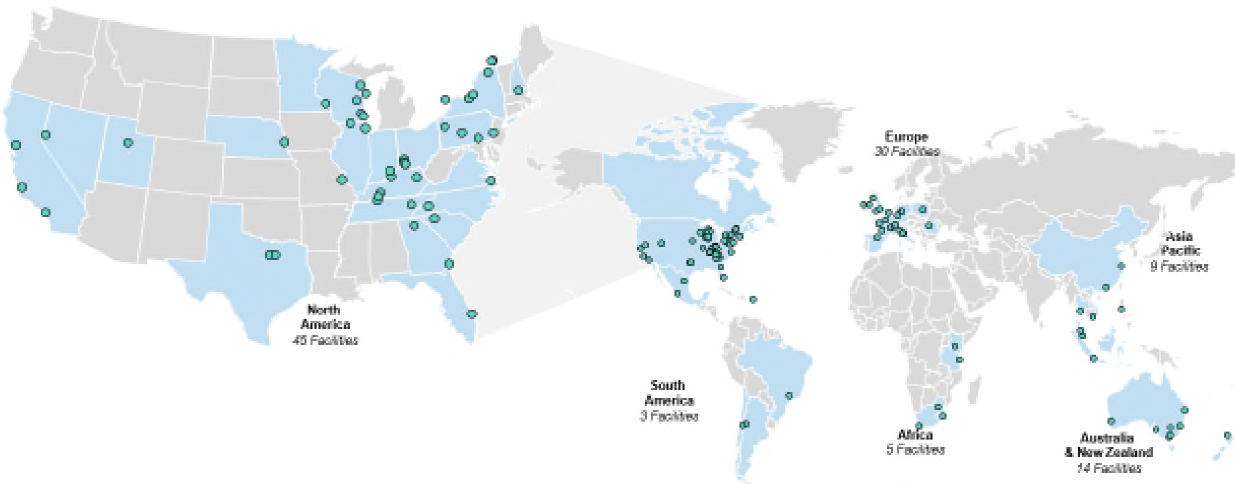
Company Overview

We are the leading global manufacturer of prime labels serving a growing blue-chip customer base across a broad range of resilient, consumer-facing end categories worldwide. We believe we have approximately 15% market share of a highly fragmented estimated $16 billion addressable market for prime labels across North America and Europe, with approximately two times the scale of the next largest prime label manufacturer and approximately five times the scale of the third largest prime label manufacturer, based on net revenues. We believe our scale and global footprint, comprehensive product and service offering, well-diversified exposures, long-standing customer relationships and dedicated employees, significant expected cost synergy and cost savings opportunities, meaningful investments in innovation and sustainability solutions, and extensive acquisition track record create competitive advantages relative to other prime label manufacturers.

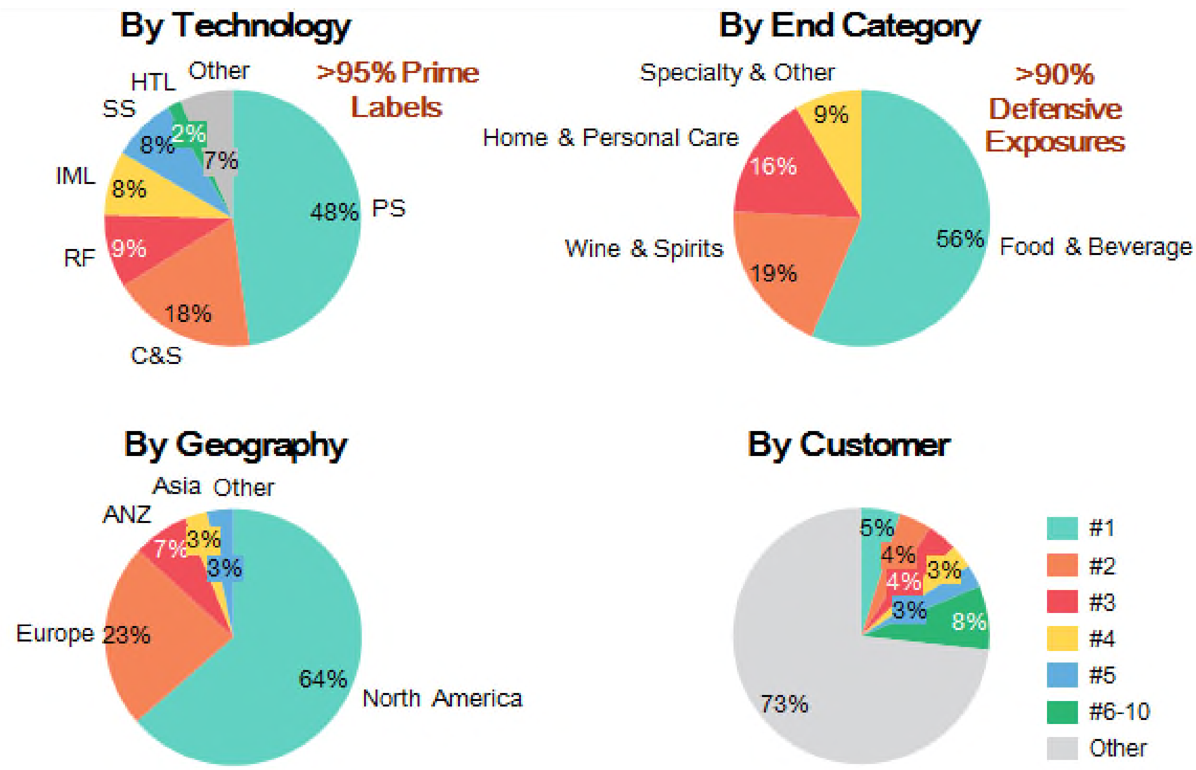
In October 2021, LABL Holdings acquired LABL and Fort Dearborn to create the world's largest label solutions company. The 2021 Combination expanded the breadth and depth of our comprehensive product portfolio and customer base, improved our diversification across label technologies, end categories, and geographies, and resulted in significant cost synergy opportunities.

Our comprehensive portfolio of label technologies, including PSL, C&S, RF, IML, SS, and HT, serves approximately 19,000 customers across a broad range of end categories, including F&B, W&S, HPC, and Specialty. We believe we hold number one or two positions across North America and Europe in each of these label technologies and end categories. Our leadership in digital printing and prototyping, product innovation and sustainability solutions, and value-added services underpin our differentiated value proposition, which is further strengthened by our world-class supply chain and effective commercial strategy. We believe our customers highly value our certainty of supply and broad suite of value-added services, which includes advanced material science capabilities, artwork support and graphics management, on-site customer support, and inventory management. The company maintains a diverse set of exposures across label technologies, and our prime labels are used in a broad range of consumer-facing end categories globally that have historically demonstrated resiliency and stable growth across a range of macroeconomic environments. We estimate that F&B, W&S, HPC and Specialty end categories comprised approximately 56%, 19%, 16%, and 9%, respectively, of net revenues based on the twelve-months ended December 31, 2022.

We operate an industry-leading, well-invested global footprint of over 100 facilities across over 25 countries, which we believe provides meaningful capacity to support future growth. We believe we have a best-in-class fleet of label converting equipment, including flexographic, lithographic, rotogravure, and digital printing technologies, which enables us to optimize workflow, allocate jobs to the most efficient presses, and fill customer orders across our network, while serving customer needs across all run lengths, manufacturing finishes, and designs. Our global footprint is supported by approximately 12,275 employees. The below map shows our current manufacturing footprint, illustrating our comprehensive global coverage:



The charts below provide a breakdown of our net revenues for the twelve-months ended December 31, 2022.



Our Product Portfolio*

** Net revenue figures reflect net revenues based on the twelve-months ended December 31, 2022.*

We believe that we hold leading positions across all major prime label product technologies with the ability to sell and deliver value-added services globally. Our product portfolio allows us to serve a wide breadth of end categories, geographies, and run lengths, reinforcing our value proposition with existing customers and creating opportunities with new customers. Prime labels' small component of overall packaging cost coupled with relative importance to "front-of-line" branding and consumer preference, and increasingly complex technical and service requirements underpin stable long-term global demand growth, which we expect to further support our leading positions in core categories. Our portfolio of innovative label solutions allows us to serve blue-chip customers' most prominent brands with cutting-edge and sustainable offerings. We are broadly diversified across label technologies.

Pressure Sensitive Labels (48% of net revenues)

PSL are multi-layered, self-adhesive labels that differentiate brands and capture consumers' attention with their dynamic look and flexible applications. We offer customers a full line of PSL products for a wide variety of applications. The label typically consists of four elements—a substrate, which may include paper, foil or plastic; an adhesive, which may be permanent or removable; a release coating; and a backing material to protect the adhesive against premature contact with other surfaces. Innovative features of this product include promotional neckbands, peel-away coupons, re-sealable labels, see-through window graphics, and holographic foil enhancements.

PSL is the largest overall prime label technology globally and provides an extremely versatile, low-cost application that is able to produce sharp, bright colors in a wide variety of applications. PSL has historically demonstrated strong growth, which we believe will continue in the future. In addition to our scale in purchasing substrates, we believe our vertically integrated substrate production capabilities further improve our cost position in PSL relative to our main competitors. These labels are most commonly used in F&B, W&S, and HPC on plastic and glass. Across North America and Europe, we believe we are tied for the number one position in PSL, which continues to represent a significant growth opportunity for us.

Cut & Stack Labels (18% of net revenues)

C&S labels are efficiently adhered to containers using an adhesive applied during the labeling process and are also known as “glue applied” labels. C&S is an attractive and cost-effective choice for high volume applications utilizing traditional decorating equipment. C&S can be produced on a wide variety of substrates and accommodate a comprehensive range of embellishments including foil stamping, embossing, metallic and unique varnish finishes.

Our innovations within C&S include aluminum foils for premium decoration and anti-tampering as well as environmentally sustainable paper-based solutions. These labels are most commonly used in F&B, W&S, and Specialty (e.g., paints & coatings) end categories on plastic, glass and cans, and we believe we are exposed to end categories within C&S that exhibit above-average growth. We believe we are the largest C&S producer across North America and Europe.

Roll-Fed Labels (9% of net revenues)

RF is delivered on a roll without release liners or adhesives. These cost-effective labels are commonly applied to cylindrical product containers. RF offers optimum space for brand presentation. This technology is highly resistant to tearing and moisture, with exceptional brilliance of color at competitive unit costs, and as a result, is a commonly used prime label solution for non-alcoholic drinks. A wide range of special effects such as thermochromic ink and interactive technology are also offered.

RF can be applied to any type of container and is most commonly used on plastic bottles and aerosol cans. We believe we are the second largest RF producer across North America and Europe.

In-Mold Labels (8% of net revenues)

The IML process applies a label to a plastic container as the container is being formed in the mold cavity. The finished IML product is a finely detailed label that is fused with the plastic container resulting in a high degree of product security and superior durability in a cost-effective manner, in addition to adding marketing value. We offer injection molding, blow molding and thermoforming technologies.

Each component of the IML production process requires a special expertise for success and therefore command higher margins. We believe we are advantaged in the industry in that we manufacture IML on rotogravure, flexographic and lithographic printing presses, utilizing proprietary finishing equipment. Technical innovations in this area include the use of peel away IML coupons and scented and holographic labels. These labels are most commonly used in F&B and HPC. We believe we are the largest IML producer across North America and Europe.

Shrink Sleeve Labels (8% of net revenues)

SS is produced in colorful, cutting-edge styles and materials. The labels are manufactured as sleeves, slid over glass or plastic bottles and then heated to conform precisely to the contours of the container. This label type is increasingly popular with consumer goods companies such as beverage manufacturers as it allows for product differentiation, as well as having a 360-degree label and tamper resistant features.

Demand in other end categories (including F&B and HPC) continues to grow, broadening opportunities for SS as a whole. These labels are most commonly used in beverage and spirits on premium higher-margin products. We believe we are tied as the second largest SS producer across North America and Europe.

Heat Transfer Labels (2% of net revenues)

HT is reverse printed and transferred from a special release liner onto the container using heat and pressure. The labels are a composition of inks and lacquers tailored to the customer's specific needs. These labels are printed and then shipped to blow molders and/or contract decorators who transfer the labels to the containers. Once applied, the labels are permanently adhered to the container.

Therimage is our pioneer heat transfer label technology developed primarily for applications involving plastic containers serving the HPC and F&B end categories. Additionally, our Clear Advantage brand enables us to provide premium graphics on both glass and plastic containers facilitating the highly sought after "no label" look. Our "ink only" and flameless HT technologies have increased our capabilities in this area. We believe we are one of the leading HT providers globally.

Other (7% of net revenues)

We also offer a variety of other labels, complementary products and solutions that help customers address other packaging needs and services. These products include aluminum labels, durables, printed cartons, coupons, instruction sheets and manuals, labeling equipment and Slot-Tickets for the gaming industry, among others. A majority of our customers that purchase our complementary products also purchase labels from us, evidencing the significant cross-sell opportunities of our product offering.

Our End Categories

We supply prime labels and value-added services to our blue-chip customers' most prominent brands across a broad range of end categories exhibiting stable growth and demand resilience, including F&B, W&S, HPC, and Specialty end categories. We are broadly diversified across end categories.

Food & Beverage (56% of net revenues)

Food processors and beverage manufacturers rely heavily on label suppliers to provide colorful, robust, creative labels to attract customer attention, develop and maintain brand equity and help products stand out on crowded store shelves. In F&B, we provide all types of product labels utilizing nearly every printing process that we own and serve both branded and private label customers. Our labels are used for innovative applications that require complex colors, premium graphics (including regulatory and information requirements) and enhanced functionality. We believe we are the largest manufacturer of prime labels for F&B across North America and Europe.

Wine & Spirits (19% of net revenues)

Labels are perhaps the most significant way in which W&S producers establish, build and market their products' brand identities. As a result, W&S producers tend to focus on ensuring that label suppliers can deliver excellent quality and design, often with short lead times. We believe we are the largest manufacturer of prime labels for W&S across North America and Europe.

Home & Personal Care (16% of net revenues)

Within HPC, we provide labels for products ranging from shampoo to laundry detergents. Manufacturers of consumer products look to label vendors to create the image appeal and provide powerful support to the branding effort. Labels must provide function to the product as well as push the consumer to interact with the package. We provide graphically and visually seamless labels that combine brand images and regulatory requirements into an attractive package that interests and appeals to consumers. We believe we are tied for the number one position in prime label manufacturing for HPC across North America and Europe.

Healthcare, Industrial & Other Specialty (9% of net revenues)

In addition to the above-mentioned core end categories, we continue to see further growth potential in healthcare, industrial & other specialty end categories. We provide innovative labels for pharmaceutical and promotional products. Additionally, we provide innovative label solutions to industrial products such as paints & coatings, automotive, and agriculture. Scale customers in these end categories leverage our entrenched design-to-ship services and technical resources to support graphics design and help efficiently manage new product introductions. Our customers place a premium on labeling solutions which deliver security, durability and versatility. As with every end category we serve, we focus on delivering high-end labels whose shelf appeal is integral to the products' marketing strategy while adhering to relevant regulatory requirements. We believe we are the second largest manufacturer of prime labels for Specialty end categories across North America and Europe.

Our Customers

We have a diverse customer base consisting of approximately 19,000 customers including some of the world's leading brands. We have no meaningful customer concentration, as our top customer represents approximately 5% of net revenues for the twelve-months ended December 31, 2022. Our customers are broadly diversified across a range of consumer-facing end categories (summarized in the preceding section), which have demonstrated long-term resiliency and stable growth. Our differentiated value proposition has resulted in long-tenured relationships with our top ten customers of greater than 25 years on average, and we believe significant opportunities exist to increase share-of-wallet with existing customers while acquiring new customers.

Our History

We were founded in 1916 and began producing prime labels in 1918, marking the beginning of our leadership in shaping identity and shelf appeal of consumer products. We have since expanded our portfolio of technologies and customer base, organically and through acquisitions, to become the largest supplier of prime labels globally supporting a number of the world's most prominent brands across a broad range of resilient, consumer-facing end categories worldwide.

We completed an initial public offering in 1987 and has since expanded through a combination of organic growth initiatives and acquisitions. In 2017, we acquired Austrian flexible packaging manufacturer Constantia Flexibles' labels division, bringing together Constantia Labels' leading F&B business with our strong W&S and HPC platforms. In 2019, we were taken private by Platinum Equity and proceeded to merge with WS Packaging, another label solutions leader within Platinum Equity's portfolio of companies. In July 2021, CD&R announced a definitive agreement under which CD&R funds would acquire Multi-Color from Platinum Equity. In October 2021, CD&R subsequently combined Multi-Color with Fort Dearborn (majority owned by Advent International), to create the world's largest prime label solutions company serving customers worldwide. The combination expanded the breadth and depth of the Company's comprehensive product portfolio and customer base, improved its diversification across label technologies, end categories, and geographies, and resulted in significant cost synergy opportunities. In addition to these three transformative acquisitions, the Company and its management team have a long track-record of expanding through strategically and financially accretive acquisition, having completed and successfully integrated more than 35 acquisitions since 2010. Most recently, we acquired Flexcoat and LUX in the fourth quarter of 2022 and have one target currently under a non-binding letter of intent, expected to sign and close in early Q2 2023. For additional information, see "Offering Circular Summary—Recent Developments."

Since closing of the 2021 Combination, we have been under the leadership of Kevin Kwilinski as CEO who, in partnership with Abhi Khandelwal as CFO, has successfully delivered profitable growth through a combination of commercial excellence, operating and margin improvement initiatives, cost synergy realization, and acquisitions.

Industry Overview

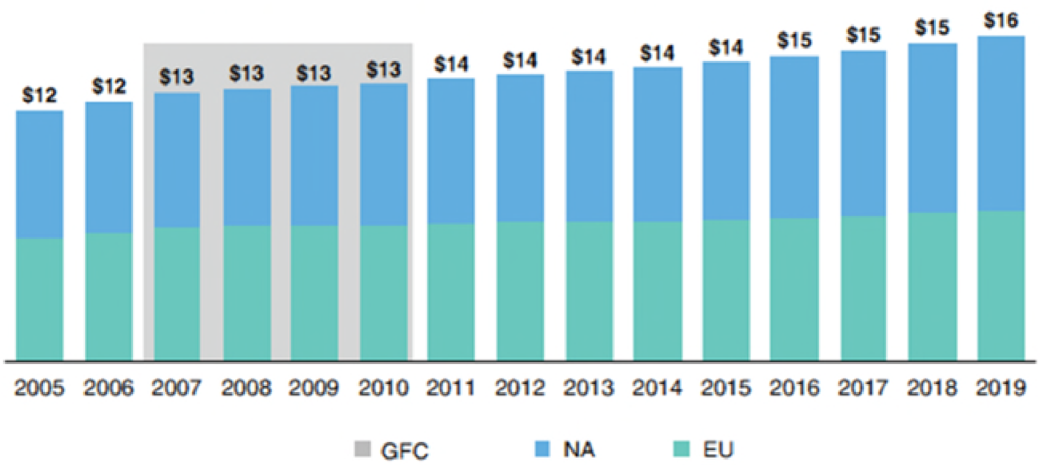
The global label industry was estimated to be approximately $41 billion in 2019 and volume is expected to grow at a CAGR of approximately 5% from 2019 to 2024 according to Smithers Pira. Within the broader label industry, we participate in the prime label product category, which consists of labels that are used specifically to identify products on a store shelf or in a retail environment and play a key role in "front-of-line" branding and shelf appeal. Based on findings from a third-party consulting firm and industry research, we estimate a global addressable market for prime labels of approximately $31 billion in 2019, and across North America and Europe, we estimate an addressable market of approximately $16 billion in 2019.

We believe prime labels are one of the most important and recognizable components of product identity and are key drivers of consumer preference and loyalty across a wide spectrum of consumer-facing end categories and applications. Prime labels are also used to convey consumer-related information, to provide a means of ensuring product integrity and security, and also to meet regulatory requirements. Prime labels comprise a very small percentage of overall customer product cost, estimated at approximately 1-3% for CPG products. Low cost-to-value, high manufacturing and service complexity, and criticality of supply, coupled with significant portions of revenue under contract, result in enduring customer relationships among leading global prime label manufacturers.

Prime label manufacturers benefit from multiple dynamics that have a positive impact on pricing and mix. We believe trends toward increased premiumization, SKU redesign velocity and proliferation, and lead-time and order size variability will continue to manifest in average prime label unit price growth. These positive trends are driven in large part by customers' marketing departments, which continue to demand more premium labeling solutions, including foils, embossing, and etching, and consistently redesign SKUs, typically 2-3 times per year for seasonal and promotional items, enabling prime label suppliers to drive pricing improvement over the life of a contract. The growth in label redesigns is driven by increased market demand for customization, brand premiumization, sustainable packaging, and interactive packaging. Each redesign of a label is an opportunity to add value-added embellishments or special finishes to the label at an enhanced margin. Additionally, the fragmentation of large CPGs, which has resulted in smaller brands and shifting consumer preferences, has driven SKU proliferation, increasing the complexity and number of SKUs that prime label manufacturers help brands manage, which supports value-based pricing. Furthermore, SKU proliferation and increasingly complex global supply chains have made it exceedingly challenging for customers to forecast demand at the SKU level, which provides prime label manufacturers the opportunity to charge additional fees when order sizes and lead-times differ from those initially agreed upon. In addition to positive like-for-like pricing trends, a significant portion of prime label supply agreements allow for the contractual pass-through of raw material price inflation, which we believe has resulted in long-term margin stability across periods of inflation and deflation.

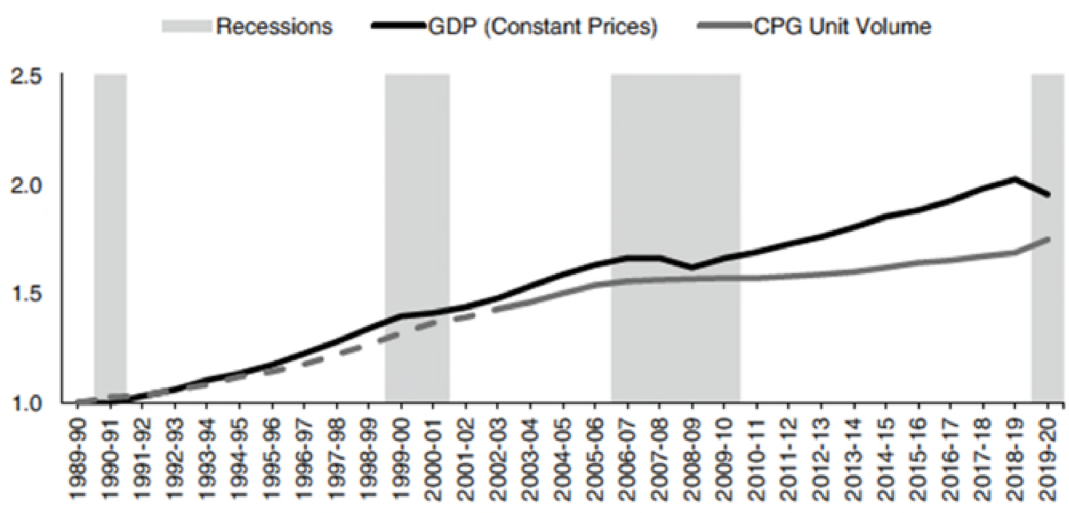
Demand for prime labels is primarily driven by recession-resilient, defensive end categories, most of which are consumer-facing, including F&B, HPC, W&S and Specialty. As a result, demand for prime labels has largely been insulated from the impact of economic downturns as evidenced by stable prime label demand growth across North America and Europe during the Great Financial Crisis and through the COVID-19 pandemic. We believe the most relevant indicator of underlying prime label demand is CPG unit volume, which has demonstrated long-term stability in demand relative to underlying GDP across a range of macroeconomic environments and downturns.

Prime Label Industry Size—North America & Europe ($bn)



Source: 3rd party consulting firm and industry research

CPG Unit Volume—North America (Indexed Growth: 1989 = 100)



Source: 3rd party consulting firm and industry research

In addition to enjoying underlying resiliency in demand due to the non-discretionary nature of most consumer-facing end categories, we believe prime label manufacturers face limited risk of long-term disruption and are well-positioned to benefit from increased focus on sustainability. We foresee no material future shifts in label converting technology, and we believe digital printing will benefit scaled prime label manufacturers by lowering the cost to serve small customers, unlocking opportunities for improved growth and profitability. Despite moderate volume headwinds faced by prime label manufacturers historically due to shifts in certain underlying packaging materials upon which prime labels are applied, namely the substitution of glass bottles to metal cans for beer and metal cans and rigid plastic to paper-based containers for liquids, we believe the most significant headwinds are lessening, or reversing. Furthermore, we believe the dynamics that drive favorable pricing and mix trends will continue, including premiumization, SKU redesign velocity and proliferation, and manufacturing and service complexity, and we foresee no meaningful dilution in the value proposition of prime labels as a result of increasing e-commerce penetration.

Importantly, we believe the main trends observed among our customers in transitioning to more sustainable offerings are in aggregate neutral to positive for prime label suppliers and that leading global prime label suppliers are well-positioned to be net beneficiaries as a result of being able to invest in differentiated sustainability capabilities and better serve their customers' evolving needs. Prime labels represent a very small component of overall packaging material usage and, as a result, have been an ancillary focus among our customers and end consumers. However, prime label manufacturers play a key role in enabling packaging recyclability by delivering labels with high ease of removal during the recycling process. Sustainable prime label offerings, including lighter-weight and biodegradable products, are expected to continue to benefit from secular demand growth and provide opportunities for value-based pricing and margin improvement. Most recycling trends that have resulted in volume headwinds for rigid packaging companies have had a neutral impact on prime label volume demand and afford opportunities to realize value-based pricing. Substrate substitution in favor of paper-based packaging (e.g., Tetra Pack), which typically does not use a prime label, has resulted in marginal volume headwinds, but there is evidence of this substitution trend reversing. Reduced single-use plastics consumption is expected to continue to result in lower prime label demand; however, the company is relatively insulated from this headwind as it has lower exposure to single-use plastics than the overall prime label industry and has minimal exposure to clear water, the most impacted product category. Overall, we believe that the accelerating trend toward more sustainable offerings represents limited risk to prime label volume demand, while introducing multiple opportunities for leading prime label suppliers to provide innovative higher-priced products with accretive financial contribution.

The global prime labels industry remains highly fragmented, with single plant manufacturers operating in a local market, or multi-plant manufacturers operating in certain regions, constituting the majority of industry capacity, with relatively few global manufacturers. We believe that this highly fragmented market will continue to experience consolidation as suppliers attempt to realize the benefits to scale in prime label manufacturing, across sourcing, operations, and organic growth and share gain, and as global customers continue to consolidate their prime label spend volume across leading global suppliers. We believe these factors have resulted in leading global prime label manufacturers historically taking share vis-à-vis smaller and mid-sized competitors, resulting in long-term above-market growth, a trend that we believe will continue to benefit leading global prime label manufacturers.

Overall, we believe the global prime label manufacturing industry is highly attractive and that our company is well-positioned as the global leader.

Competitive Strengths

Leading Global Prime Label Manufacturer in a Highly Fragmented Industry with Benefits to Scale

We are the leading global manufacturer of prime labels. We believe that we have approximately 15% market share of a highly fragmented estimated $16 billion addressable market for prime labels across North America and Europe, with approximately two times the scale of the next largest prime label manufacturer and approximately five times the scale of the third largest prime label manufacturer, based on net revenues. Further, we believe that we hold number one or number two positions in each of the key label technologies and end categories we serve across North America and Europe.

We believe our leading global position and scale in a highly fragmented industry provide advantages in comparison with smaller national, regional and local competitors. These advantages span procurement and sourcing, operational efficiency, and organic growth and share gain. Our scale affords us with advantaged buying power vis-à-vis our base of suppliers and unlocks volume discounts for certain spend categories. We believe our comprehensive fleet of label converting technologies will allow us to improve operating efficiency by driving down conversion costs via better alignment of order volume to the optimal equipment, in addition to enabling load-balancing across our manufacturing network to improve throughput and utilization.

Leading global prime label manufacturers have exhibited a long track-record of above-market growth (approximately two-times the underlying addressable market) and organic share gain. As a result of our scale, we believe we will increasingly benefit from our ability to invest in innovation and sustainability solutions, deliver best-in-class lead-times and service levels, and provide value-added services and supply security to our global customer base, which has been and is expected to continue to consolidate spend volume with leading global providers. Because of our competitive advantages relative to our national, regional, and local competitors, we believe we have an opportunity to deliver long-term above-market growth and share gain at attractive levels of profitability.

Strong Platform for Profitable Growth

We are a well-regarded, leading prime label manufacturer that is well positioned to support its global customers, expand share-of-wallet, and gain share in the marketplace while delivering profitable growth. Furthermore, we believe the 2021 Combination had significant industrial and strategic logic, as it created a leading global platform with unmatched scale and a well-invested asset base, operating in an industry that exhibits advantages to scale.

Our platform consists of state-of-the-art printing presses and a global footprint across over 100 strategically located manufacturing facilities that enable us to effectively service customers of all sizes, ranging from the largest multi-national customers in the world to small local accounts. We believe our approximately 12,275 employees globally provide us with unmatched local presence in key geographic regions and that our scaled global platform allows us to remain close to our customers in multiple regions, drive responsive customer service, attain superior lead times and offer increased flexibility and frequent collaboration in R&D and operational efforts. We are able to deliver multiple product types to our customers from multiple facilities, and in some instances, we embed employees in our customers' facilities to ensure the highest level of customer support.

We provide a full complement of label converting technologies including flexographic, lithographic, rotogravure, combination / screen, and digital, plus in-house pre-press services, which we believe differentiate us from our competitors and position us to serve customers across a wide variety of SKUs. Our recent investments in state-of-the-art printing presses and digital printing capabilities have strengthened our leadership in technology and manufacturing capabilities.

We have invested significant resources in commercial excellence and adhere to a targeted growth strategy predicated on capitalizing on significant share-of-wallet opportunities with existing customers, targeting attractive high growth and margin exposures, continuing to broaden our higher-growth emerging market footprint, utilizing sales continuous improvement to better serve regional customers, and leveraging e-commerce and digital printing capabilities to unlock smaller customers via lower cost to serve. We believe our best-in-class commercial systems, including customized lead generation and sales analytics capabilities, represent a key competitive differentiator and will allow us to execute on our targeted growth strategy. In addition to meaningful expected cost synergies, we believe our deep focus on operational excellence and significant identified "in-flight" cost savings, coupled with a well-executed topline growth strategy, will enable us to deliver long-term profitable growth across our global platform and customer base. We have a track record in recent years of realizing meaningful acquisition synergies and cost savings, which gives us confidence in our ability to continue to drive identified margin improvements. Furthermore, we believe that we are well-positioned to execute against a clear set of identified commercial and operational levers to close the meaningful addressable margin and organic growth gap relative to CCL's prime labels business, which has demonstrated a long-term track record of above-market growth and best-in-class margins, based on our greater scale and relative exposures and capabilities.

Well-Diversified Exposures & Long-Standing Relationships with Blue-Chip Customers

We maintain a diverse set of exposures across label technologies, end categories, and geographies. The 2021 Combination and subsequent acquisitions further improved our diversification due to highly complementary exposures across label technologies, end categories, and geographies, coupled with limited customer overlap. In addition to the recession-resilient, defensive nature of the underlying categories we serve, we believe our broadly diversified exposures will continue to support stable earnings and cash flow generation. Within each of our end categories and geographies, we service a broad range of customers, many of whom demand multiple label technologies. Our broad base of approximately 19,000 customers, ranging from blue-chip multinational companies to smaller local accounts, results in limited customer concentration, as our largest customer represents only approximately 5% of our twelve-months ended December 31, 2022 net revenues. We believe that we are a key link in our customers' supply chains and brand image, and that our comprehensive product portfolio and expansive global footprint, leadership in digital printing and prototyping, product innovation and sustainability solutions, and value-added services, provide our customers with a differentiated value proposition, which is further strengthened by our world-class supply chain and effective commercial strategy. We believe our customers highly value our certainty of supply and broad suite of value-added services, which includes advanced material science capabilities, artwork support and graphics management, on-site customer support, and inventory management. These factors support our long-tenured relationships across our customers, averaging more than 25 years across our top 10 customers.

Significant Margin Opportunity from Synergies & Operating Efficiency Initiatives

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022, which are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional $20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of "in-flight" cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives. Our history of successful acquisition integration and realization of cost synergies and cost savings gives us confidence in our ability to achieve our expected cost synergies and "in-flight" cost savings.

Strong Financial Profile & Cash Flow Generation

We believe we benefit from our differentiated scale and compelling value proposition, which have led to strong operating and financial performance, and resulted in 21.3% Pro Forma Adjusted EBITDA Margin Incl. LOI Target for the twelve-months ended December 31, 2022. The Company has generated 6% Acquisition Adjusted Revenue growth and 23% Adjusted EBITDA growth for the twelve-months ended December 31, 2022 relative to the twelve-months ended December 31, 2021. This strong earnings growth versus prior year for the twelve-months ended December 31, 2022 was driven by pricing actions to recover cost inflation, operational improvements, and cost synergy realization. Moreover, the Company demonstrated four consecutive quarters of Adjusted EBITDA growth in 2022 versus the prior year. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Quarterly Results”.

We have demonstrated strong free cash flow conversion despite meaningful historical investments to support future growth. We estimate that maintenance capital expenditures will only amount to approximately 1-2% of net revenues per annum and believe that our growth and productivity capital expenditures exhibit attractive return on capital profiles.

Experienced and Energized Management Team

We are led by an energized senior management team with deep industry experience that is focused on driving continued growth, profitability, and cash flow generation. Our executive team is led by President and CEO, Kevin Kwilinski, who has over 30 years of relevant industry experience and previously ran Fort Dearborn since 2017 prior to the 2021 Combination. Our executive leadership is supported by a deep bench of functional talent across our business units, including Abhi Khandelwal, who joined as our CFO in early 2022. Abhi was previously CFO of CIRCOR International and also spent 10 years at IDEX Corporation and 10 years at GE Consumer & Industrial. Since the 2021 Combination, we believe we have significantly improved the level of talent across our senior management team by making many new hires across key roles. Moreover, the team has successfully completed and integrated over 35 acquisitions since 2010 with a strong track record of exceeding cost synergy targets.

Our Business Strategy

We plan to further strengthen our competitive positioning and will pursue profitable growth, margin expansion, and cash flow generation through our strategic initiatives, including:

Leverage Global Leadership Position to Realize Benefits to Scale

We intend to leverage our global leadership position and relative market share to capitalize on the benefits to scale in label manufacturing. These advantages span procurement and sourcing, operational efficiency, and organic growth and share gain. We plan to utilize our purchasing scale to afford us with advantageous buying power vis-à-vis our base of suppliers and unlock volume discounts for certain spend categories. Enabled by our comprehensive fleet of label converting technologies, we plan to improve operating efficiency by driving down conversion costs via better alignment of order volume to the optimal equipment, in addition to improving load-balancing across our manufacturing network to drive higher throughput and utilization. Historically, leading global prime label manufacturers have exhibited a long track-record of above-market growth and organic share gain. As a result of our scale, we intend to continue to gain organic share and differentiate compared to national, regional, and local competitors by investing in innovation and sustainability solutions, delivering what we believe to be best-in-class lead-times and service levels, and providing value-added services and supply security to our global customer base, which has been and is expected to continue to consolidate spend volume with leading global providers.

Pursue Targeted Growth Strategy

We intend to continue to execute our effective growth strategy to increase our share across end categories, customers, and geographies. We plan to leverage our long-tenured relationships with existing customers to drive share-of-wallet gains to capitalize on meaningful identified white-space opportunities with key accounts. Historically, MCC has delivered increased growth through product innovation and penetration of higher growth emerging market geographies and has a demonstrated track record of expansion in higher growth exposures, including condiments, sauces and pet food within the broader F&B

end category. We plan to continue to focus our sales and business development efforts on the most attractive high growth and margin exposures, in which we believe the company's value proposition is a significant differentiator. Identified focus areas include healthcare and global HPC, in addition to continuing to penetrate higher growth emerging market geographies. To better serve key regional and smaller customers, we intend to execute against identified sales continuous improvement initiatives and leverage our capabilities in digital printing and e-commerce to lower our cost to serve.

Invest in Innovation, Technology & Sustainability Solutions

We intend to continue to invest significant resources in innovation, technology, and sustainability offerings, which we believe are highly valued by our customers and will allow us to continue to differentiate and drive profitable growth over the long-term. We have built a strong culture of innovation with multiple R&D and prototyping centers that support customers globally. We generated approximately $130 million, over the twelve-months ended December 31, 2022, of digital sales utilizing one of the largest fleets of digital presses globally, including 95 digital presses across 46 facilities in 18 countries. Our digital fleet enables us to realize profitability at short run sizes and unlock smaller, high growth and margin customers. We plan to build upon our track record of success in innovation and digital printing to further expand our capabilities in these areas. Additionally, we believe label manufacturers play a key role in enabling packaging recyclability, and we intend to continue to grow our portfolio of innovative solutions, many of which are recognized by the Association of Plastic Recyclers and similar organizations abroad, to improve packaging recycling rates and sustainability. We also plan to continue executing on our systematic approach to light-weighting labels to reduce material content, reducing material waste, and improving energy efficiency.

Pursue Value-Enhancing Acquisitions Globally

We intend to continue to supplement organic growth with opportunistic acquisitions at attractive valuations in both existing and new markets, leveraging our proven consolidation platform and track record of successfully integrating acquisitions, realizing cost synergies, and better serve our customers. We believe we are well-positioned to capitalize on numerous synergistic global acquisition opportunities, and plan to employ a disciplined approach focused on targets with clear strategic and financial logic, many of which are expected to be balance sheet enhancing. For example, our recently closed acquisitions of Flexcoat and LUX and our planned acquisition of LOI Target demonstrate the meaningful global M&A opportunity, see "Offering Circular Summary—Recent Developments."

Drive Earnings Growth Through Realization of Cost Synergies and "In-Flight" Cost Savings

We believe the 2021 Combination and subsequent acquisitions created significant cost synergies, of which approximately $82 million remain unrealized as of December 31, 2022. The cost synergies are expected to be driven primarily by procurement savings, efficiencies in selling, general, and administrative expense, manufacturing footprint consolidation, and operational improvements including material waste reduction and in-sourcing commercial benefits, among others. We believe our recent acquisitions of Flexcoat and Lux, in combination with our planned acquisition of LOI Target, are expected to generate an additional $20 million of commercial and cost synergies. In addition to the identified cost synergies, we believe there are several other meaningful operational improvement opportunities, as reflected by approximately $64 million of "in-flight" cost savings initiatives identified by management across the business, expected to be driven by discrete cost reductions, continuous improvement and lean manufacturing, procurement, capital productivity, and other identified initiatives. Our history of successful acquisition integration and realization of cost synergies and cost savings gives us confidence in our ability to achieve our expected cost synergies and "in-flight" cost savings.

Continue to Focus on Commercial and Operational Excellence

We intend to continue to leverage our culture of operational excellence and best practice sharing to drive ongoing continuous improvement, resulting in sustainable margin expansion, robust organic sales growth, and improved capital efficiency and cash flow generation. Based on our scale and relative exposures and capabilities, we believe that we are well-positioned to execute against a clear set of identified commercial and operational levers to close the meaningful addressable margin and organic growth gap relative to CCL Industries' prime labels business, which has demonstrated a long-term track record of above-market growth and best-in-class margins.

Intellectual Property

Our trademarks and those of our subsidiaries are registered or otherwise legally protected in the United States, Canada, the United Kingdom and other countries. We indirectly own approximately 105 registered trademarks worldwide. We also rely upon trade secrets and know-how to develop and maintain our competitive position. We protect intellectual property rights through a variety of methods, including trademark, patent, copyright, and trade secret laws, in addition to confidentiality agreements with suppliers, employees, consultants, and others who have access to our proprietary information. Generally, registered trademarks have a perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. We intend to maintain our material trademark registrations so long as they remain valuable to our business.

Other than our trade secrets and know-how for creating labels, we do not believe our business is dependent to a material degree on trademarks, patents, copyrights, or trade secrets. We own a number of patents and patent applications that relate to the products and services we offer to our customers. Although these patents are important to us, we are not dependent upon any one patent. We believe that these patents, collectively, along with our ability to be a single source provider of many packaging needs, provide us with a competitive advantage. The expiration or unenforceability of any one of our patents would not have a material adverse effect on us. Other than commercially available software licenses, we do not believe that any of our licenses for third-party intellectual property are material to our business, taken as a whole.

Government Regulation

The manufacturing, marketing and distribution of certain of our labels is subject to regulation by governmental authorities in the United States at the federal, state and local level, including but not limited to the FDA and the U.S. Environmental Protection Agency ("EPA"), as well as those of other countries.

Environmental

Our business and facilities must adhere to a wide range of federal, state, local and foreign general and industry-specific environmental regulations, including those relating to air emissions, wastewater discharges, management and disposal of regulated materials and site investigation and remediation. In particular, our operations are governed by the Federal Clean Air Act (which regulates the emission of hazardous and ozone-depleting substances released as a result of commercial printing processes), the Federal Water Pollution Control Act (which seeks to prevent the spillage or release of hazardous substances in manufacturing processes) and the Toxic Substances Control Act (which authorizes the EPA to test certain chemical substances to determine their potential risk to human health or the environment). We must also adhere to various reporting requirements relating to hazardous substances. Certain of our operations require environmental permits or other approvals from governmental authorities, and certain of these permits and approvals are subject to expiration, denial, revocation or modification under various circumstances. We are also subject to frequent inspections and monitoring by government authorities.

In addition, as an owner and operator of real estate, we may be responsible under environmental laws and regulations for the investigation, remediation and monitoring, as well as associated costs, expenses and third-party damages, including tort liability and natural resource damages, relating to past or present releases or threats of releases of regulated materials at, on, under or from our properties. Liability under these laws may be imposed without regard to whether we knew of or were responsible for, the presence of those materials on our property, may be joint and several, meaning that the entire liability may be imposed on each party without regard to contribution, and retroactive and may not be limited to the value of the property. In addition, we or others may discover new material environmental liabilities, including liabilities related to third-party owned properties that we or our predecessors formerly owned or operated, or at which we or our predecessors have disposed of, or arranged for the disposal of, certain materials. See “Risk Factors—Risks Relating to Our Business—We could incur significant costs in complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws.”

Health & Safety

We are also subject to various federal, state, local, and foreign requirements concerning safety and health conditions at our manufacturing facilities. In particular, we must adhere to various standards imposed by the Occupational Safety and Health Administration pertaining to the safe operation of printing press equipment, the use and disposal of chemical and toxic substances and the control of hazardous energy.

FDA Regulatory Requirements

The FDA regulates the labeling content of certain products subject to its jurisdiction, including foods and dietary supplements. Our customers are generally responsible for developing label content (including nutrition labeling) that meets FDA regulatory requirements. Our labels may also be subject to FDA regulatory requirements governing “food contact substances,” which are defined as including substances intended for use as components of materials used in manufacturing, packing, packaging, transporting or holding food if such use is not intended to have any technical effect in such food. Certain food contact substances may require FDA review, pursuant to a food contact notification, prior to commercial distribution. To the extent that the product labeling or food contact substances in our products violate FDA requirements, we or our customers could be subject to FDA enforcement. Our manufacturing facilities are also subject to FDA regulatory requirements and any failure to meet applicable requirements could subject us to FDA enforcement.

Advertising and Promotion

Government authorities, including the Federal Trade Commission (the “FTC”), regulate the advertising and promotion of our products. These regulatory authorities typically require a reasonable basis to substantiate promotional claims. Failure to have adequate claim substantiation could cause the FTC or other regulatory authorities to pursue enforcement. FTC enforcement may result in consent decrees or orders requiring, among other things, injunctive provisions, consumer redress, and such other relief as the agency or courts deem appropriate. Government authority enforcement, including FTC enforcement, may result in follow-on private party actions, and private parties could also seek to challenge our claims even in the absence of formal regulatory actions brought by government authorities.

As part of our marketing strategy, we promote certain products as “sustainable label solutions,” including our recycLABEL®, which we claim enables the packaging to be compatible with the recycling process, and recyclable papers and inks sourced from Forest Stewardship Council certified suppliers. The FTC has issued Guides for the Use of Environmental Marketing Claims (Green Guides) that describe the types of environmental claims that the FTC may or may not find deceptive under Section 5 of the Federal Trade Commission Act. Companies making unsubstantiated or deceptive environmental benefit claims, including recycling and sustainability claims, may be subject to enforcement by the FTC, other government authorities, or private parties.

Privacy and Data Protection

We are also subject to stringent privacy and data protection laws at both the domestic and international levels. Privacy laws in Europe, the United Kingdom, the United States and around the world are designed to ensure that information—including that of an individual's name, email address, phone number and address—is properly protected from inappropriate access, use and disclosure. Specifically, we must adhere to the EU's GDPR and other data protection, privacy, data security, data localization and similar national, and state, provincial and local laws. In the EU, personal data includes any information that relates to an identifiable natural person. In addition, we are subject to EU rules with respect to cross-border transfers of such data out of the EU (along with similar data transfer requirements or data localization requirements in other countries).

Other

We are also subject to various other laws and regulations concerning the conduct of our operations, including the FCPA, the CFPOA, the U.K. Anti-Bribery Act, and other anti-bribery laws and laws pertaining to the accuracy of our internal books and records.

We must also respect our obligations under modern anti-slavery legislation (such as the U.K. Modern Slavery Act 2015), anti-money laundering laws, economic sanctions, antitrust laws as well as laws relating to foreign trade and operations.

Insurance

We maintain general liability and property insurance. The cost of insurance coverage varies and the availability of certain coverage has fluctuated in recent years. While we believe that our present insurance coverage will be adequate for our operations, we cannot assure you that the coverage is sufficient for all future claims or will continue to be available in adequate amounts or at reasonable rates.

Properties

The corporate headquarters of the Issuer are located in Elk Grove Village, Illinois. As of December 31, 2022, we had a network of 106 customer-facing locations, of which 80 were leased and 26 were owned.

We generally prefer to lease our locations, as it provides the flexibility to expand or relocate our sites as needed to serve evolving markets.

Employees

As of December 31, 2022, we had approximately 12,275 employees in our domestic and international operations, of which approximately 80% are hourly personnel and approximately 20% are salaried employees.

As of December 31, 2022, approximately 21% of our workforce was covered by collective bargaining agreements.

Legal Proceedings

We are not aware of any pending litigation that, separately or in the aggregate, if adversely determined, would have a material adverse effect on us. We may, from time to time, be a party to litigation or administrative proceedings which arise in the normal course of our businesses.

MANAGEMENT

The following table sets forth certain information with respect to the persons who serve as executive officers of the Company and comprise the board of directors of the Company and/or Buyco, the indirect parent entity of the Company. Their respective ages are as of January 1, 2023.

Name	Position	Age
David Scheible	Chairman of the Board of Buyco	66
Kevin Kwilinski	Chief Executive Officer and Director of Company and Buyco	54
Abhi Khandelwal	Chief Financial Officer	46
Linn Harson	General Counsel	57
Scott Mannis	Chief Human Resources Officer	54
Elizabeth Amato	Director of Buyco	65
David Fernandes	Director of Buyco	53
Justin Kirchner	Director of Buyco	30
Robert Volpe	Director of Buyco	38
Stephen Scherger	Director of Buyco	58
Nate Sleeper	Director of Buyco	49

Executive Officers and Directors

David Scheible has served as Chairman of the board of directors of Buyco since the Fort Dearborn Acquisition. Mr. Scheible has served as Operating Advisor at CD&R since 2016. Mr. Scheible served as CEO of Graphic Packaging International from 2007 to 2016 and chairman of the board from 2013 to 2016. From 1999 to 2007, he held various senior leadership positions including chief operating officer and executive vice president of commercial operations. Before joining Graphic Packaging, Mr. Scheible held senior leadership positions at Avery Dennison Corporation after starting his career at B.F. Goodrich Corporation. RISI, an information provider for the global forest products industry, named Mr. Scheible the 2015 North American CEO of the Year. He was also named PaperAge magazine's Executive Papermaker of the Year and the E&Y 2013 Entrepreneur of the Year in the Southeast for industrials. Mr. Scheible currently serves as chairman of Benchmark Electronics Inc. and on the boards of Cancer Treatment Centers of America, Inc., Fort Dearborn, Learn4Life, and Georgia Partners in Education.

Kevin Kwilinski has served as Chief Executive Officer and on the board of directors of the Company and Buyco since the Fort Dearborn Acquisition. From May 2017, Mr. Kwilinski served as President and Chief Executive Officer at Fort Dearborn. Prior to joining Fort Dearborn, Mr. Kwilinski spent more than 20 years in the global packaging industry, most recently as Chief Executive Officer of Paperworks Industries. Prior to Paperworks, Mr. Kwilinski served as Chief Executive Officer of Portola Packaging, a global food and beverage rigid packaging company. Before joining Portola, he was Senior

Vice President of supply chain for Graphic Packaging, with responsibility for sales, operations and inventory planning, continuous improvement and acquisition integration.

Abhi Khandelwal has served as Chief Financial Officer since January 2022. Prior to joining the Company, Mr. Khandelwal was the Chief Financial Officer of Circor International, a publicly traded manufacturing company. Prior to his role at Circor, he spent 10 years progressing to an Operations Chief Financial Officer, Vice President, Corporate Finance role with IDEX Corporation. Mr. Khandelwal began his career in General Electric’s Consumer and Industrial business where he progressed through various finance roles and honed many of the technical finance and business process skills. He holds a B.A. in Finance from Indiana University and an M.B.A. from the Kellogg School of Management at Northwestern University.

Linn Harson has served as General Counsel, Corporate Secretary and Chief Compliance Officer since June 2023. Prior to joining the Company, Ms. Harson was Chief Compliance Officer of Crown Equipment Corporation. Prior to joining Crown, Ms. Harson was SVP, General Counsel and Corporate Secretary of AdvancePierre Foods, Inc., until it sold to Tyson Foods in 2017. Prior to that, Ms. Harson spent 20 years in private practice with a national law firm and also served as Senior Vice President, General Counsel and Corporate Secretary of Robbins & Myers, Inc. from 2009 until its sale to National Oilwell Varco in 2013. Ms. Harson has a B.S. from The Ohio State University and a J.D. from University of Dayton School of Law.

Scott Mannis has served as Chief Human Resources Officer since December 2022. Mr. Mannis has over 30 years of experience in Human Resources, including roles of increasing responsibility at several highly regarded organizations including Anheuser Busch, Nestlé, and Panasonic. Mr. Mannis received his B.A. in Psychology from the University of Colorado, and his Masters and Ph.D. degrees in Organizational Psychology from Saint Louis University. Mr. Mannis serves on the board of the St. Louis Men’s Group Against Cancer and The First Tee of Greater St. Louis.

Elizabeth Amato has served on the board of directors of Buyco since April 2020 and has as Chair of the Compensation Committee since June 2022. Ms. Amato was the Chief Human Resources Officer of United Technologies Corporation from August 2012 until its merger with Raytheon Corporation in April 2020. Prior to this role, Ms. Amato served as the Vice President, Human Resources at Pratt & Whitney, Sikorsky and Carrier. Since 2012, she has been on the board of Essential Utilities, where she is chair of the Corporate Governance Committee and is a member of the Executive Compensation Committee. In 2021, she became an independent operating director of Form Technologies. She is also on the board of the Children’s Healthcare Charity/Honda Classic PGA tournament where she chairs its Diversity, Equity and Inclusion Committee. She is a member of the Wake Forest College Board of Visitors, Emeritus and a graduate of Davidson College and the University of Connecticut School of Law. She is admitted to the State of Connecticut bar as well as the U.S. District Court of Connecticut.

David Fernandes has served on the board of directors of Buyco since October 2022. Mr. Fernandes is currently President, Production and Administrative Functions at Toyota Motor Manufacturing Mississippi, Inc., a position he has held since 2021. Prior to that, he held various positions within Toyota Motor Corporation with increasing levels of responsibility. Mr. Fernandes also currently serves as Members Emeritus on the External Advisory Board of University of Alabama in Huntsville and is a former member of each of the following: the Business Advisory Board of the University of Alabama in Huntsville, the Board of Directors of the Committee of 100, the Board of Directors of the Chamber of Commerce of Huntsville/Madison County, the Board of Directors of the Huntsville, Business Council of Alabama, and the Board of Directors, Toyota South Africa Motors (Pty) Ltd.

Justin Kirchner has served on the board of directors of Buyco since the Fort Dearborn Acquisition. Mr. Kirchner joined CD&R in 2016 and is principally engaged in evaluating investment opportunities in the industrials vertical. Prior to joining CD&R, he worked in the investment banking division of Bank of America Merrill Lynch. Mr. Kirchner also currently serves on the board of Artera

Services (formerly PowerTeam Services). Mr. Kirchner has an M.B.A. from Harvard Business School and an A.B. in economics from Colgate University.

Robert Volpe has served on the board of directors of Buyco since the Fort Dearborn Acquisition. Mr. Volpe joined CD&R in 2008 and is principally engaged in evaluating investment opportunities in the industrials vertical. Prior to joining CD&R, Mr. Volpe worked in the investment banking division of Morgan Stanley. Mr. Volpe also currently serves on the board of Pursuit Aerospace. Mr. Volpe has an M.B.A. from Harvard Business School and a B.A. from Dartmouth College.

Stephen Scherger served on the board of directors of Buyco since April 2020 and Chairman of the Audit Committee since June 2022. Mr. Scherger is currently the Executive Vice President and Chief Financial Officer of Graphic Packaging Holding Company. Mr. Scherger joined Graphic Packaging Holding Company in April of 2012 from MeadWestvaco Corporation, where he served as President, Beverage and Consumer Electronics. Mr. Scherger was with MeadWestvaco Corporation from 1986 to 2012 and various executive level positions. He holds a Bachelor of Science and Business in Accounting from Bowling Green University, and a Master of Business Administration in Finance from the University of Cincinnati. Mr. Scherger also serves on the Boards of Directors of Junior Achievement of Georgia, the United Way of Greater Atlanta as Past Chairman, and the Paperboard Packaging Council as Past Chairman.

Nate Sleeper has served on the board of directors of Buyco since the Fort Dearborn Acquisition. Mr. Sleeper has been with CD&R for over 21 years and, as of December 2022, is the Chief Executive Officer of CD&R. Mr. Sleeper serves on CD&R's Investment Committee and as the chair of CD&R's Executive Committee. Prior to joining CD&R in 2000, he worked in the investment banking division of Goldman Sachs & Co. LLC. Mr. Sleeper also currently serves as a director of Beacon Roofing Supply, Inc., Brand Industrial Holdings, Inc. (parent entity of Brand Industrial Services, Inc.), Cornerstone Building Brands, Inc. (formerly NCI Building Systems, Inc.), Artera Services (formerly PowerTeam Services, LLC), CD&R Hydra Buyer, Inc. (parent entity of SunSource Holdings, Inc.) and White Cap. Mr. Sleeper previously served as a director of Atkore International Group, Inc., CHC Group Ltd., Culligan Ltd, HD Supply Holdings, Inc., Hertz Global Holdings, Hussmann International, Inc., Ply Gem Parent, LLC, Roofing Supply Group, LLC, U.S. Foods, Inc. and Wilsonart International Holdings LLC. Mr. Sleeper holds a B.A. from Williams College and an M.B.A. from Harvard Business School.

Board Reimbursement

Each member of the board of directors of Buyco affiliated with CD&R do not receive any fees for his or her membership on the board. However, each director may receive reimbursement of certain expenses pursuant to the terms of an expense reimbursement agreement entered into in connection with the 2021 Combination.

Employment Agreements

We are party to customary employment and other agreements with certain of our employees, including certain members of senior management named above under "Management." These management agreements include customary terms for executives, including base salary and annual bonus entitlements, severance pay upon certain qualifying terminations of employment and customary restrictive covenants covering ongoing confidentiality obligations, non-competition and non-solicitation.

Management Equity Incentive Plan

In connection with the 2021 Combination, the Issuer adopted an equity incentive plan that provides our management and other key employees with (1) the opportunity for cash equity investment opportunities in the Issuer and (2) grants of options or other rights to purchase Issuer equity interests subject to customary vesting provisions. Pursuant to the equity incentive plan, an option grant will require the employee recipient to agree to customary restrictive covenants to protect the Issuer and our business.

The Issuer expects to adopt an amended and restated equity incentive plan that reflects the current equity structure.

PRINCIPAL SHAREHOLDERS

The CD&R Funds indirectly own approximately 98.4% of the equity interests of the Issuer through Buyco. The remaining 1.6% is held by management, board members and others.

Each member of the board of directors of Buyco affiliated with the CD&R Funds may be deemed to beneficially own shares owned by such entity. Each such individual disclaims beneficial ownership of any such shares in which such individual does not have a pecuniary interest. See “Summary—Ownership and Corporate Structure.”

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following summarizes the material terms of various agreements and arrangements that we have entered into with our directors, executive officers and affiliates, including the CD&R Entities.

Registration Rights Agreement

In the event of an initial public offering by us or an affiliate of ours, we will become party to a registration rights agreement, which will grant to certain affiliates of CD&R the right to register their equity interests or the equity interests of such affiliate and will contain customary “demand” and “piggyback” registration rights once there is a publicly reporting company.

Employment Agreements and Equity Incentive Plan

At the closing of the 2021 Combination, we entered into employment agreements with certain key employees, including some of the officers named under the caption “Management.” See “Management—Employment Agreements.” In addition, in connection with the 2021 Combination, the Issuer adopted a new equity incentive plan. See “Management—Management Equity Incentive Plan.”

Expense Reimbursement Agreement

In connection with the 2021 Combination, Buyco and the Issuer entered into an Expense Reimbursement Agreement with CD&R (the “Expense Reimbursement Agreement”).

Pursuant to the Expense Reimbursement Agreement, the Issuer will reimburse CD&R for reasonable travel and other out-of-pocket expenses incurred by CD&R and its affiliates and representatives in providing any consulting services and any reasonable expenses incurred by any employee of CD&R or any of its affiliates who is appointed to an executive management position (or a position of comparable responsibility) of Buyco, the Issuer and their subsidiaries in connection with the performance of his or her duties.

The Expense Reimbursement Agreement will terminate on the tenth anniversary of the closing of the MCC Acquisition. It may also be terminated by CD&R (i) on 30 days’ prior written notice to the Issuer or (ii) in connection with an initial public offering of the Issuer’s equity securities. Upon any termination of the Expense Reimbursement Agreement, the Issuer will be required to pay CD&R any unreimbursed expenses incurred prior to such termination.

Indemnification Agreement

In connection with the 2021 Combination, Buyco and the Issuer entered into an Indemnification Agreement with the CD&R Entities (the “Indemnification Agreement”). Pursuant to the Indemnification Agreement, each of Buyco and the Issuer, jointly and severally, agrees to indemnify, defend and hold harmless CD&R and certain of its affiliates, alternative investment vehicles, related parties, directors, officers, partners, members, employees, agents, advisors, consultants, representatives and controlling persons for certain losses, including losses (i) incurred by such indemnitees under applicable securities laws in connection with the 2021 Combination, (ii) relating to other actions or omissions by any member of the Company Group, (iii) relating to the performance of, or failure to perform, certain services by such indemnitees for any member of the Company Group, (iv) arising out of the fact that such indemnitee is or was a stockholder, director or officer of the Company Group, or (v) arising from any breach or alleged breach by such indemnitee of any duty imposed on a stockholder, officer or director of the Company Group. The indemnification obligations of Buyco and the Issuer under the Indemnification Agreement will be primary to any similar rights to which any indemnitee may be entitled under any other agreement or document.

Buyco Second Amended and Restated Limited Liability Company Agreement

In connection with the 2021 Combination, the CD&R Investor and certain other equity holders of CD&R Investor entered into an Amended and Restated Limited Liability Company Agreement (the "Original Buyco LLC Agreement") with Buyco. In connection with the acquisition of LUX, the CD&R Investor and the seller of LUX entered into a Second Amended and Restated Limited Liability Company Agreement (as amended or otherwise modified from time to time, the "Buyco LLC Agreement"), which, among other things, reclassified the outstanding common units of Buyco into Series A common units and created a Series B common units. Series B common units were issued to the seller of LUX as consideration for the acquisition. The Buyco LLC Agreement contains, among other things, provisions relating to Buyco's governance (including board designation rights of CD&R Investor), transfer restrictions, tag-along rights, drag-along rights, preemptive rights and rights to repurchase the Series B common units.

DESCRIPTION OF OTHER INDEBTEDNESS

The principal terms of the Issuer's debt financing following the issuance of the Notes are anticipated to be as summarized below.

Senior ABL Revolving Credit Facility

We are party to the ABL Credit Agreement providing for an asset-based loan facility with Barclays Bank PLC ("Barclays"), as administrative agent (the "ABL Administrative Agent") and collateral agent, and the other financial institutions and lenders from time to time party thereto.

General

The Issuer is and, at the option of the Issuer, any of the Issuer's wholly-owned domestic subsidiaries (collectively with the Issuer, the "U.S. Borrowers"), certain of the Issuer's wholly-owned subsidiaries organized under the laws of France (the "French Borrowers") and certain of the Issuer's wholly-owned subsidiaries organized or incorporated under the laws of Belgium, Canada, England and Wales, Germany, Ireland, New Zealand or Scotland (collectively with the French Borrowers, the "Non-U.S. Borrowers," and the Non-U.S. Borrowers collectively with the U.S. Borrowers, the "ABL Borrowers") may be, a borrower under the Senior ABL Revolving Credit Facility. The Senior ABL Revolving Credit Facility provides for an asset-based revolving credit facility in the amount of up to $590.0 million comprising U.S., French and global sub-facilities, subject to a borrowing base availability, and includes sub-facilities for letters of credit and swingline loans subject to aggregate sub-limits of $100.0 million and $50.0 million, respectively.

Amounts are available under the Senior ABL Revolving Credit Facility in U.S. dollars, Canadian dollars, Euros, Pound Sterling, Australian dollars, New Zealand dollars and other currencies as may be mutually agreed.

The loans under the Senior Term Loan Facility were incurred on October 29, 2021 to finance, in part, the 2021 Combination, including the payment of fees and expenses relating thereto. The loans and letters of credit under the Senior Cash Flow Revolving Credit Facility may be used to finance our working capital and general business requirements and for other purposes not prohibited by the Cash Flow Credit Agreement.

The Senior ABL Revolving Credit Facility will mature on the five-year anniversary of October 29, 2021; *provided* that if the MCC 2026 Notes or the MCC 2027 Notes mature prior to such five-year anniversary and if, on the date that is 91 days prior to such five-year anniversary (the "Existing Notes Springing Maturity Date"), there is at least the greater of $180.0 million and 25% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of the Issuer are available of indebtedness outstanding under the MCC 2026 Notes or the MCC 2027 Notes, then the Senior ABL Revolving Credit Facility will mature on the Existing Notes Springing Maturity Date. However, the ABL Credit Agreement provides individual lenders with the right to extend the maturity date of their commitments and loans upon the request of the ABL Borrowers and without the consent of any other lender.

Subject to certain conditions, without consent of the existing lenders (but subject to receipt of commitments), the ABL Borrowers will be entitled to request additional revolving credit commitments or term loans under the Senior ABL Revolving Credit Facility, which will share in the borrowing base, up to an amount such that the aggregate amount of ABL commitments and term loans under the Senior ABL Revolving Credit Facility does not exceed the greater of (*x*) an amount equal to the sum of $500.0 million plus the greater of (*1*) $730.0 million and (*2*) 100.0% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of the Issuer are available and (*y*) the aggregate borrowing base. The "borrowing base" is defined in the ABL Credit Agreement as, at any time, the sum of multiple separate U.S. and foreign borrowing bases each providing availability based on specified percentages of some or all of the following: specified percentages of eligible accounts receivable, eligible inventory, eligible credit card receivables and eligible cash, minus customary availability reserves.

The borrowing base availability under the Senior ABL Revolving Credit Facility is estimated to be approximately $510 million as of the issuance of the Notes and, based on Australian dollar to U.S. dollar, Canadian dollar to U.S. dollar, Euro to U.S. dollar, Mexican peso to U.S. dollar, British pound to U.S. dollar, New Zealand dollar to U.S. dollar conversion rates on February 28, 2023, we expect to have available borrowing capacity under the Senior ABL Revolving Credit Facility of approximately $527 million as of the issuance of the Notes.

Interest Rates and Fees

The revolving credit loans under the ABL Credit Agreement bear interest at the applicable ABL Borrower's election at a rate equal to, (*a*) in the case of U.S. dollar denominated loans, (*i*) at the issuer's option, the daily simple secured overnight financing rate ("Daily Simple SOFR"), (*ii*) the secured overnight financing rate for dollars for the relevant interest period ("Term SOFR") or (*iii*) the highest of (*x*) the "Prime Rate" in the United States as published in the Wall Street Journal from time to time, (*y*) the overnight federal funds rate plus 0.50% per annum and (*z*) one-month Term SOFR plus 1.00% per annum (the "Base Rate"), (*b*) in the case of Canadian dollar denominated loans, (*i*) the higher of (*x*) the PRIMCAN Index rate that appears on the Bloomberg screen on such date and (*y*) the average annual yield rate for one-month Canadian dollar bankers' acceptances plus 1.00% per annum (the "Canadian Prime Rate") or (*ii*) the average rate applicable to Canadian dollar bankers' acceptances for the applicable period adjusted for statutory reserve requirements, if any ("Adjusted CDOR Rate"), (*c*) in the case of Euros denominated loans, the Euro interbank offered rate for Euros for the relevant interest period, adjusted for statutory reserve requirements ("Adjusted EURIBOR"), (*d*) in the case of Pound Sterling denominated loans, the sterling overnight index average, simple rate methodology (with lookback) ("SONIA"), (*e*) in the case of Australian dollar denominated loans, the average bid reference rate administered by ASX Benchmarks Pty Limited for Australian dollar bills of exchange for the relevant period adjusted for statutory reserve requirements, if any ("Adjusted AUD Rate") and (*f*) in the case of New Zealand dollar denominated loans, the New Zealand bank bill reference rate (bid) administered by the New Zealand Financial Benchmark Authority for the relevant period adjusted for statutory reserve requirements, if any ("Adjusted NZD Rate"), in each case subject to a "floor" of 0.00%, and in each case plus an applicable margin based on the average daily excess availability as set forth below:

Average Daily Excess Availability Percentage	**Base Rate and Canadian Prime Rate**	**Daily Simple SOFR Rate, Term SOFR Rate, Adjusted CDOR Rate, Adjusted EURIBOR, SONIA, Adjusted AUD Rate and Adjusted NZD Rate**
Less than or equal to 33 1/3%	0.75%	1.75%
Greater than 33 1/3% but less than or equal to 66 2/3%	0.50%	1.50%
Greater than 66 2/3%	0.25%	1.25%

The Senior ABL Revolving Credit Facility bears a commitment fee of 0.25% per annum on the average daily undrawn portion of the commitments under the Senior ABL Revolving Credit Facility, payable quarterly in arrears. The Senior ABL Revolving Credit Facility also bears customary letter of credit fees.

Prepayments

If, at any time, the aggregate amount of outstanding revolving credit loans, swingline borrowings, unreimbursed drawings under letters of credit and the undrawn amount of outstanding letters of credit under the applicable sub-facility under the Senior ABL Revolving Credit Facility exceeds the lesser of (x) the then applicable borrowing base and (y) the then total applicable effective commitments under the applicable sub-facility under the Senior ABL Revolving Credit Facility, prepayments of the applicable revolving credit loans and/or swingline borrowings (and after giving effect to such prepayment, the cash collateralization of letters of credit) will be required in an amount equal to such excess. The application of proceeds from mandatory prepayments shall not reduce the aggregate amount of loan commitments under the Senior ABL Revolving Credit Facility and amounts prepaid may be reborrowed, subject to availability and the then-effective commitments under the Senior ABL Revolving Credit Facility.

After the occurrence and the continuance of a Dominion Event (which is defined in the ABL Credit Agreement as (*a*) specified availability being less than 10.0% of the lesser of (*x*) the then applicable borrowing base and (*y*) the aggregate effective commitments under the Senior ABL Revolving Credit Facility or (*b*) the occurrence and continuance of one or more specified events of default, in the case of each of clause (a) and (b) for a period of five consecutive business days) to the date that specified availability shall have been in excess of such thresholds in the definition of Dominion Event and no specified event of default has existed or been continuing for 20 consecutive calendar days, all amounts deposited in a core concentration account controlled by the administrative agent will be applied on a daily basis to the outstanding loan balances under the Senior ABL Revolving Credit Facility and certain other secured obligations then due and owing.

Voluntary reductions of the unutilized portion of the ABL commitments and prepayments of borrowings under the Senior ABL Revolving Credit Facility are permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the lenders' redeployment costs actually incurred in the case of a prepayment of any term rate borrowings other than on the last day of the relevant interest period.

Guarantee; Security

(*a*) All obligations under the Senior ABL Revolving Credit Facility are guaranteed by (*i*) LABL Acquisition Corporation ("LABL Midco"), (*ii*) each direct and indirect wholly-owned U.S. restricted subsidiary of the Issuer that is not a U.S. Borrower, subject to customary exceptions, and (*iii*) each U.S. Borrower (other than with respect to its own primary obligations), (*b*) subject to local law limitations, all obligations under the French sub-facility under the Senior ABL Revolving Credit Agreement are guaranteed by each direct and indirect wholly-owned restricted subsidiary of the Issuer that is not a French Borrower and that is organized under the laws of France (the "French Subsidiary Guarantors") and (*c*) subject to local law limitations, all obligations under the French and global sub-facilities under the Senior ABL Revolving Credit Agreement (other than borrowings to a U.S. Borrower under the global sub-facility) are guaranteed by (*i*) each direct and indirect wholly-owned restricted subsidiary of the Issuer that is not a Non-U.S. Borrower and that is organized or incorporated under the laws of Australia, Belgium, Canada, England and Wales, Germany, Ireland, Mexico, New Zealand or Scotland (collectively with the French Subsidiary Guarantors, the "Non-U.S. Subsidiary Guarantors") and (*ii*) each Non-U.S. Borrower other than the French Borrowers (other than with respect to its own primary obligations), in each case subject to customary exceptions.

All applicable obligations of each ABL Borrower and each guarantor are secured by the following, subject to local law limitations:

- a perfected security interest in all present and after-acquired inventory, accounts receivable, deposit accounts, securities accounts, and any cash or other assets in such accounts (and, to the extent evidencing or otherwise related to such items, all general intangibles, intercompany debt, insurance proceeds, letter of credit rights, commercial tort claims, chattel paper, instruments, supporting obligations, documents, investment property and payment intangibles) of each ABL Borrower and each guarantor (other than LABL Midco) and the proceeds of any of the foregoing and all books and records relating to, or arising from, any of the foregoing, except to the extent such proceeds constitute Cash Flow Priority Collateral (as defined under "—Senior Cash Flow Credit Facility" below), and subject to customary exceptions (the "ABL Priority Collateral"), which security interest is senior to the security interests in the ABL Priority Collateral securing the Senior Cash Flow Credit Facility, the MCC 2026 Notes, the Existing 2028 Notes and the Notes; and

- a perfected security interest in the Cash Flow Priority Collateral, which security interest is junior to the security interests in the Cash Flow Priority Collateral securing the Senior Cash Flow Credit Facility, the MCC 2026 Notes, the Existing 2028 Notes and the Notes.

The Senior ABL Revolving Credit Facility generally does not require the security interest in deposit accounts owned by the Issuer and its subsidiaries to be perfected by control, except for certain collection accounts into which certain accounts receivable are paid, if any, and certain "concentration" accounts into which cash is swept on a regular basis once collected.

The respective rights of the Senior ABL Revolving Credit Facility lenders, the Senior Cash Flow Credit Facility lenders, the holders of the Notes, the holders of the MCC 2026 Notes and the holders of the Existing 2028 Notes in the ABL Priority Collateral and the Cash Flow Priority Collateral will be governed by the Base Intercreditor Agreement (as defined in the section "Description of Secured Notes"). See "Description of Notes—Description of Intercreditor Agreements."

Covenants, Representations and Warranties

The Senior ABL Revolving Credit Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants are limited to the following: limitations on indebtedness, dividends, distributions and other restricted payments, investments, acquisitions, prepayments or redemptions of specified junior indebtedness, amendments of specified junior indebtedness, transactions with affiliates, asset sales, mergers, consolidations and sales of all or substantially all assets, liens, negative pledge clauses and changes in line of business. The negative covenants are subject to customary exceptions and also permit the payment of dividends and distributions, investments, permitted acquisitions, payments or redemptions of specified junior indebtedness, asset sales and mergers, consolidations and sales of all or substantially all assets involving subsidiaries upon satisfaction of a "payment condition." The payment condition will be deemed satisfied upon 30-day specified excess availability and specified availability exceeding agreed upon thresholds and, in certain cases, the absence of specified events of default or known events of default and pro forma compliance with a fixed charge coverage ratio of 1.00 to 1.00.

There are no financial covenants included in the ABL Credit Agreement, other than a springing minimum fixed charge coverage ratio of at least 1.00 to 1.00, which will be tested only when specified availability is less than 10.0% of the lesser of (*x*) the then applicable borrowing base and (*y*) the aggregate effective commitments under the Senior ABL Revolving Credit Facility, and continuing until such time as specified availability has been in excess of such threshold for a period of 20 consecutive calendar days.

Events of Default

Events of default under the ABL Credit Agreement are limited to nonpayment of principal when due, nonpayment of interest or other amounts, inaccuracy of representations or warranties in any material respect, violation of covenants, cross-default and cross-acceleration to other material debt, certain bankruptcy or insolvency events, certain ERISA events, certain material judgments, actual or asserted invalidity of material guarantees and certain other loan documents or security interests and a change of control, in each case subject to customary threshold, notice and grace period provisions.

Senior Cash Flow Credit Facilities

We are party to the Cash Flow Credit Agreement with the Issuer, as borrower, Barclays, as administrative agent and collateral agent and the other financial institutions and lenders from time to time party thereto, providing for the Senior Cash Flow Credit Facilities comprised of (*i*) a term loan facility (comprised of a $1,664.4 million U.S. dollar denominated tranche and a €500.0 million Euro denominated tranche) (the “Senior Term Loan Facility”) and (*ii*) a $200.0 million revolving credit facility (the “Senior Cash Flow Revolving Credit Facility” and, together with the Senior Term Loan Facility, the “Senior Cash Flow Credit Facilities”).

General

The Senior Term Loan Facility will mature on October 29, 2028. The Senior Cash Flow Revolving Credit Facility will mature on October 29, 2026; *provided* that if the MCC 2026 Notes and/or the MCC 2027 Notes mature prior to such date and if, on the Existing Notes Springing Maturity Date, there is at least the greater of $180.0 million and 25% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of the Issuer are available of indebtedness outstanding under the MCC 2026 Notes or the MCC 2027 Notes, then the Senior Cash Flow Revolving Credit Facility will mature on the Existing Notes Springing Maturity Date. However, the Cash Flow Credit Agreement provides individual lenders for each of the Senior Term Loan Facility and the Senior Cash Flow Revolving Credit Facility with the right to extend the maturity date of their loans upon the request of the Issuer and without the consent of any other lender. The Senior Cash Flow Revolving Credit Facility includes sub-facilities for letters of credit and swingline loans, which are subject to $100.0 million and $50.0 million sub-limits, respectively.

Subject to certain conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), either the Senior Term Loan Facility or the Senior Cash Flow Revolving Credit Facility may be expanded (or a new term loan facility (which may take the form of delayed draw term loans), revolving credit facility or letter of credit facility added) by up to (*i*) the greater of (*x*) $660.0 million and (y) an amount equal to 75% pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of the Issuer are available plus (ii) an unlimited amount either (x) as will not cause the net secured leverage ratio after giving effect to the incurrence of such additional amount and any use of proceeds thereof to exceed 4.50:1.00 or (y) the pro forma net secured leverage ratio after giving effect to such incurrence and acquisition or investment does not exceed the net secured leverage ratio in effect prior to such transactions. At MCC’s option, amounts available pursuant to clause (ii) of the preceding sentence shall be deemed to be utilized prior to amounts under clause (i).

The loans under the Senior Term Loan Facility were incurred on October 29, 2021 to finance, in part, the 2021 Combination, including the payment of fees and expenses relating thereto. The loans and letters of credit under the Senior Cash Flow Revolving Credit Facility may be used to finance our working capital and general business requirements and for other purposes not prohibited by the Cash Flow Credit Agreement.

Interest Rates and Fees

In the case of a tranche denominated in U.S. dollars, the loans under the Senior Term Loan Facility bear interest at a rate equal to (i) the London interbank offered rate for dollars for the relevant interest period, adjusted for statutory reserve requirements (“Adjusted LIBOR”) plus an applicable margin of 5.00%; or (ii) the Base Rate plus an applicable margin of 4.00%. The tranche of the Senior Term Loan Facility denominated in U.S. dollars is subject to an Adjusted LIBOR “floor” of 0.50%.

In the case of a tranche denominated in Euros, the loans under the Senior Term Loan Facility bear interest at a rate equal to Adjusted EURIBOR, plus 5.00%. The tranche of the Senior Term Loan Facility denominated in Euros is subject to an Adjusted EURIBOR “floor” of 0.00%.

In the case of a borrowing denominated in U.S. dollars, the loans under the Senior Cash Flow Revolving Credit Facility bear interest at a rate equal to (i) Adjusted LIBOR plus an applicable margin of 4.00%; or (ii) the Base Rate plus an applicable margin of 3.00%. The tranche of the loans under the Senior Cash Flow Revolving Credit Facility denominated in U.S. dollars is subject to an Adjusted LIBOR "floor" of 0.00%.

In the case of a borrowing denominated in Canadian dollars, the loans under the Senior Cash Flow Revolving Credit Facility bear interest at a rate equal to (i) the Canadian Prime Rate, plus 3.00% or (ii) the Adjusted CDOR Rate, plus 4.00%.

In the case of a borrowing denominated in Australian dollars, the loans under the Senior Cash Flow Revolving Credit Facility bear interest at a rate equal to the Adjusted AUD Rate plus 4.00%. The tranche of the loans under the Senior Cash Flow Revolving Credit Facility denominated in Australian dollars is subject to an Adjusted AUD Rate "floor" of 0.00%.

In the case of a borrowing denominated in Euros, the loans under the Senior Cash Flow Revolving Credit Facility bear interest at a rate equal to Adjusted EURIBOR plus 4.00%. The tranche of the loans under the Senior Cash Flow Revolving Credit Facility denominated in Euros is subject to an Adjusted EURIBOR "floor" of 0.00%.

In the case of a borrowing denominated in Pound Sterling, the loans under the Senior Cash Flow Revolving Credit Facility bear interest at a rate equal to SONIA, plus 4.00%. The tranche of the loans under the Senior Cash Flow Revolving Credit Facility denominated in Pound Sterling is subject to a SONIA "floor" of 0.00%.

Interest rate spreads under the Senior Cash Flow Revolving Credit Facility are determined by reference to a leverage-based pricing grid. The Senior Cash Flow Revolving Credit Facility is also subject to a commitment fee rate per annum on the undrawn portion of the commitments in respect thereof ranging from 0.50% to 0.25% based on the leverage ratio.

Prepayments

The Senior Term Loan Facility is subject to mandatory prepayment and reduction in an amount equal to (*a*) 50% of excess cash flow (as defined in the Cash Flow Credit Agreement), in excess of the greater of (x) up to $185.0 million and (y) an amount equal to 25% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of the Issuer are available, with a reduction to zero based upon achievement of a specified secured leverage ratio of 4:30:1.00, (*b*) 100% of the net cash proceeds received from the incurrence of indebtedness by the Issuer or any of its restricted subsidiaries (other than indebtedness permitted under the Cash Flow Credit Agreement, excluding certain specified refinancing indebtedness), and (*c*) 100%, with reductions to 50% and zero, based upon achievement of a specified secured leverage ratio of 4.30:1.00 and 3.80:1.00, respectively, of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by the Issuer and any of its restricted subsidiaries (including certain insurance and condemnation proceeds) in excess of an amount to be agreed, and subject to the right of the Issuer and its restricted subsidiaries to reinvest such proceeds within a specified period of time, and other exceptions to be agreed upon. The initial term loans issued under the Senior Term Loan Facility shall amortize on the last business day of each fiscal quarter ending prior to the final maturity date of the Senior Term Loan Facility, at an annual rate of 1.00% of the aggregate initial principal amount thereof.

If at any time the sum of the outstanding revolving credit loans under the Senior Cash Flow Revolving Credit Facility (including revolving loans, letters of credit outstanding and swing line borrowings thereunder) exceeds the total amount of lenders' revolving commitments thereunder (other than any occurring by reason of changes in exchange rates), prepayments of revolving loans or swing line borrowings will be required in an amount equal to such excess.

Voluntary prepayments of borrowings under the Senior Cash Flow Credit Facility are permitted at any time, in minimum principal amounts to be set forth in the Cash Flow Credit Agreement, subject to reimbursement of the lenders' redeployment costs actually incurred in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Guarantee; Security

All obligations under the Senior Cash Flow Credit Facility are guaranteed by LABL Midco and each direct and indirect wholly-owned U.S. restricted subsidiary of the Issuer, other than certain excluded subsidiaries.

All obligations of the Issuer and each guarantor are secured by the following:

- a perfected security interest in substantially all tangible and intangible assets of the Issuer and each guarantor (other than the ABL Priority Collateral) including the capital stock of the Issuer and the capital stock of each direct, wholly-owned material restricted subsidiary of the Issuer and each guarantor, and 65% of each series of capital stock of any non-U.S. subsidiary held directly by the Issuer or any guarantor, subject to customary exceptions (the "Cash Flow Priority Collateral"), which security interest is senior to the security interest in the Cash Flow Priority Collateral securing the Senior ABL Revolving Credit Facility and pari passu with the security interests in the Cash Flow Priority Collateral securing the MCC 2026 Notes, the Existing 2028 Notes and the Notes; and
- a perfected security interest in the ABL Priority Collateral, which security interest is junior to the security interest in the ABL Priority Collateral securing the Senior ABL Revolving Credit Facility and pari passu with the security interests in the ABL Priority Collateral securing the MCC 2026 Notes, the Existing 2028 Notes and the Notes.

The respective rights of the Senior ABL Revolving Credit Facility lenders, the Senior Cash Flow Credit Facility lenders, the holders of the Notes, the holders of the MCC 2026 Notes and the holders of the Existing 2028 Notes in the Cash Flow Priority Collateral and the ABL Priority Collateral are and will be governed by the Base Intercreditor Agreement. The respective rights of the Senior Cash Flow Credit Facility lenders, the holders of the Notes the holders of the MCC 2026 Notes and the holders of the Existing 2028 Notes in the Cash Flow Priority Collateral and the ABL Priority Collateral are also governed by the Pari Passu Intercreditor Agreement. See "Description of the Notes—Description of Intercreditor Agreements."

Covenants, Representations and Warranties

The Senior Cash Flow Credit Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants are incurrence-based high yield style covenants which limit the ability to:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends, redeem stock or make other distributions in respect of capital stock;
- repurchase, prepay or redeem and subordinated indebtedness;
- make investments;
- create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;
- incur additional liens;
- transfer or sell assets;
- make negative pledges;

- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- change the nature of the Issuer's business;
- enter into certain transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

The negative covenants are subject to customary exceptions. With respect to our Senior Cash Flow Revolving Credit Facility only, we are also required to maintain a maximum consolidated total secured leverage ratio, tested on a quarterly basis at any time that we have a certain amount of revolving loans or drawn letters of credit outstanding.

Events of Default

Events of default under the Cash Flow Credit Agreement are limited to nonpayment of principal when due, nonpayment of interest or other amounts, inaccuracy of representations or warranties in any material respect, violation of covenants, cross-default and cross-acceleration to other material debt, certain bankruptcy or insolvency events, certain ERISA events, certain material judgments, actual or asserted invalidity of material guarantees and certain other loan documents, security interests or intercreditor agreements, impairment of security interests in any significant portion of the collateral and a change of control, in each case subject to customary thresholds, notice and grace period provisions.

MCC Existing Notes

General

The Issuer remains bound by its obligations in relation to the 2019 issuance and sale of $700.0 million aggregate principal amount of 6.75% Senior Secured Notes due 2026 (the "MCC 2026 Notes") and the 2019 issuance and sale of $690.0 million aggregate principal amount of 10.50% Senior Notes due 2027 (the "MCC 2027 Notes").

The MCC 2026 Notes were issued pursuant to the MCC 2026 Indenture (as amended or supplemented from time to time), dated as of July 1, 2019, among the Issuer, the guarantors from time to time party thereto, and Wilmington Trust, National Association, as trustee and as collateral agent. The MCC 2027 Notes were issued pursuant to the MCC 2027 Indenture (as amended or supplemented from time to time), dated as of July 1, 2019, among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee.

On July 23, 2021, the Issuer entered into (i) a first supplemental indenture among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the MCC 2026 Indenture and (ii) a first supplemental indenture among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee under the MCC 2027 Indenture for the adoption of a certain amendment to each of the MCC 2026 Indenture and the MCC 2027 Indenture.

On October 29, 2021, the Issuer entered into (i) a second supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the MCC 2026 Indenture and (ii) a second supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee under the MCC 2027 Indenture in order to join the subsidiary guarantors party thereto to each of the MCC 2026 Indenture and the MCC 2027 Indenture.

On February 21, 2023, the Issuer entered into (i) a third supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the MCC 2026 Indenture and (ii) a third supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee under the

MCC 2027 Indenture in order to join the subsidiary guarantors party thereto to each of the MCC 2026 Indenture and the MCC 2027 Indenture.

Maturity and Interest Rates

The MCC 2026 Notes mature on July 15, 2026 and the MCC 2027 Notes mature on July 15, 2027. The MCC 2026 Notes bear interest at a rate of 6.75% per annum and the MCC 2027 Notes bear interest at a rate of 10.50% per annum, in each case, payable semi-annually on January 15 and July 15 of each year.

Redemptions

The Issuer has the option to redeem some or all of the MCC Existing Notes, in whole or in part, at any time or from time to time at the following redemption prices (expressed as percentages of principal amount) if redeemed during the 12-month period commencing on July 15 of the years set forth below:

Year	**Redemption Price for MCC 2026 Notes**	**Redemption Price for MCC 2027 Notes**
2022	103.375%	105.250%
2023	101.688%	102.625%
2024 and thereafter	100.000%	100.000%

Upon the occurrence of certain change of control events, the Issuer may be required to offer to repurchase the MCC Existing Notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Guarantees; Security

The MCC 2026 Notes are jointly and severally guaranteed on a senior secured basis by LABL Midco and certain of the Issuer's existing and future subsidiaries that are or will be co-borrowers or guarantors under the Senior Cash Flow Credit Facilities, Senior ABL Revolving Credit Facility, the Existing 2028 and 2029 Notes and the Notes; and the MCC 2027 Notes are jointly and severally guaranteed on a senior unsecured basis by certain of the Issuer's existing and future subsidiaries that are or will be co-borrowers or guarantors under the Senior Cash Flow Credit Facilities, Senior ABL Revolving Credit Facility, the Existing 2028 and 2029 Notes and the Notes. Each of the MCC Existing Indentures contain covenants that restrict the ability of LABL Midco and/or its restricted subsidiaries to, among other things, incur or guarantee additional indebtedness, prepay, redeem or repurchase certain debt, make certain payments, including payment of dividends, or repurchase equity interests of LABL Midco and its restricted subsidiaries, sell assets, make loans or acquisitions or capital contributions and certain investments, incur liens, enter into transactions with affiliates and consolidate, merge or sell all or substantially all of its assets.

The MCC 2026 Notes are the Issuer's senior secured obligations and the MCC 2027 Notes are the Issuer's senior unsecured obligations and, in each case: (1) rank contractually senior in right of payment to all of the Issuer's and the guarantors' future subordinated indebtedness; (2) rank equally in right of payment with all of the Issuer's and the guarantors' existing and future senior indebtedness; (3) in the case of the MCC 2027 Notes, are effectively subordinated to any of the Issuer's and the guarantors' existing and future secured debt, including the Senior Cash Flow Credit Facilities, the Senior ABL Revolving Credit Facility, the MCC 2026 Notes, the Existing 2028 Notes and the Notes, to the extent of the value of the assets securing such debt; and (4) are structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the Issuer's subsidiaries that do not guarantee the MCC Existing Notes.

Covenants

Each of the MCC Existing Indentures contain customary affirmative and negative covenants. The negative covenants include limitations on indebtedness, dividends, distributions and other restricted payments, issuing disqualified stock, asset sales, transactions with affiliates, liens and in the case of the MCC 2026 Indenture, LABL Midco engaging in any business other than the ownership of capital stock of and management of the Issuer.

Events of Default

Events of default under each of the MCC Existing Indentures include default in the payment of interest, principal or premium, a failure to comply with any agreements in the MCC Existing Indentures or the security documents, and default under any mortgage, indenture or instrument under which there may be issued, secured or evidenced, any indebtedness.

Existing 2028 and 2029 Notes

General

The Issuer remains bound by its obligations in relation to the 2021 issuance and sale of $500.0 million aggregate principal amount of 5.875% Senior Secured Notes due 2028 (the “Existing 2028 Notes”) and the 2021 issuance and sale of $460.0 million aggregate principal amount of 8.250% Senior Notes due 2029 (the “Existing 2029 Notes”).

The Existing 2028 Notes were issued pursuant to the Existing 2028 Indenture (as amended or supplemented from time to time), dated as of October 29, 2021, among the Issuer, the guarantors from time to time party thereto, and Wilmington Trust, National Association, as trustee and as collateral agent. The Existing 2029 Notes were issued pursuant to the Existing 2029 Indenture (as amended or supplemented from time to time), dated as of October 29, 2021, among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee.

On October 29, 2021, the Issuer entered into (i) a first supplemental indenture among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the Existing 2028 Indenture and (ii) a first supplemental indenture among the Issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee under the Existing 2029 Indenture for the adoption of a certain amendment to each of the Existing 2028 Indenture and the Existing 2029 Indenture.

On October 29, 2021, the Issuer entered into (i) a second supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the Existing 2028 Indenture and (ii) a second supplemental indenture among the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee under the Existing 2029 Indenture in order to join the subsidiary guarantors party thereto to each of the Existing 2028 Indenture and the Existing 2029 Indenture.

On February 21, 2023, the Issuer entered into (i) a third supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee and as collateral agent under the MCC 2028 Indenture and (ii) a third supplemental indenture among the Issuer, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee under the MCC 2029 Indenture in order to join the subsidiary guarantors party thereto to each of the MCC 2028 Indenture and the MCC 2029 Indenture.

Maturity and Interest Rates

The Existing 2028 Notes mature on November 1, 2028 and the Existing 2029 Notes mature on November 1, 2029. The Existing 2028 Notes bear interest at a rate of 5.875% per annum and the MCC 2029 Notes bear interest at a rate of 8.250% per annum, in each case, payable semi-annually on April 15 and October 15 of each year.

Redemptions

The Issuer has the option to redeem some or all of the Existing 2028 and 2029 Notes, in whole or in part, at any time or from time to time on or after November 1, 2024 at the following redemption prices (expressed as percentages of principal amount) if redeemed during the 12-month period commencing on November 1 of the years set forth below:

Year	Redemption Price for Existing 2028 Notes	Redemption Price for Existing 2029 Notes
2024	102.938%	104.125%
2025	101.469%	102.063%
2026 and thereafter	100.000%	100.000%

Prior to November 1, 2024, the Existing 2028 and 2029 Notes may be redeemed at the option of the Issuer at a redemption price of 100% of the aggregate principal amount of the notes to be redeemed, plus a “make-whole” premium. Additionally, at any time prior to November 1, 2024, the Issuer may redeem up to 40% of the aggregate principal amount of the notes to be redeemed at a redemption price of, in the case of the Existing 2028 Notes, 105.875% of the principal amount of the Existing 2028 Notes to be redeemed and, in the case of the Existing 2029 Notes, 108.250% of the principal amount of the Existing 2029 Notes redeemed, in each case, plus accrued and unpaid interest to the date thereof, with proceeds from certain equity issuances, provided, in each case, at least 50% of the aggregate principal amount of the Existing 2028 Notes or the Existing 2029 Notes, as applicable, remain outstanding after each such redemption. Prior to November 1, 2024, the Issuer may redeem during each calendar year up to 10% of the aggregate principal amount of the Existing 2028 Notes (including any additional notes) at a redemption price of 103.000% of the aggregate principal amount of the Existing 2028 Notes redeemed, in each case, plus accrued and unpaid interest to the date thereof.

Upon the occurrence of certain change of control events, the Issuer may be required to offer to repurchase the Existing 2028 and 2029 Notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Guarantees; Security

The Existing 2028 Notes are jointly and severally guaranteed on a senior secured basis by LABL Midco and certain of the Issuer’s existing and future subsidiaries that are or will be co-borrowers or guarantors under the Senior Cash Flow Credit Facilities, Senior ABL Revolving Credit Facility, the MCC Existing Notes, the Existing 2029 Notes and the Notes; and the Existing 2029 Notes are jointly and severally guaranteed on a senior unsecured basis by certain of the Issuer’s existing and future subsidiaries that are or will be co-borrowers or guarantors under the Senior Cash Flow Credit Facilities, Senior ABL Revolving Credit Facility, the MCC Existing Notes and the Notes. Each of the Existing 2028 and 2029 Indentures contain covenants that restrict the ability of LABL Midco and/or its restricted subsidiaries to, among other things, incur or guarantee additional indebtedness, prepay, redeem or repurchase certain debt, make certain payments, including payment of dividends, or repurchase equity interests of LABL Midco and its restricted subsidiaries, sell assets, make loans or acquisitions or capital contributions and certain investments, incur liens, enter into transactions with affiliates and consolidate, merge or sell all or substantially all of its assets.

The Existing 2028 Notes are the Issuer's senior secured obligations and the Existing 2029 Notes are the Issuer's senior unsecured obligations and, in each case: (1) rank contractually senior in right of payment to all of the Issuer's and the guarantors' future subordinated indebtedness; (2) rank equally in right of payment with all of the Issuer's and the guarantors' existing and future senior indebtedness; (3) in the case of the Existing 2029 Notes, are effectively subordinated to any of the Issuer's and the guarantors' existing and future secured debt, including the Senior Cash Flow Credit Facilities, the Senior ABL Revolving Credit Facility, the MCC 2026 Notes, the Existing 2028 Notes and the Notes, to the extent of the value of the assets securing such debt; and (4) are structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the Issuer's subsidiaries that do not guarantee the Existing 2028 and 2029 Notes.

Covenants

Each of the Existing 2028 and 2029 Indentures contain customary affirmative and negative covenants. The negative covenants include limitations on indebtedness, dividends, distributions and other restricted payments, issuing disqualified stock, asset sales, transactions with affiliates and liens.

Events of Default

Events of default under each of the Existing 2028 and 2029 Indentures include default in the payment of interest, principal or premium, a failure to comply with any agreements in the Existing 2028 and 2029 Indentures or the security documents, and default under any mortgage, indenture or instrument under which there may be issued, secured or evidenced, any indebtedness.

DESCRIPTION OF NOTES

General

The % Senior Secured Notes due 2028 offered hereby (the "*Notes*") are to be issued under an Indenture, dated as of October 29, 2021 (the "*Base Indenture*"), among the Company, as issuer, Wilmington Trust, National Association, as trustee (the "*Trustee*") and Wilmington Trust, National Association, as Note Collateral Agent (the "*Note Collateral Agent*"), as supplemented by the First Supplemental Indenture, dated as of October 29, 2021 (the "*First Supplemental Indenture*"), the Second Supplemental Indenture dated as of October 29, 2021 (the "*Second Supplemental Indenture*"), the Third Supplemental Indenture dated as of February 21, 2023 (the "*Third Supplemental Indenture*") and the Fourth Supplemental Indenture to be dated as of , 2023 (together with the Base Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "*Indenture*"), among the Company, the Guarantors party thereto and the Trustee and the Note Collateral Agent.

The Company previously issued $500,000,000 aggregate principal amount of 5.875% Senior Secured Notes due 2028 (the "*Secured Notes*") on October 29, 2021 pursuant to the Base Indenture as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture. The Notes offered hereby are a new series of notes and constitute "Additional Notes" as defined in the Base Indenture. We refer to the Notes and the Secured Notes together as the "*Indenture Notes*".

The Indenture, the Notes, the Intercreditor Agreements and the Note Security Documents contain provisions that define your rights and govern the obligations of the Company under the Notes. Copies of the forms of the Indenture, the Notes, the Intercreditor Agreements and the Note Security Documents will be made available to prospective purchasers of the Notes upon request, when available.

The following is a summary of certain provisions of the Indenture, the Notes, the Intercreditor Agreements and the Note Security Documents. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture, the Notes, the Intercreditor Agreements and the Note Security Documents, including the definitions of certain terms therein. The term "Company" and the other capitalized terms defined in "—Certain Definitions" below are used in this "Description of Secured Notes" as so defined, except as otherwise provided herein. Any reference to a "Holder" or a "Noteholder" in this Description of Secured Notes refers to the Holders of the Indenture Notes. Any reference to "Notes" or a "class" of Notes in this Description of Secured Notes refers to the Notes as a class.

Brief Description of the Notes

The Secured Notes are, and, on and following the date of issuance of the Notes, the Notes will be:

- Senior Indebtedness of the Company;
- secured by (x) the Fixed Asset Collateral owned by the Company on a basis that is equal in priority to all other Parity Lien Obligations and senior in priority to all Priority Lien Obligations and (y) the Current Asset Collateral owned by the Company on a basis that is equal in priority to all other Parity Lien Obligations and junior in priority to all Priority Lien Obligations, pursuant to the terms of the Base Intercreditor Agreement, and subject to certain Liens permitted under the Indenture;
- effectively subordinated to all existing and future Indebtedness and other liabilities (including Trade Payables) of the Company's Subsidiaries (other than Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described below under "—Subsidiary Guarantees");

- *pari passu* in right of payment with all existing and future Senior Indebtedness of the Company;

- senior in right of payment to all existing and future Subordinated Obligations of the Company;

- effectively senior to (i) all existing and future unsecured Indebtedness of the Company to the extent of the value of the Collateral owned by the Company and (ii) all existing and future Priority Lien Obligations to the extent of the value of the Fixed Asset Collateral owned by the Company, in each case after giving effect to any senior Lien on such Collateral; and

- effectively subordinated to (i) all existing and future Priority Lien Obligations, to the extent of the value of the Current Asset Collateral owned by the Company and (ii) any existing or future Indebtedness of the Company 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.

Brief Description of the Parent Guarantees

The Parent Guarantee of Holdings in respect of the Secured Notes is, and on and following the date of issuance of the Notes, in respect of the Notes will be:

- Senior Indebtedness of Holdings;

- secured by the Collateral owned by Holdings on a basis that is equal in priority to all other Parity Lien Obligations and senior in priority to all Priority Lien Obligations, pursuant to the terms of the Base Intercreditor Agreement, and subject to certain Liens permitted under the Indenture;

- effectively subordinated to all Indebtedness and other liabilities (including Trade Payables) of Holdings' Subsidiaries (other than the Company and Subsidiaries of the Company that are or become Subsidiary Guarantors pursuant to the provisions described below under "—Subsidiary Guarantees");

- *pari passu* in right of payment with all Senior Indebtedness of Holdings;

- senior in right of payment to all Parent Subordinated Obligations of Holdings;

- effectively senior to all unsecured Indebtedness of Holdings to the extent of the value of the Collateral owned by Holdings; and

- effectively subordinated to all Indebtedness of Holdings 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.

Brief Description of the Subsidiary Guarantees

The Secured Notes are, and, on and following the date of issuance of the Notes, the Notes will be entitled to the benefits of the Subsidiary Guarantees pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors". The Subsidiary Guarantees of each Subsidiary Guarantor in respect of the Secured Notes are, and, on and following the date of issuance of the Notes, in respect of the Notes will be:

- Senior Indebtedness of such Subsidiary Guarantor;

- secured by (x) the Fixed Asset Collateral owned by such Subsidiary Guarantor on a basis that is equal in priority to all other Parity Lien Obligations and senior in priority to all Priority Lien Obligations and (y) the Current Asset Collateral owned by such Subsidiary Guarantor on a basis that is equal in priority to all other Parity Lien Obligations and junior in priority to all Priority Lien

Obligations, pursuant to the terms of the Base Intercreditor Agreement, and subject to certain Liens permitted under the Indenture;

- effectively subordinated to all Indebtedness and other liabilities (including Trade Payables) of such Subsidiary Guarantor's Subsidiaries (other than Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described below under "—Subsidiary Guarantees");

- *pari passu* in right of payment with all existing and future Senior Indebtedness of such Subsidiary Guarantor;

- senior in right of payment to all existing and future Guarantor Subordinated Obligations of such Subsidiary Guarantor;

- effectively senior to (i) all existing and future unsecured Indebtedness of such Subsidiary Guarantor to the extent of the value of the Collateral owned by such Subsidiary Guarantor and (ii) all existing and future Priority Lien Obligations to the extent of the value of the Fixed Asset Collateral owned by such Subsidiary Guarantor, in each case after giving effect to any senior Lien on such Collateral; and

- effectively subordinated to (i) all existing and future Priority Lien Obligations, to the extent of the value of the Current Asset Collateral owned by such Subsidiary Guarantor and (ii) any existing or future Indebtedness of such Subsidiary 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.

Principal, Maturity and Interest

The Notes will mature on , 2028 (the "*Final Maturity Date*"). Each Note will bear interest at the applicable rate per annum shown on the front cover of this offering circular from , 2023, or from the most recent date to which interest has been paid or provided for. Interest will be payable semiannually in cash to Holders of record at the close of business on or immediately preceding the interest payment date, on and of each year, commencing , 2023. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months.

The Notes will be issued initially in an aggregate principal amount of $300,000,000 in the form of "Additional Notes" under the Indenture. Additional notes may be issued under the Indenture in one or more series from time to time (as more particularly defined in the Indenture as "*Additional Notes*"), subject to the limitations set forth under "—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens," which will vote as a single class with the Notes (except as otherwise provided herein) and otherwise be treated as "Notes" for purposes of the Indenture. The Indenture permits the Company to designate the maturity date, interest rate and optional redemption provisions applicable to each series of Additional Notes, which may differ from the maturity date, interest rate and optional redemption provisions applicable to the Secured Notes and the Notes. Additional Notes that differ with respect to maturity date, interest rate or optional redemption provisions from the Secured Notes or the Notes will constitute a different series of notes from such Secured Notes or Notes. Additional Notes that have the same maturity date, interest rate and optional redemption provisions as the Secured Notes or the Notes will be treated as the same series as such Secured Notes or Notes unless otherwise designated by the Company. The Company similarly will be entitled to vary the application of certain other provisions (and any related defined terms) to any series of Additional Notes. To the extent any Additional Notes are issued with the same CUSIP number as the Secured Notes or the Notes, the holding period for the Secured Notes or Notes, if applicable, may extend beyond the initial one-year period required under Rule 144 of the Securities Act.

Other Terms

Principal of (and premium, if any) and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency of the Company maintained for such purposes (which initially shall be the corporate trust office of the Trustee), except that, at the option of the Company, payment of interest may be made through the paying agent by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check sent to the address of the registered holders of the Notes as such address appears in the note register.

The Notes will be issued in the form of global notes that will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("*DTC*"), and purchasers of the Notes will not receive or be entitled to receive physical, certificated Notes (except in the very limited circumstances described herein). The Notes will be issued only in fully registered form, without coupons. The Notes will be issued only in minimum denominations of $2,000 (the "*Minimum Denomination*") and any integral multiple of $1,000 in excess thereof.

Optional Redemption

The Notes will be redeemable, at the Company's option, at any time prior to maturity at varying redemption prices in accordance with the applicable provisions set forth below (the date of redemption, the "*Redemption Date*").

The Notes will be redeemable, at the Company's option, in whole or in part, at any time and from time to time on and after , 2025, and prior to maturity at the applicable redemption price set forth below. The Notes will be so redeemable at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to but not including the relevant 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 12-month period commencing on of the years set forth below:

Redemption Period	**Price**
2025………………………………………………………………….	%
2026………………………………………………………………….	%
2027 and thereafter………………………………………………..	100.00%

In addition, the Indenture will provide that at any time and from time to time prior to , 2025, the Company at its option may redeem Notes in an aggregate principal amount equal to up to 40.0% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes of the same series), with funds in an equal aggregate amount (the "*Redemption Amount*") not exceeding the aggregate proceeds of one or more Equity Offerings (as defined below), at a redemption price (expressed as a percentage of principal amount thereof) of %, plus accrued and unpaid interest, if any, to but not including 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) (each, an "*Equity Offering Redemption*"); *provided*, *however*, that if Notes are redeemed pursuant to this paragraph, an aggregate principal amount of Notes equal to at least 50.0% of the original aggregate principal amount of Notes (including the principal amount of any Additional Notes of the same series) must remain outstanding immediately after each such redemption of Notes (unless all Notes are otherwise repurchased or redeemed substantially concurrently with the corresponding Equity Offering Redemption). Any amount payable in any such redemption may be funded from any source (including amounts in excess of the Redemption Amount). Any notice of any such redemption may be given prior to the completion of the related Equity Offering, but in no event may be given more than 180 days after the completion of the related Equity Offering. "*Equity Offering*" means a sale of Capital Stock (*x*) that is a sale of Capital Stock of the Company (other than Disqualified Stock or sales to Restricted Subsidiaries of the Company) or (*y*) proceeds of which in an amount equal to or exceeding the Redemption Amount are contributed to the equity capital of the Company or any of its Restricted

Subsidiaries (other than proceeds from a sale to Restricted Subsidiaries of Capital Stock of the Company).

In addition, the Indenture will provide that during any 12-month period prior to , 2025, the Company will be entitled to redeem up to 10.0% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes of the same series) at a redemption price (expressed as a percentage of principal amount thereof) of 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to but not including 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).

At any time prior to , 2025, the Notes may also be redeemed in whole or in part, at the Company's option, at a redemption price equal to 100.0% of the principal amount thereof plus the Applicable Premium (as defined below) as of, and accrued and unpaid interest, if any, to but not including 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).

"*Applicable Premium*" means, with respect to a Note at any Redemption Date, the greater of (*i*) 1.0% of the principal amount of such Note and (*ii*) the excess of (*A*) the present value at such Redemption Date, calculated as of the date of the applicable redemption notice, of (*1*) the redemption price of such Note on , 2025 (such redemption price being that described in the second paragraph of this "—Optional Redemption" section) plus (*2*) all required remaining scheduled interest payments due on such Note through such date (excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (*B*) the principal amount of such Note on such Redemption Date, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation shall not be a duty or obligation of the Trustee.

"*Treasury Rate*" means, with respect to a Redemption Date, the weekly average yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to the date of the applicable redemption notice (or, if such Statistical Release is no longer published or the relevant information does not appear thereon, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to , 2025; *provided*, *however*, that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the 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 such date 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.

Notwithstanding the foregoing, in connection with any tender for any series of Indenture Notes (including pursuant to an Offer), if Holders of not less than 90% in the aggregate principal amount of the outstanding Indenture Notes of such series (including the principal amount of any Additional Notes of the same series) validly tender and do not withdraw such Indenture Notes in such tender offer and the Company, or any other Person making such tender offer, purchases all of the Indenture Notes of such series (including any Additional Notes of the same series) validly tendered and not withdrawn by such Holders, the Company will have the right, upon notice given not more than 30 days following such purchase pursuant to such tender offer, to redeem all of the Indenture Notes of such series (including any Additional Notes of the same series) of such series that remain outstanding following such purchase at a price in cash equal to the price offered to each Holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest 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% in the aggregate principal amount of the outstanding Indenture Notes have validly tendered and not validly withdrawn the Indenture Notes in an offer, Indenture Notes owned by an Affiliate of the Company or by funds controlled or managed by an Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such offer.

Any redemption of Notes may be made upon notice sent electronically or, at the Company's option, mailed by first class mail to each Holder's registered address, with a copy to the Trustee, not less than 10 nor more than 60 days prior to the Redemption Date, except that a redemption notice (other than pursuant to the preceding paragraph) may be delivered more than 60 days prior to the Redemption Date if such notice is issued in connection with legal or covenant defeasance of the Company's obligations or a satisfaction and discharge of the Indenture, or if the Redemption Date is delayed as provided for in the following paragraph. The Company may provide in any redemption notice that payment of the redemption price and the performance of the Company's obligations with respect to such redemption may be performed by another Person.

Any redemption of Notes (including in connection with an Equity Offering, a Change of Control, other transaction or event or otherwise) or notice thereof may, at the Company's discretion, be subject to the satisfaction (or, waiver by the Company in its sole discretion) of one or more conditions precedent, which may include consummation of any related Equity Offering or the completion or occurrence of a Change of Control, Asset Disposition or other transaction or event, as the case may be. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Company's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been (or, in the Company's sole determination, may not be) satisfied (or waived by the Company in its sole discretion) by the Redemption Date, or by the Redemption Date so delayed. The Company, the CD&R Investors and their respective Affiliates may acquire the Notes whether by tender offer, open market purchases, negotiated transactions or otherwise.

Selection

In the case of any partial redemption, selection of the Notes of such series for redemption will be made on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate and, in the case of global notes, in accordance with the procedures of DTC, in integral multiples of $2,000 or integral multiples of $1,000 in excess thereof, although no Note of the Minimum Denomination in original principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note (or if the Note is a global note, an adjustment shall be made to the schedule attached thereto).

Parent Guarantee

Holdings, as primary obligor and not merely as surety, will irrevocably and fully and unconditionally Guarantee (the "*Parent Guarantee*"), on a senior secured basis, the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of the Company under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by Holdings being herein called the "*Parent Guaranteed Obligations*"). Holdings will agree to pay, in addition to the amount stated above, any and all reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Trustee, the Note Collateral Agent or the Holders in enforcing any rights under the Parent Guarantee.

The obligations of Holdings will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of Holdings (including but not limited to any Guarantee by it of any Credit Facility Indebtedness), result in the obligations of Holdings under the Parent Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law, or being void or unenforceable under any law relating to insolvency of debtors.

The Parent Guarantee shall be a continuing Guarantee and shall (i) subject to release as described below, remain in full force and effect until payment in full of the principal amount of all outstanding Notes (whether by payment at maturity, purchase, repurchase, redemption, defeasance or other acquisition or retirement) and all other Parent Guaranteed Obligations then due and owing unless earlier terminated as described below, (ii) be binding upon Holdings and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

Notwithstanding the preceding paragraph, Holdings will automatically and unconditionally be released from all obligations under the Parent Guarantee, and the Parent Guarantee shall thereupon terminate and be discharged and of no further force or effect, (i) at any time that Holdings is (or, substantially concurrently with the release of the Parent Guarantee or if as a result of the release of the Parent Guarantee, will be) released from all of its obligations under its Guarantee of payment by the Company of any Indebtedness of the Company under the Senior Credit Facilities (it being understood that a release subject to contingent reinstatement is still a release, and that if any such Guarantee is so reinstated, the Parent Guarantee shall be reinstated to the extent that Holdings would then be required to provide the Parent Guarantee), (ii) upon the merger or consolidation of Holdings with and into the Company or a Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of Holdings following the transfer of all of its assets to any of the Company and the Subsidiary Guarantors, (iii) during the Suspension Period (it being understood that upon the occurrence of a Reversion Time, Holdings shall be reinstated to the extent that Holdings would then be required to provide the Parent Guarantee), (iv) upon legal or covenant defeasance of the Company's obligations, or satisfaction and discharge of the Indenture or (v) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Indenture Notes then outstanding and all other Parent Guaranteed Obligations then due and owing. Upon any such occurrence specified in this paragraph, the Trustee shall execute any documents reasonably requested by the Company in order to evidence such release, discharge and termination in respect of the Parent Guarantee.

Neither the Company nor Holdings shall be required to make a notation on the Notes to reflect the Parent Guarantee or any such release, termination or discharge.

Notwithstanding the foregoing, each Holder expressly and irrevocably agrees that it will not hinder, or direct the Trustee to take any action that will hinder, the automatic release of the Parent Guarantee provided for by this "—Parent Guarantee" section to the extent the Company determines in good faith that the applicable transaction is permitted under the Indenture, and each Holder expressly and irrevocably agrees that the Trustee shall be authorized to, and shall, take any necessary action to release Holdings to the extent authorized to do so by this "—Parent Guarantee" section without any obligation or requirement to notify or obtain consent from any Holder (and the Trustee shall not condition any such actions on providing notice to, or obtaining consent from, the Holders).

Notwithstanding anything herein or in the Indenture or any Note Security Document to the contrary, (i) the obligations of Holdings under the Indenture and the Note Security Documents, including in respect of the Parent Guaranteed Obligations, are expressly limited recourse obligations of Holdings, and such obligations shall be payable solely from, limited to, and shall in no event exceed, the Capital Stock of the Company pledged by Holdings, and (ii) upon the collection, sale or disposition of, or other realization upon, the Capital Stock of the Company pledged by Holdings by or on behalf of the Trustee, the Holders or the Note Collateral Agent, the obligations of Holdings under the Indenture and the Note Security Documents, including in respect of the Parent Guaranteed Obligations, shall be irrevocably and indefeasibly terminated and shall not be subject to reinstatement under any circumstance.

Notwithstanding any other provision of the Indenture or any Note Security Document, Holdings shall have the right to transfer all of the Capital Stock of the Company held by Holdings (including, for the avoidance of doubt, any such transfer in connection with any change in the Company's legal structure to a corporation, limited liability company or other entity) to any Parent or any Subsidiary of any Parent (a "*Successor Holding Company*") that (i) is a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (ii) assumes all of the obligations of Holdings under the Indenture and the Note Security Documents to which Holdings is a party by executing and delivering to the Trustee and the Note Collateral Agent a supplemental indenture and a joinder substantially in the form of an exhibit attached to a Note Security Document, or one or more other documents or instruments, together with a financing statement in appropriate form for filing under the Uniform Commercial Code of the relevant jurisdiction, in form reasonably satisfactory to the Note Collateral Agent, upon which (x) such Successor Holding Company will succeed to, and be substituted for, and may exercise every right and power of, Holdings under the Indenture and the Note Security Documents, and shall be thereafter be deemed to be "Holdings" for purposes of the Indenture and the Note Security Documents, (y) Holdings as predecessor to the Successor Holding Company ("*Predecessor Holdings*") shall be irrevocably and unconditionally released from the Parent Guarantee and all other obligations under the Indenture and the Note Security Documents, and (z) the Lien pursuant to the Note Security Documents on any property or assets of Predecessor Holdings shall be automatically released (it being understood that such transfer of Capital Stock of the Company to and assumption of rights and obligations of Holdings by such Successor Holding Company shall not in and of itself constitute a Change of Control).

Upon the listing of the Capital Stock of the Company on a nationally recognized stock exchange in the U.S. (whether through a Qualified IPO or otherwise) the Lien pursuant to the Note Security Documents on all of the shares of Capital Stock of the Company, as well as any other shares, stock certificates, options or rights of any nature whatsoever in respect of the capital stock of the Company, owned by Holdings shall be automatically released, and the Parent Guarantee of Holdings, and all obligations of Holdings under the Indenture and the Note Security Documents shall terminate, all without delivery of any instrument or performance of any act by any party.

Subsidiary Guarantees

Each Wholly Owned Domestic Subsidiary that guarantees payment by the Company or any Subsidiary Guarantor of any Indebtedness of the Company or such Subsidiary Guarantor under either of the Senior Credit Facilities (including by reason of being a borrower under the Senior ABL Facility on a joint and several basis with the Company or a Subsidiary Guarantor) guarantees payment of the Secured Notes under the Indenture and on and following the date of issuance of the Notes, will guarantee payment of the Notes under the Indenture. The Company will cause each Wholly Owned Domestic Subsidiary that guarantees payment by the Company or any Subsidiary Guarantor of any Indebtedness of the Company or such Subsidiary Guarantor under either of the Senior Credit Facilities (including by reason of being a borrower under the Senior ABL Facility on a joint and several basis with the Company or a Subsidiary Guarantor) to execute and deliver to the Trustee a supplemental indenture or other instrument pursuant to which such Wholly Owned Domestic Subsidiary will guarantee payment of the Notes, whereupon such Wholly Owned Domestic Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. In addition, the Company may, at its option, elect to cause any Subsidiary that is not a Subsidiary Guarantor to guarantee payment of the Notes and become a Subsidiary Guarantor.

Each Subsidiary Guarantor, as primary obligor and not merely as surety, will jointly and severally, irrevocably and fully and unconditionally Guarantee, on a senior secured basis, the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all monetary obligations of the Company under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Subsidiary Guarantors being herein called the "*Subsidiary Guaranteed Obligations*"). Such Subsidiary Guarantor will agree to pay, in addition to the amount stated above, any and all reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Trustee, the Note Collateral Agent or the Holders in enforcing any rights under its Subsidiary Guarantee.

The obligations of each Subsidiary Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor (including but not limited to any Guarantee by it of any Credit Facility Indebtedness), result in the obligations of such Subsidiary Guarantor under the Subsidiary Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law, or being void or unenforceable under any law relating to insolvency of debtors.

Each such Subsidiary Guarantee shall be a continuing Guarantee and shall (*i*) subject to release as described below, remain in full force and effect until payment in full of the principal amount of all outstanding Notes (whether by payment at maturity, purchase, repurchase, redemption, defeasance or other acquisition or retirement) and all other Subsidiary Guaranteed Obligations then due and owing unless earlier terminated as described below, (*ii*) be binding upon such Subsidiary Guarantor and (*iii*) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

Notwithstanding the preceding paragraph, any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect, (*i*) concurrently with any direct or indirect sale or disposition (by merger or otherwise) of any Subsidiary Guarantor or any interest therein, or any other transaction, in accordance with the terms of the Indenture (including the covenants described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Merger and Consolidation"), following which such Subsidiary Guarantor is no longer a Restricted Subsidiary of the Company, (*ii*) at any time that such Subsidiary Guarantor is (or, substantially concurrently with the release of the Subsidiary Guarantee of such Subsidiary Guarantor or if as a result of the release of the Subsidiary Guarantee of such Subsidiary Guarantor, will be) released from all of its obligations under its Guarantee of payment by the Company and all other Subsidiary Guarantors of any Indebtedness of the Company and such other Subsidiary Guarantors under the Senior Credit Facilities (including by reason of ceasing to be a borrower under the Senior ABL Facility) (it being understood that a release subject to contingent reinstatement is still a release, and that if any such Guarantee is so reinstated, such Subsidiary Guarantee shall be reinstated to the extent that such Subsidiary Guarantor would then be required to provide a Subsidiary Guarantee pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors"), (*iii*) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company or another Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all of its assets to any of the Company and the other Subsidiary Guarantors, (*iv*) concurrently with any Subsidiary Guarantor becoming an Unrestricted Subsidiary or ceasing to constitute a Wholly Owned Domestic Subsidiary of the Company, (*v*) during the Suspension Period (it being understood that upon the occurrence of a Reversion Time, such Subsidiary Guarantee shall be reinstated to the extent that such Subsidiary would then be required to provide a Subsidiary Guarantee pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors"), upon the merger or consolidation of any Subsidiary Guarantor with and into another Subsidiary that is not a Subsidiary Guarantor with such other Subsidiary being the surviving Person in such merger or consolidation, or upon liquidation of such Subsidiary Guarantor following the transfer of all of its assets to a Subsidiary that is not a Subsidiary Guarantor, (*vi*) upon legal or covenant defeasance of the Company's obligations, or satisfaction and discharge of the Indenture or (*vii*) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Indenture Notes then outstanding and all other Subsidiary Guaranteed Obligations then due and owing. In addition, the Company will have the right, upon 10 days' notice to the Trustee (or such shorter period as agreed to by the Trustee), to cause any Subsidiary Guarantor that has not guaranteed payment by the Company or another Subsidiary Guarantor of any Indebtedness of the Company or such other Subsidiary Guarantor under the Senior Credit Facilities to be unconditionally released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect. Upon any such occurrence specified in this paragraph, the Trustee shall execute any documents reasonably requested by the Company in order to evidence such release, discharge and termination in respect of such Subsidiary Guarantee.

Neither the Company nor any Subsidiary Guarantor shall be required to make a notation on the Notes to reflect any such Subsidiary Guarantee or any such release, termination or discharge.

Notwithstanding the foregoing, each Holder expressly and irrevocably agrees that it will not hinder, or direct the Trustee to take any action that will hinder, the automatic release of any Subsidiary Guarantee provided for by this "—Subsidiary Guarantees" section to the extent the Company determines in good faith that the applicable transaction is permitted under the Indenture (including, without limitation, in connection with any disposition to Persons other than the Company or a Subsidiary Guarantor permitted under the Indenture), and each Holder expressly and irrevocably agrees that the Trustee shall be authorized to, and shall, take any necessary action to release any such Subsidiary Guarantee to the extent authorized to do so by this "—Subsidiary Guarantees" section without any obligation or requirement to notify or obtain consent from any Holder (and the Trustee shall not condition any such actions on providing notice to, or obtaining consent from, the Holders).

Ranking

The Indebtedness evidenced by the Secured Notes is, and, on and following the issue date of the Notes, the Notes will be (*a*) Senior Indebtedness of the Company, (*b*) pari passu in right of payment with all existing and future Senior Indebtedness of the Company, (*c*) secured by the Collateral, which Collateral will be shared on a pari passu or senior basis with any other Parity Lien Obligations incurred thereafter and (*d*) senior in right of payment to all existing and future Subordinated Obligations of the Company. The Parity Lien Obligations and Priority Lien Obligations are also secured by the Collateral. Pursuant to the terms of the Base Intercreditor Agreement, the Liens securing Indebtedness evidenced by the Notes (*x*) with respect to the Fixed Asset Collateral, will rank senior to the Liens securing the Priority Lien Obligations and (*y*) with respect to the Current Asset Collateral, will rank junior to the Liens securing the Priority Lien Obligations, subject to certain Liens permitted under the Indenture. Such security interests are described under "—Security for the Notes." The Secured Notes are, and, on and following the issue date of the Notes, the Notes will be, effectively subordinated to all Indebtedness and other liabilities (including Trade Payables) of the Company's Subsidiaries (other than any Subsidiaries that are or become Subsidiary Guarantors pursuant to the provisions described above under "—Subsidiary Guarantees").

The Parent Guarantee in respect of the Secured Notes are, and, on and following the issue date of the Notes, the Notes will be (*a*) the Senior Indebtedness of Holdings, (*b*) pari passu in right of payment with all Senior Indebtedness of Holdings, (*c*) secured by the Collateral owned by Holdings to the extent of the value of such Collateral, which Collateral will be shared on a *pari passu* or senior basis with any other Parity Lien Obligations Incurred thereafter and (*d*) senior in right of payment to all Parent Subordinated Obligations of Holdings. The Parity Lien Obligations and Priority Lien Obligations are also secured by the Collateral owned by Holdings. Pursuant to the terms of the Base Intercreditor Agreement, the Liens securing Indebtedness evidenced by the Parent Guarantee will rank senior to the Liens securing the Priority Lien Obligations, subject to certain Liens permitted under the Indenture. Such security interests are described under "—Security for the Notes." The Parent Guarantee in respect of the Secured Notes are, and, on and following the issue date of the Notes, in respect of the Notes will be, structurally subordinated to all Indebtedness and other liabilities (including Trade Payables) of Holding's Subsidiaries (other than the Company and any Subsidiaries of the Company that are or become Subsidiary Guarantors pursuant to the provisions described under "—Subsidiary Guarantees").

The Secured Notes are, and, on and following the date of issuance of the Notes, the Notes will be, entitled to the Subsidiary Guarantees. Each Subsidiary Guarantee in respect of the Secured Notes are, and, on and following the issue date of the Notes, in respect of the Notes will be, (*a*) Senior Indebtedness of the applicable Subsidiary Guarantor, (*b*) pari passu in right of payment with all existing and future Senior Indebtedness of such Person, (*c*) secured by the Collateral, which Collateral will be shared on a pari passu or senior basis with any other Parity Lien Obligations incurred thereafter and (*d*) senior in right of payment to all existing and future Guarantor Subordinated Obligations of such Person. The Parity Lien Obligations and Priority Lien Obligations are also secured by the Collateral.

Pursuant to the terms of the Base Intercreditor Agreement, the Liens securing Indebtedness evidenced by the Subsidiary Guarantees (*x*) with respect to the Fixed Asset Collateral, will rank senior to the Liens securing the Priority Lien Obligations and (*y*) with respect to the Current Asset Collateral, will rank junior to the Liens securing the Priority Lien Obligations, subject to certain Liens permitted under the Indenture. Such security interests are described under "—Security for the Notes." Such Subsidiary Guarantee in respect of the Secured Notes are, and, on and following the issue date of the Notes, in respect of the Notes will be, effectively subordinated to all Indebtedness and other liabilities (including Trade Payables) of the Subsidiaries of such Person (other than any Subsidiaries that become Subsidiary Guarantors pursuant to the provisions described above under "—Subsidiary Guarantees").

Security for the Notes

The Notes and the Subsidiary Guarantees will have the benefit of the Collateral, which will generally consist of substantially all of the tangible and intangible assets of the Company and the Subsidiary Guarantors and, in the case of the Parent Guarantee, a pledge of the Capital Stock of the Company, including pledges of all Capital Stock of the Company's Restricted Subsidiaries directly owned by the Company and the Subsidiary Guarantors (but only up to 65% of each series of Capital Stock of each direct Foreign Subsidiary owned by the Company or any Subsidiary Guarantor), subject to certain thresholds and exceptions, and excluding any Excluded Assets. Collateral of the Company will secure the Obligations of the Company under the Notes, Collateral of Holdings will secure the Obligations of Holdings under the Parent Guarantee, and Collateral of each Subsidiary Guarantor will secure the Obligations of such Subsidiary Guarantor under its Subsidiary Guarantee.

Not all assets of Holdings, the Company and the Company's subsidiaries will constitute Collateral. See "Risk Factors—Risks Related to the Offering and the Notes—Certain assets are excluded from the Collateral." The Fixed Asset Collateral will exclude all assets that do not secure Parity Lien Obligations at any time and from time to time, so long as any Parity Lien Obligations are outstanding and the Current Asset Collateral will exclude all assets that do not secure Priority Lien Obligations at any time and from time to time, so long as any Priority Lien Obligations are outstanding. The assets that secure Parity Lien Obligations and Priority Lien Obligations may be subject to exceptions and exclusions that may change over time, in the determination of the Company, the Guarantors and the agent or other representative of holders of the Parity Lien Obligations and the Priority Lien Obligations, respectively. The assets that will initially secure the Parity Lien Obligations and the Priority Lien Obligations do not include, and accordingly the Collateral that will secure the Notes will exclude, the Excluded Assets. In addition, Holdings, the Company and the Guarantors will not be required to (*v*) take any action in any jurisdiction other than the United States of America, or required by the laws of any such non-U.S. jurisdiction, or enter into any security agreement or pledge agreement governed by the laws of any such non-U.S. jurisdiction, in order to create any security interests (or other Liens) in assets located or titled outside of the United States of America or to perfect any security interests (or other Liens) in any Collateral, (*w*) deliver control agreements with respect to, or confer perfection by "control" over, any deposit accounts, bank or securities account or other Collateral, except, in the case of Collateral that constitutes Capital Stock or intercompany notes in certificated form, delivering such Capital Stock or intercompany notes (in the case of intercompany notes, limited to any such note with a principal amount in excess of $35.0 million) to the Note Collateral Agent (or another Person as contemplated by the Intercreditor Agreements), (*x*) take any action in order to perfect any security interests in any assets specifically requiring perfection through control (including cash, cash equivalents, deposit accounts or securities accounts) (except, in each case, to the extent consisting of proceeds perfected automatically or by the filing of a financing statement under the Uniform Commercial Code or, in the case of pledged Capital Stock or pledged intercompany notes, by being held by the Note Collateral Agent (or another Person as contemplated by the Intercreditor Agreement), (*y*) deliver landlord lien waivers, estoppels or collateral access letters or (*z*) file any fixture filing with respect to any security interest in fixtures affixed to or attached to any real property constituting Excluded Assets. Certain control agreements have been or will be delivered for the benefit of the Senior ABL Collateral Agent as described under "Description of Other Indebtedness—Senior ABL Facility—Guarantee; Security."

The Company and the Guarantors will be able to incur additional Indebtedness in the future that could be secured by Liens sharing in all or part of the Collateral, which security interests may rank equally with or junior to the security interest of the Holders of the Notes. The amount of all such additional Indebtedness will be limited by the covenants described under "—Certain Covenants—Limitation on Liens" and "—Certain Covenants—Limitation on Indebtedness." Under certain circumstances the amount of such additional secured Indebtedness could be significant.

The Collateral will consist of (i) the Fixed Asset Collateral, as to which the Holders of the Notes and the other Parity Lien Obligations will have a security interest ranking senior to the security interest of the holders of Priority Lien Obligations and (ii) the Current Asset Collateral, as to which the holders of Priority Lien Obligations will have a security interest ranking senior to the security interest of the Holders of the Notes and the other Parity Lien Obligations.

Fixed Asset Collateral

The Notes, the other Parity Lien Obligations, the Parent Guarantee and the Subsidiary Guarantees will be secured by the Fixed Asset Collateral, which security interest will rank senior to the security interest of the holders of Priority Lien Obligations, and equal with the security interest of the holders of certain other Parity Lien Obligations. The Fixed Asset Collateral will generally consist of all Collateral, other than the Current Asset Collateral, and will exclude Excluded Assets.

Except as provided in the Base Intercreditor Agreement, holders of Liens on the Fixed Asset Collateral that are governed by the Base Intercreditor Agreement and rank junior to the security interest of the Holders of the Notes will not be able to take any enforcement action with respect to the Fixed Asset Collateral so long as any Notes are outstanding. See "—Description of the Intercreditor Agreements—Base Intercreditor Agreement." Except as provided in the Base Intercreditor Agreement, holders of the Priority Lien Obligations will not be able to take any enforcement action with respect to the Fixed Asset Collateral so long as any Notes are outstanding. See "—Description of the Intercreditor Agreements—Base Intercreditor Agreement."

Current Asset Collateral

The Notes, the other Parity Lien Obligations, and the Subsidiary Guarantees will be secured by the Current Asset Collateral, which security interest will rank junior to the security interest of the holders of Priority Lien Obligations. The Current Asset Collateral will generally consist of (subject to certain thresholds and exceptions) all Collateral consisting of accounts receivable, inventory, deposit accounts, securities accounts and other current assets and all proceeds thereof and all books and records relating to any of the foregoing. See "—Certain Definitions— "Current Asset Collateral.""

Except as provided in the Base Intercreditor Agreement, holders of Liens on the Current Asset Collateral that are governed by the Base Intercreditor Agreement and rank junior to the security interest of the holders of Priority Lien Obligations, including Holders of the Notes, will not be able to take any enforcement action with respect to the Current Asset Collateral so long as any Priority Lien Obligation is outstanding. See "—Description of the Intercreditor Agreements—Base Intercreditor Agreement."

After Acquired Property

Promptly, but in no event later than 90 days, following the acquisition by the Company or any Subsidiary Guarantor of any After Acquired Property, the Company or such Subsidiary Guarantor shall execute and deliver such Note Security Document supplements, security instruments and financing statements as shall be reasonably necessary to cause such After Acquired Property to be made subject to a perfected Lien (subject to Liens permitted under the Indenture, including Permitted Liens) in favor of the Note Collateral Agent for the benefit of the Trustee and the Holders of the Notes, and thereupon all provisions of the Indenture and the Note Security Documents relating to the Collateral shall be deemed to relate to such After Acquired Property to the same extent and with the same force and effect; *provided* that (*a*) if any Parity Lien Obligations are outstanding at such time, in the case of After Acquired Property constituting Fixed Asset Collateral, the execution and delivery of such documents will only be required, and such After Acquired Property will only become part of the Collateral securing the Notes, if and to the extent that such After Acquired Property becomes part of the Collateral securing the Parity Lien Obligations substantially concurrently therewith, (*b*) if any Priority Lien Obligations are outstanding at such time, in the case of After Acquired Property constituting Current Asset Collateral, the execution and delivery of such documents will only be required, and such After Acquired Property will only become part of the Collateral securing the Notes, if and to the extent that such After Acquired Property becomes part of the Collateral securing the Priority Lien Obligations substantially concurrently therewith, (*c*) the Collateral in any event will exclude Excluded Assets and (*d*) in any event the Company or such Guarantor will not be required to (*v*) take any action in any jurisdiction other than the United States of America, or required by the laws of any such non-U.S. jurisdiction, or enter into any security agreement or pledge agreement governed by the laws of any such non-U.S. jurisdiction, in order to create any security interests (or other Liens) in assets located or titled outside of the United States of America or to perfect any security interests (or other Liens) in any Collateral, (*w*) deliver control agreements with respect to, or confer perfection by "control" over, any deposit accounts, bank or securities account or other Collateral, except, in the case of Collateral that constitutes Capital Stock or intercompany notes in certificated form, delivering such Capital Stock or intercompany notes (in the case of intercompany notes, limited to any such note with a principal amount in excess of $35.0 million) to the Note Collateral Agent (or another Person as required under the Intercreditor Agreements), (*x*) take any action in order to perfect any security interests in any assets specifically requiring perfection through control (including cash, cash equivalents, deposit accounts or securities accounts) (except, in each case, to the extent consisting of proceeds perfected automatically or by the filing of a financing statement under the Uniform Commercial Code or, in the case of pledged Capital Stock or pledged intercompany notes, by being held by the Note Collateral Agent (or another Person as contemplated by the Intercreditor Agreements), (*x*) deliver landlord lien waivers, estoppels or collateral access letters or (*z*) file any fixture filing with respect to any security interest in fixtures affixed to or attached to any real property constituting Excluded Assets.

Note Security Documents

The Company, the Guarantors, the Note Collateral Agent and the Trustee have entered into one or more Note Security Documents creating and establishing the terms of the Liens that secure the Notes, the Parent Guarantee and the Subsidiary Guarantees. These Liens will secure the payment when due of all of the Obligations of the Company and the Guarantors under the Notes, the Indenture, the Guarantees and the Note Security Documents, as provided in the Note Security Documents. Wilmington Trust, National Association has been appointed, pursuant to the Indenture, as the Note Collateral Agent.

Release of Collateral

The Company and the Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the Notes under any one or more of the following circumstances:

- so long as any Parity Lien Obligations are outstanding, upon the release of all Liens thereon securing all the Parity Lien Obligations;

- so long as any Priority Lien Obligations are outstanding, upon the release of all Liens thereon securing Priority Lien Obligations;

- to enable the disposition of such property or assets to any Person (other than the Company or a Subsidiary Guarantor) to the extent not prohibited under the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock";

- the release of Excess Collateral Proceeds or Excess Other Proceeds (whether in respect of any Asset Disposition of Collateral or non-Collateral) that remain unexpended after the conclusion of an applicable Offer conducted in accordance with the Indenture;

- in the case of a Subsidiary Guarantor that is released from its Subsidiary Guarantee, the release of the property and assets of such Subsidiary Guarantor;

- as described under "—Amendments and Waivers" below; or

- as described under "—Description of the Intercreditor Agreements—Base Intercreditor Agreement—Release of Liens."

The security interests in all Collateral securing the Notes and Guarantees also will be released upon (i) payment in full of the principal of (and premium, if any), together with accrued and unpaid interest on, the Notes and all other Obligations under the Indenture, the Subsidiary Guarantees under the Indenture and the Note Security Documents that are due and payable at or prior to the time such principal (and premium, if any), together with accrued and unpaid interest, is paid or (ii) a legal defeasance or covenant defeasance under the Indenture as described below under "—Defeasance" or a discharge of the Indenture as described under "—Satisfaction and Discharge."

Certain Bankruptcy Limitations

In addition to the limitations described above, the right of the Note Collateral Agent to obtain possession, exercise control over or dispose of the Collateral following an Event of Default would be significantly impaired (or at a minimum delayed) by applicable bankruptcy or other insolvency laws if the Company or any Guarantor were to have become a debtor under the Bankruptcy Code (or any similar law or statute under debtor relief laws in any applicable jurisdiction) prior to the Note Collateral Agent's having obtained possession, exercised control over or disposed of the Collateral (and sometimes even after). For example, upon the commencement of a case for relief under the Bankruptcy Code, creditors, such as the Note Collateral Agent, are prohibited by the automatic stay from taking various actions in furtherance of debt collection, including obtaining possession of its collateral from a debtor in a bankruptcy case, or from exercising control over or disposing of collateral taken from such debtor, in each case without prior bankruptcy court approval (which may not be given under the circumstances or could be materially delayed). Moreover, the Bankruptcy Code generally permits the debtor to continue to retain and to use collateral owned as of the date of the bankruptcy filing (and the proceeds, products, offspring, rents or profits of such collateral) even though the debtor is in default under the applicable debt instruments, subject to certain protections afforded to a secured creditor (including the right to receive "adequate protection").

In view of the broad equitable powers of a U.S. bankruptcy court, as well as the lack of a precise definition of the term "adequate protection," it is impossible to predict whether or when payments under the Notes could be made following the commencement of an insolvency or liquidation proceeding (or the length of any delay in making such payments), whether or when the Note Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or any other relevant time or whether or to what extent holders of the Notes would be compensated for any delay in payment or loss of value of the Collateral through adequate protection or otherwise.

Furthermore, in the event a bankruptcy court determines that the value of the Collateral (after giving effect to any Priority Lien Obligations, to the extent senior to the obligations in respect of the Notes, or Parity Lien Indebtedness) is not sufficient to repay all amounts due on the Notes, the Indebtedness evidenced by the Notes would be "undersecured" and the holders of the Notes would only hold secured claims to the extent of the value of the Collateral and would hold unsecured, "deficiency" claims as to the difference. The Bankruptcy Code permits the payment and/or accrual of Post-Petition Interest to a secured creditor during a debtor's bankruptcy case only to the extent the value of the Collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the Collateral on account of which payment or accrual of Post-Petition Interest is sought (as well as any obligations secured by a senior lien on such Collateral).

In addition, the Company or any Guarantor (or any trustee appointed therefor) or creditors of the Company or any Guarantor may seek to challenge the grant of the Collateral to the Note Collateral Agent, or the incurrence of obligations in respect of the Notes or the Guarantees, as a fraudulent transfer or conveyance, preference or otherwise under the Bankruptcy Code and/or applicable state law. If such a challenge were successful, the Liens may be avoided, leaving the holders of the Notes with unsecured claims (or potentially no claims at all) against the applicable entities. See "Risk Factors—Risks Related to the Offering and the Notes—U.S. Federal and state fraudulent conveyance or fraudulent transfer laws may permit a court to avoid the Notes and the guarantees, and the liens securing the Notes and the related guarantees, and, if that occurs, you may not receive any payments on the Notes".

Description of the Intercreditor Agreements

The Liens on the Collateral securing the Notes will be subject to two separate intercreditor agreements. The Note Collateral Agent is, together with the Senior Cash Flow Collateral Agent, party to the Pari Passu Intercreditor Agreement that sets forth their relative rights in the Collateral, which provides for the pari passu nature of their Liens, including any Liens that may, in the future, secure additional Parity Lien Indebtedness. In addition, the Note Collateral Agent, together with the Senior Cash Flow Collateral Agent and the Senior ABL Collateral Agent, entered into the Base Intercreditor Agreement, which governs the relative rights of the Liens on the Collateral in favor of the Senior ABL Collateral Agent, the Senior Cash Flow Collateral Agent and the Note Collateral Agent, and provides for the senior priority of the Senior ABL Collateral Agent in the Current Asset Collateral relative to the Liens thereon of the Senior Cash Flow Collateral Agent, the Note Collateral Agent and the representative of any other Parity Lien Indebtedness, and also provides for the senior priority of the Senior Cash Flow Collateral Agent and the Note Collateral Agent in the Fixed Asset Collateral relative to the Liens thereon of the Senior ABL Collateral Agent.

If any other Indebtedness is designated as Parity Lien Indebtedness and is permitted by the terms of the Indenture to be secured by the Collateral, the representatives of the holders of such other Indebtedness will also become a party to the Pari Passu Intercreditor Agreement and the Base Intercreditor Agreement. The Indenture will provide that such intercreditor agreements may be amended from time to time without the consent of the holders of the Notes to, among other things, add other parties.

Holders of the Notes will be deemed to have agreed and accepted the terms of the Pari Passu Intercreditor Agreement and the Base Intercreditor Agreement and to have authorized and directed the Note Collateral Agent (and Trustee, if applicable) to enter into and perform its obligations under the Intercreditor Agreements, binding the Holders to the terms thereof by their acceptance of the Notes.

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 Collateral. The Controlling Collateral Agent will initially be the Senior Cash Flow Collateral Agent and will remain the Senior Cash Flow Collateral Agent until the earlier of (1) the discharge of Parity Lien Obligations that are Senior Cash Flow 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 authorized representative of the Series of Parity Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Parity Lien Obligations (excluding the Series of Senior Cash Flow Obligations) with respect to such Collateral, but solely to the extent that such Series of Parity Lien Obligations has a larger aggregate principal amount than the Senior Cash Flow Obligations then outstanding (the "*Major Non-Controlling Collateral Agent*").

With respect to any 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 Collateral.

The "*Non-Controlling Collateral Agent Enforcement Date*" means, with respect to any Non-Controlling Collateral Agent, the date that is 180 days (throughout which 180-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 Parity Lien 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 Parity Lien Obligations has occurred and is continuing and (ii) the Parity Lien 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 Parity Lien 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 Collateral (1) at any time the Controlling Collateral Agent has commenced and is diligently pursuing any enforcement action (including delivery by the Controlling Collateral Agent of a notice to the ABL Collateral Agent that purports to commence a Revolving Credit Standstill Period (as such term is defined in the Base Intercreditor Agreement) thereunder) with respect to such Collateral or any portion thereof, (2) at any time the Controlling Collateral Agent is stayed under the Base Intercreditor Agreement from pursuing enforcement actions with respect to such Collateral or any portion thereof or (3) at any time the Company or the Guarantor that has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Under the Pari Passu Intercreditor Agreement, the Controlling Collateral Agent will initially be the Senior Cash Flow Collateral Agent and the Note Collateral Agent will have no rights to take any action under the Pari Passu Intercreditor Agreement with respect to the Collateral unless and until it becomes the Controlling Collateral Agent or unless expressly permitted by the terms of the Pari Passu Intercreditor Agreement.

Notwithstanding the equal priority of the Liens on the Collateral, the Controlling Collateral Agent may deal with the 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 Collateral. Each of the holders of Parity Lien Obligations also has agreed that it will not 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 holders of Parity Lien Obligations 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 Parity Lien Obligations has occurred and is continuing and the Controlling Collateral Agent is taking action to enforce rights in respect of any Collateral, or any distribution is made with respect to any Collateral in any insolvency or liquidation proceeding of the Company or any Guarantor (including any adequate protection payments) or any holder of Parity Lien Obligations receives any payment pursuant to any intercreditor agreement (other than the Pari Passu Intercreditor Agreement but including the Base Intercreditor Agreement) with respect to any Collateral, the payments, proceeds or distribution of any sale, collection or other liquidation of any such Collateral received by any authorized representative or any holder of Parity Lien Obligations and any such distribution or payment in any insolvency or liquidation proceeding to which the Parity Lien Obligations are entitled under any other intercreditor agreement (subject, in the case of any such payments, proceeds, or distribution, to the paragraph immediately following) shall, subject to the terms of the Base Intercreditor Agreement with respect to the Current Asset Collateral, be applied among the Parity Lien Obligations to the payment in full of the Parity Lien Obligations on a ratable basis, after payment of all amounts owing to each authorized representative (in its capacity as the agent for the applicable Parity Lien Obligations); *provided* that following the commencement of any insolvency or liquidation proceeding with respect to the Company or any Guarantor, solely as among the holders of Parity Lien Obligations and solely for purposes of the corresponding paragraph in the Pari Passu Intercreditor Agreement and not any other documents governing Parity Lien Obligations, in the event the value of the Collateral is not sufficient for the entire amount of Post-Petition Interest on the Parity Lien 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 bankruptcy law in such insolvency or liquidation proceeding, the amount of Parity Lien Obligations of each Series of Parity Lien Obligations shall include only the maximum amount of Post-Petition Interest on the Parity Lien Obligations allowable under Section 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other bankruptcy law in such insolvency or liquidation proceeding.

It is the intention of the holders of Parity Lien Obligations of each Series that the holders of Parity Lien Obligations of such Series (and not the holders of Parity Lien Obligations of any other Series) bear the risk of any determination by a court of competent jurisdiction that (x) any of the Parity Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of Parity Lien Obligations), (y) any of the Parity Lien Obligations of such Series do not have an enforceable security interest in any of the Collateral securing any other Series of Parity Lien Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of Parity Lien Obligations) on a basis ranking prior to the security interest of such Series of Parity Lien Obligations but junior to the security interest of any other Series of Parity Lien Obligations or the existence of any Collateral for any other Series of Parity Lien Obligations that is not Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of Parity Lien Obligations, an "*Impairment*" of such Series). In the event of any Impairment with respect to any Series of Parity Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of Parity Lien Obligations, and the rights of the holders of such Series of Parity Lien Obligations (including, without limitation, the right to receive distributions in respect of such Series of Parity Lien 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 Parity Lien Obligations subject to such Impairment. Additionally, in the event the Parity Lien 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 Parity Lien Obligations or the Parity Lien Documents governing such Parity Lien Obligations shall refer to such obligations or such documents as so modified.

None of the holders of Parity Lien Obligations may institute in any insolvency or liquidation proceeding or other proceeding any claim against the Controlling Collateral Agent or any other holder of Parity Lien Obligations seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Collateral. In addition, none of the holders of Parity Lien Obligations may seek to have any Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral. If any holder of Parity Lien Obligations obtains possession of any Collateral or realizes any proceeds or payment in respect thereof pursuant to any Parity Lien 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 Parity Lien Obligations, then it must hold such Collateral, proceeds or payment in trust for the other holders of Parity Lien Obligations and promptly transfer such 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, and subject to the terms of the Base Intercreditor Agreement with respect to Current Asset Collateral, if at any time the Controlling Collateral Agent forecloses upon or otherwise exercises remedies against any Collateral, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Liens in favor of the other authorized representatives for the benefit of the Trustee and the holders of the Notes and each other Series of holders of Parity Lien Obligations upon such Collateral will automatically be released and discharged. However, any proceeds of any Collateral realized therefrom will be applied as described in the Pari Passu Intercreditor Agreement.

Each holder of Parity Lien Obligations has acknowledged that the Pari Passu Intercreditor Agreement is a "subordination agreement" under Section 510(a) of the Bankruptcy Code (or under any equivalent provision of any other applicable bankruptcy law) and shall continue in full force and effect notwithstanding the commencement of any insolvency or liquidation proceeding under the Bankruptcy Code or any other applicable bankruptcy law by or against the Company or any Guarantor. The Pari Passu Intercreditor Agreement provides that if the Company or any Guarantor becomes subject to any insolvency or liquidation proceeding and shall, as debtor(s)-in-possession, move for approval of DIP Financing (as defined below) 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 holder of Parity Lien Obligations will agree not to object to any such DIP Financing or to the Liens on the Collateral securing the same (the "*DIP Financing Liens*") and/or to any use of cash collateral that constitutes Collateral, unless the Controlling Collateral Agent with respect to such 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 Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any holders of Parity Lien Obligations 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 Collateral granted to secure the Parity Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Collateral as set forth in the Pari Passu Intercreditor Agreement), in each case so long as:

(A) the holders of Parity Lien Obligations of each Series retain the benefit of their Liens on all such Collateral pledged to the DIP Lenders, including proceeds, products, offsprings, profits, or rents, as applicable, thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other holders of Parity Lien Obligations (other than any Liens of the holders of Parity Lien Obligations constituting DIP Financing Liens) as existed prior to the commencement of such insolvency or liquidation proceeding;

(B) the holders of Parity Lien Obligations of each Series are granted Liens on any additional or replacement collateral pledged to any holder of Parity Lien Obligations as adequate protection or otherwise in connection with such DIP Financing and/or use of cash collateral, with the same priority vis-a-vis the holders of Parity Lien Obligations as set forth in the Pari Passu Intercreditor Agreement (other than any Liens of the holders of Parity Lien Obligations constituting DIP Financing Liens);

(C) if any amount of such DIP Financing and/or cash collateral is applied to repay any of the Parity Lien Obligations, such amount is applied pursuant to the Pari Passu Intercreditor Agreement; and

(D) if any holders of Parity Lien Obligations 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 holders of Parity Lien Obligations 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 holders of Parity Lien Obligations of such Series or its representative that do not constitute Collateral ; and provided, further, that the holders of Parity Lien Obligations receiving adequate protection shall not object to any other holder of Parity Lien Obligations receiving adequate protection comparable to any adequate protection granted to such holders of Parity Lien Obligations in connection with a DIP Financing and/or use of cash collateral.

The holders of Parity Lien Obligations have acknowledged that the Parity Lien Obligations of any Series may, subject to the limitations set forth in the other Parity Lien 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 of the Collateral set forth in the Pari Passu Intercreditor Agreement or the other provisions thereof defining the relative rights of the holders of Parity Lien Obligations of any Series.

Base Intercreditor Agreement

General

The Base Intercreditor Agreement provides, among other things, that, notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Obligations under the Notes or the other Parity Lien Obligations (including the Obligations under the Senior Cash Flow Agreement) granted on the Collateral or of any Liens securing the Priority Lien Obligations granted on the Collateral and notwithstanding any provision of any UCC, or any other applicable law or the Senior ABL Agreement, the Senior Cash Flow Agreement, the Existing Secured Notes Indenture or the Indenture, or any defect or deficiencies in, or failure to perfect, the Liens securing the Priority Lien Obligations, the Notes or the other Parity Lien Obligations, and whether or not such Liens securing, or purporting to secure, any Priority Lien Obligations or the Notes or any other Parity Lien Obligations are subordinated to any Lien securing any other obligation of the Company, or any other Guarantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed, or any other circumstance whatsoever, the Senior ABL Collateral Agent, on behalf of itself and/or the holders of the Priority Lien Obligations, and each Parity Lien Representative, on behalf of itself and/or the holders of the Notes and the other Parity Lien Obligations, each agrees that (i) any Lien of the Senior ABL Collateral Agent on the Current Asset Collateral, whether now or hereafter held by or on behalf of the ABL Collateral Agent or any holders of Priority Lien Obligations or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all Liens on the Current Asset Collateral securing or purporting to secure any Parity Lien Obligations (including the obligations under the Notes), and (ii) any Lien of the Parity Lien Representatives on the Fixed Asset Collateral, whether now or hereafter held by or on behalf of the Parity Lien Representatives, any holder of the Notes or other Parity Lien Obligations or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects to all Liens on the Fixed Asset Collateral securing or purporting to secure any Priority Lien Obligations. The Base Intercreditor Agreement provides that the Current Asset Collateral pledged to secure the Priority Lien Obligations will include certain collateral of foreign subsidiaries of the Company (the "*Foreign Collateral*") that will not secure the Parity Lien Obligations and no Parity Lien Representative will commence or take any enforcement action with respect to the Foreign Collateral and will be subject to certain other restrictions with respect to the Foreign Collateral. The Senior ABL Collateral Agent, on behalf of itself and/or the holders of the Priority Lien Obligations, and each Parity Lien Representative, on behalf of itself and/or the holders of the Notes and the other Parity Lien Obligations, each further agrees that during any insolvency or liquidation proceeding, the Base Intercreditor Agreement will be enforceable as a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code or any similar provision of any other applicable bankruptcy law, and the Senior ABL Collateral Agent, the Parity Lien Representatives, and the agents for any other Parity Lien Obligations or Priority Lien Obligations will have the rights to seek adequate protection in such proceedings in accordance with and subject to certain limitations set forth under the terms of the Base Intercreditor Agreement, including with respect to the relative priority of their respective security interests in the Current Asset Collateral and the Fixed Asset Collateral.

Under the Base Intercreditor Agreement, only the "*Controlling Fixed Asset Collateral Agent*" will have the right to act or refrain from acting on behalf of the holders of the Notes and the other Parity Lien

Obligations with respect to any Collateral. The Controlling Fixed Asset Collateral Agent will initially be the Senior Cash Flow Collateral Agent and will remain the Senior Cash Flow Collateral Agent until the Controlling Collateral Agent Change Date occurs under the Pari Passu Intercreditor Agreement.

Exercise of Remedies

The Base Intercreditor Agreement provides that (x) so long as Priority Lien Obligations remain outstanding, none of the Parity Lien Representative, nor any other holder of the Notes or other Parity Lien Obligations may (A) exercise any rights or remedies against the Current Asset Collateral or institute any enforcement action with respect to such rights or remedies provided, however, that the Controlling Fixed Asset Collateral Agent or any Person authorized by it may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (A) the date on which the Controlling Fixed Asset Collateral Agent declared the existence of an Event of Default and demanded the repayment of all the principal amount of any Parity Lien Obligations; and (B) the date on which the Senior ABL Collateral Agent received notice from the Controlling Fixed Asset Collateral Agent of such declaration of an Event of Default and that the Parity Lien Obligations are currently due and payable in full (whether as a result of the acceleration thereof or otherwise) in accordance with the terms of the applicable documents (the "*Fixed Asset Standstill Period*"); *provided*, *further*, *however*, that notwithstanding anything in the Base Intercreditor Agreement to the contrary, in no event shall any Parity Lien Representative or any holder of Parity Lien Obligations (A) exercise any rights or remedies with respect to (x) the Current Asset Collateral if, notwithstanding the expiration of the Fixed Asset Standstill Period, the Senior ABL Collateral Agent (or any person authorized by it) or the holders of Priority Lien Obligations shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the Controlling Fixed Asset Collateral Agent) or shall be stayed under applicable law from exercising such rights and remedies or (y) the Foreign Collateral, (B) contest or object to any proceeding or action brought by the agents for any Priority Lien Obligations with respect to the Current Asset Collateral or (C) object to the forbearance by the holders of Priority Lien Obligations from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Current Asset Collateral or such Priority Lien Obligations and (y) reciprocal restrictions apply to the Senior ABL Collateral Agent for enforcing rights and remedies against the Fixed Asset Collateral. Subject to the foregoing, the Senior ABL Collateral Agent and holders of the senior liens on the Current Asset Collateral and the Fixed Asset Collateral have the exclusive right (subject to the Fixed Asset Standstill Period) to enforce rights, exercise remedies and make determinations regarding the release, disposition or restrictions with respect to the Collateral in which they hold the senior lien without consultation with any agent or holders of the liens with junior priority in the same Collateral; *provided* that the Parity Lien Representatives or the holders of the Notes or any other Parity Lien Obligations may;

(1) file a claim with respect to the Notes and the other Parity Lien Obligations; provided that an insolvency or liquidation proceeding has been commenced by or against the Company or any Guarantor;

(2) take any action in order to create, perfect, preserve or protect (but not enforce) its Lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of the Base Intercreditor Agreement and shall not be adverse to the priority status of the Liens on the Current Asset Collateral, or the rights of the Senior ABL Collateral Agent or the holders of Priority Lien Obligations to exercise remedies in respect thereof;

(3) 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 holders of the Notes, including any claims secured by the Current Asset Collateral, if any, in each case in accordance with the terms of the Base Intercreditor Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Company or any Guarantor arising under either any insolvency or liquidation

proceeding or applicable non-bankruptcy law, in each case not inconsistent with, or prohibited by, the terms of the Base Intercreditor Agreement;

(5) vote on any plan of reorganization or similar dispositive restructuring plan, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of the Base Intercreditor Agreement, with respect to the obligations under the Notes and the Fixed Asset Collateral; and

(6) exercise any of its rights or remedies with respect to any of the Collateral (other than the Foreign Collateral) after the termination of the Fixed Asset Standstill Period to the extent permitted by the Base Intercreditor Agreement.

The ABL Collateral Agent and the holders of Priority Lien Obligations will be subject to similar restrictions with respect to the Fixed Asset Collateral.

Each Parity Lien Representative, for itself and on behalf of each holder of the Notes and the other Parity Lien Obligations, and the Senior ABL Collateral Agent, for itself and on behalf of each holder of Priority Lien Obligations, agrees that it will not (and waives any right to) contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the holders of the Priority Lien Obligations or any of the holders of the Notes or the other Parity Lien Obligations in the Collateral, the allowability of the claims asserted with respect to the Obligations under the Notes or the other Parity Lien Obligations, or the Priority Lien Obligations in any insolvency or liquidation proceeding, or the provisions of the Base Intercreditor Agreement; *provided* that nothing in the Base Intercreditor Agreement shall be construed to prevent or impair the rights of any collateral agent or any holder of Priority Lien Obligations, holder of the Notes, or holder of any other Parity Lien Obligations to enforce the Base Intercreditor Agreement, including the provisions thereof relating to the priority of the Liens securing the respective obligations.

So long as neither the discharge of Priority Lien Obligations nor the discharge of obligations under the Notes or the other Parity Lien Obligations has occurred, whether or not any insolvency or liquidation proceeding has been commenced by or against the Company or any Guarantor, any Collateral or proceeds thereof received by any collateral agent or any holders of the Notes or other Parity Lien Obligations or holders of Priority Lien Obligations in connection with the exercise of any right or remedy (including set-off) relating to the Collateral or otherwise received in contravention of the Base Intercreditor Agreement shall be segregated and held in trust and forthwith paid over to the appropriate collateral agent with a senior lien on such Collateral for the benefit of the holders of the Notes and the Parity Lien Obligations or the holders of Priority Lien Obligations, as the case may be, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each collateral agent will, under the Base Intercreditor Agreement, be authorized by the other collateral agents to make any such endorsements as agent for the other collateral agents or any holders of the Notes or Parity Lien Obligations or holders of the Priority Lien Obligations, as the case may be. This authorization is coupled with an interest and is irrevocable until the discharge of Priority Lien Obligations and the discharge of obligations under the Notes and the other Parity Lien Obligations.

Collateral Access Rights

The Base Intercreditor Agreement provides that the Senior ABL Collateral Agent will have access to and a rent free right to use the Fixed Asset Collateral for the purpose of arranging for and effecting the sale or disposition of Current Asset Collateral, including the production, completion, packaging and other preparation of such Current Asset Collateral for sale or disposition for a period, after the commencement of an enforcement period, which begins on the day that the Base Collateral Agent provides the Controlling Fixed Asset Collateral Agent with the notice of its election to request access to any mortgaged premises pursuant to the Base Intercreditor Agreement and ends on the earliest of (i) the 180th day after the Senior ABL Collateral Agent obtains the ability to use, take physical possession of, remove or otherwise control the use or access to the Collateral located on such mortgaged premises following a collateral enforcement action plus such number of days, if any, after the Senior ABL Collateral Agent obtains access to such Collateral that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Collateral located on such mortgaged premises, (ii) the date on which all or substantially all of the Current Asset Collateral located on such mortgaged premises is sold, collected or liquidated, (iii) the date on which the discharge of the Priority Lien Obligations occurs and (iv) the date on which the event of default that was the subject of the applicable Enforcement Notice (as defined in the Base Intercreditor Agreement) relating to such enforcement period has been cured to the satisfaction of the Senior ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent, as applicable, or waived in writing in accordance with the requirements of the Senior ABL Agreement, Senior Cash Flow Credit Agreement, the Existing Secured Notes Indenture or the Indenture, as applicable.

Each Parity Lien Representative has granted (to the full extent of its rights and interests) the Senior ABL Collateral Agent and its agents, representatives and designees (a) a royalty free, rent free non-exclusive license and lease to use all of the Fixed Asset Collateral constituting intellectual property, to complete the sale of inventory and (b) a royalty free non-exclusive license (which will be binding on any successor or assignee of the intellectual property) to use any and all intellectual property, in each case, at any time in connection with its collateral enforcement action; provided, however, the royalty free, rent free non-exclusive license and lease granted in clause (a) shall immediately expire upon the sale, lease, transfer or other disposition of all such inventory.

Set Off and Tracing

The Base Intercreditor Agreement provides that prior to an issuance of an Enforcement Notice, all funds deposited in an account subject to a control agreement that constitute Current Asset Collateral and then applied to the Priority Lien Obligations shall be treated as Current Asset Collateral and, unless the Senior ABL Collateral Agent has actual knowledge to the contrary, any claim that payments made to the Senior ABL Collateral Agent through the Deposit Accounts and Securities Accounts that are subject to such control agreements, are Proceeds of or otherwise constitute Fixed Asset Collateral are waived by the Parity Lien Representatives and the holders of Parity Lien Obligations; *provided* that after the issuance of an Enforcement Notice by the Controlling Fixed Asset Collateral Agent, all identifiable proceeds of Fixed Asset Collateral shall be deemed Fixed Asset Collateral, whether or not held in an account subject to a control agreement.

The Base Intercreditor Agreement further provides that prior to an issuance of an Enforcement Notice, any proceeds of Collateral, whether or not deposited in an account subject to a deposit account control agreement or a securities account control agreement, shall not (as between the Parity Lien Representatives, the Senior ABL Collateral Agent, and the respective secured parties) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral.

Release of Liens

If in connection with the exercise of the Senior ABL Collateral Agent's remedies in respect of any Collateral as provided for in the Base Intercreditor Agreement, the Senior ABL Collateral Agent, for itself or on behalf of any of the holders of Priority Lien Obligations, releases any of its Liens on any part of the Current Asset Collateral, then the Liens, if any, of each Parity Lien Representative, for itself or for the benefit of the holders of the Notes and the other Parity Lien Obligations, on the Current Asset Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. Each Parity Lien Representative, for itself or on behalf of the holders of the Notes and any other Parity Lien Obligations, promptly shall execute and deliver to the Senior ABL Collateral Agent or such Company or Guarantor such termination statements, releases and other documents as the Senior ABL Collateral Agent or such Company or Guarantor may request to effectively confirm such release. The Base Intercreditor Agreement contains a reciprocal provision with respect to the release of the Liens of the Senior ABL Collateral Agent on the Fixed Asset Collateral in connection with an exercise of remedies with respect thereto by the Controlling Fixed Asset Collateral Agent. In addition, if in connection with any sale, lease, exchange, transfer or other disposition of any Collateral (collectively, permitted under the terms of the Senior ABL Agreement, the Senior Cash Flow Agreement, the Existing Secured Notes Indenture and the Indenture (other than in connection with the exercise of the Senior ABL Collateral Agent's rights and remedies in respect of the Collateral as provided for in applicable provisions of the Base Intercreditor Agreement), the Senior ABL Collateral Agent, for itself or on behalf of any of the holders of the Priority Lien Obligations, releases any of its Liens on any part of the Current Asset Collateral, in each case other than (A) in connection with the discharge of Priority Lien Obligations or (B) after the occurrence and during the continuance of an event of default under the Indenture, then the Liens, if any, of each Parity Lien Representative, for itself or for the benefit of the holders of the Notes and the other Parity Lien Obligations, on such Collateral shall be automatically, unconditionally and simultaneously released. The Base Intercreditor Agreement contains a reciprocal provision with respect to the release of the Liens of the Senior ABL Collateral Agent on the Fixed Asset Collateral in connection with such a sale or other disposition in which the Controlling Fixed Asset Collateral Agent releases its Liens on such Fixed Asset Collateral.

Amendments

The Indenture and the documents governing any other Parity Lien Obligation may be amended, supplemented, amended and restated, replaced, refinanced or otherwise modified from time to time in accordance with their terms and the obligations under the Notes and the other Parity Lien Obligations may be refinanced, in each case, without notice to, or the consent of the Senior ABL Collateral Agent or the holders of Priority Lien Obligations, all without affecting the lien priorities or other provisions of the Base Intercreditor Agreement; *provided*, *however*, that any such refinancing shall comply with the applicable provision of the Base Intercreditor Agreement and shall not contravene any provision of the Base Intercreditor Agreement. The Base Intercreditor Agreement contains a reciprocal provision with respect to any amendment of any Priority Lien Obligations documents or refinancing of the Priority Lien Obligations.

Certain Matters in Connection with Insolvency or Liquidation Proceedings

Until the discharge of Priority Lien Obligations has occurred, if the Company or any Guarantor shall be subject to any insolvency or liquidation proceeding and the Senior ABL Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting Current Asset Collateral on which the Senior ABL Collateral Agent or any other creditor has a Lien or to permit the Company or any Guarantor to obtain financing to be secured at least in part by the Current Asset Collateral, whether from the holders of the Priority Lien Obligations or any other Person under Section 364 of the Bankruptcy Code or any similar provision of any other applicable bankruptcy law ("*DIP Financing*"), then each Parity Lien Representatives, on behalf of itself and the applicable holders of the Notes and the other Parity Lien Obligations, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meets the following requirements: (i) each Parity Lien Representative and the holders of the Notes and the other Parity Lien Obligations retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are materially prejudicial to their interests in the Fixed Asset Collateral, and (ii) the terms of the DIP Financing (A) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order and (B) do not require that any Lien of the Parity Lien Representatives on the Fixed Asset Collateral be subordinated to or *pari passu* with any Lien on the Fixed Asset Collateral securing such DIP Financing. To the extent the Liens securing the Priority Lien Obligations are subordinated to or *pari passu* with such DIP Financing which meets the requirements of clause (ii) above, each Parity Lien Representative will subordinate its Liens in the Current Asset Collateral to (*1*) the Liens thereon securing such DIP Financing (and all Obligations relating thereto), (*2*) all adequate protection Liens thereon granted to the holders of Priority Lien Obligations, and (*3*) to any "carve out" therefrom for professional and United States trustee fees that has been agreed to by the Senior ABL Collateral Agent, and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Senior ABL Collateral Agent or to the extent permitted by the applicable section of the Base

Intercreditor Agreement). The Base Intercreditor Agreement provides for a similar restriction on the ability of the Senior ABL Collateral Agent and the holders of the Priority Lien Obligations to object to a proposed DIP Financing that would be secured at least in part by the Fixed Asset Collateral or to the use of any Fixed Asset Collateral constituting cash collateral that has been approved by the Controlling Fixed Asset Collateral Agent, provided that similar conditions with respect to the Current Asset Collateral and the holders of Priority Lien Obligations would be satisfied in connection therewith.

Until the discharge of the Priority Lien Obligations has occurred, each Parity Lien Representative, on behalf of itself and the holders of the Notes and the other Parity Lien Obligations, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of the Current Asset Collateral, without the prior written consent of the Senior ABL Collateral Agent, and, for the avoidance of doubt, shall not seek relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of the Foreign Collateral. The Base Intercreditor Agreement provides for a reciprocal restriction on the ability of the Senior ABL Collateral Agent and the holders of the Priority Lien Obligations to seek relief from the automatic stay with respect to the Fixed Asset Collateral.

Each Parity Lien Representative, for itself and on behalf of the holders of the Notes and the other Parity Lien Obligations, and the ABL Collateral Agent, for itself and on behalf of the holders of Priority Lien Obligations, acknowledges and agrees in the Base Intercreditor Agreement that the grants of Liens pursuant to the Security Documents (as defined in the Senior ABL Agreement) and the Fixed Asset Liens constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Parity Lien Obligations are fundamentally different from the Priority Lien Obligations and must be separately classified in any plan of reorganization or similar dispositive restructuring plan proposed, confirmed or adopted in an insolvency or liquidation proceeding. To further effectuate the intent of the parties as provided in the foregoing sentence, if it is held that the claims of the holders of the Notes and the other Parity Lien Obligations and the holders of the Priority Lien Obligations in respect of the Collateral constitute only one secured claim (rather than separate classes of secured claims subject to the relative Lien priority set forth in the Base Intercreditor Agreement with respect to such Collateral, it being understood that in accordance with the other provisions of the Base Intercreditor Agreement, the holders of Parity Lien Obligations do not have any secured claim with respect to Foreign Collateral), then each Parity Lien Representative, for itself and on behalf of the holders of the Notes and the other Parity Lien Obligations, and the Senior ABL Collateral Agent, for itself and on behalf of the holders of Priority Lien Obligations, acknowledge and agree that, subject to the Lien priority and application of proceeds provisions of the Base Intercreditor Agreement, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Company and the Guarantors in respect of the Collateral (with the effect being that, to the extent that the aggregate value of the Current Asset Collateral is sufficient (for this purpose ignoring all claims held by the holders of the Notes and the other Parity Lien Obligations), the holders of the Priority Lien Obligations shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, expenses and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Senior ABL Agreement arising from or related to a default, whether or not a claim therefor is allowed or allowable in any insolvency or liquidation proceeding) before any distribution is made from the Current Asset Collateral in respect of the claims held by the holders of the Notes or the other Parity Lien Obligations, with each Parity Lien Representative, for itself and on behalf of the holders of the Notes and the other Parity Lien Obligations, acknowledging and agreeing to turn over to the Senior ABL Collateral Agent, for itself and on behalf of the holders of Priority Lien Obligations, amounts otherwise received or receivable by them from the Current Asset 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 holders of the Notes or the other Parity Lien Obligations. The Senior ABL Collateral Agent and the holders of Priority Lien Obligations have agreed to a reciprocal provision with respect to distributions from the Fixed Asset Collateral and the potential turn over thereof to the Controlling Fixed Asset Collateral Agent by the holders of Priority Lien Obligations.

Each Parity Lien Representative, for itself and on behalf of the holders of the Notes and the other Parity Lien Obligations, and the Senior ABL Collateral Agent, for itself and on behalf of the holders of Priority Lien Obligations, acknowledge and agree in the Base Intercreditor Agreement that no holder of Priority Lien Obligations nor any holder of the Notes or the other Parity Lien Obligations (whether in the capacity of a secured creditor or an unsecured creditor) shall propose, vote for, or otherwise support directly or indirectly any plan of reorganization or similar dispositive restructuring plan that is inconsistent with the priorities or other provisions of the Base Intercreditor Agreement. In addition, if, in any insolvency or liquidation proceeding involving the Company or a Guarantor, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed or reinstated (in whole or in part) pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of the Priority Lien Obligations and on account of the Notes and the other Parity Lien Obligations, then, to the extent the debt obligations distributed on account of the Priority Lien Obligations and on account of the Parity Lien Obligations are secured by Liens upon the same property, the provisions of the Base Intercreditor Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

Subject to certain designated provisions of the Base Intercreditor Agreement, each Parity Lien Representative agrees that it will consent, and will not object or oppose, or support any party in opposing, a motion to dispose of any Current Asset Collateral free and clear of any Liens or other claims under Section 363 of the Bankruptcy Code or any similar provision of any other applicable bankruptcy law if the requisite holders of the Priority Lien Obligations under the Senior ABL Agreement have consented to such disposition of the Current Asset Collateral, such motion does not impair, subject to the priorities set forth in the Base Intercreditor Agreement, the rights of the Parity Lien Representatives under Section 363(k) of the Bankruptcy Code or any similar provision of any other applicable bankruptcy law (so long as the right of any holder of the Notes or other Parity Lien Obligation to offset its claim against the purchase price for any Current Asset Collateral exists only after the Priority Lien Obligations have been paid in full in cash and/or in such other form of consideration as may be agreed to by the holders of Priority Lien Obligations), and the terms of any proposed order approving such transaction provide for the respective Liens to attach to the proceeds of the Current Asset Collateral that is the subject of such disposition, subject to the Lien priorities in the Base Intercreditor Agreement and the other terms and conditions thereof. Each Parity Lien Representative further agrees that it will not oppose, or support any party in opposing, the right of the ABL Collateral Agent to credit bid under Section 363(k) of the Bankruptcy Code or any similar provision of any other applicable bankruptcy law with respect to the Current Asset Collateral, subject to the provision of the immediately preceding sentence with respect to the Fixed Asset Collateral. The ABL Collateral Agent and the holders of Priority Lien Obligations have agreed to reciprocal restrictions on their ability to object to, or credit bid with respect to, any proposed sale of Fixed Asset Collateral.

Each Parity Lien Representative, for itself and on behalf of the holders of the Notes and the other Parity Lien Obligations, has also agreed to certain limitations of their rights with respect to the Current Asset Collateral in an insolvency and liquidation proceeding, including (1) the right to object to requests for adequate protection by the ABL Collateral Agent and the holders of Priority Lien Obligations and other limitations on their own rights to seek adequate protection, (2) the right to object to certain requests by the ABL Collateral Agent and the holders of Priority Lien Obligations for Post-Petition Interest, and (3) waivers of certain rights under Sections 506(c) and 1111(b) of the Bankruptcy Code. The ABL Collateral Agent and the holders of Priority Lien Obligations have agreed to reciprocal limitations and waivers.

Change of Control

Upon the occurrence of a Change of Control (as defined below), each Holder of Notes will have the right to require the Company to repurchase all or any part of such Notes at a purchase price in cash (the "*Change of Control Payment*") equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to but not including the date of repurchase (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 purchase date); *provided*, however, that the Company shall not be obligated to repurchase Notes pursuant to this covenant in the event that it has exercised its right to redeem all of the Notes as described under "—Optional Redemption." The Transactions shall not constitute or give rise to a Change of Control.

The term "*Change of Control*" means:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, as in effect on the Issue Date), other than one or more Permitted Holders or a Parent, becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, as in effect on the Issue Date), directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of the Company; *provided* that (*x*) so long as the Company is a Subsidiary of any Parent, no "person" shall be deemed to be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of the Company unless such "person" shall be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of such Parent (other than a Parent that is a Subsidiary of another Parent) and (*y*) any Voting Stock of which any Permitted Holder is the "beneficial owner" shall not in any case be included in any Voting Stock of which any such "person" is the "beneficial owner"; or

(ii) the Company sells or transfers, in one or a series of related transactions, all or substantially all of the assets of the Company and its Restricted Subsidiaries to, another Person (other than one or more Permitted Holders) and any "person" (as defined in clause (i) above), other than one or more Permitted Holders or any Parent, is or becomes the "beneficial owner" (as so defined), directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of the transferee Person in such sale or transfer of assets, as the case may be; *provided* that (*x*) so long as such transferee Person is a Subsidiary of a parent Person, no "person" shall be deemed to be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of such transferee Person unless such "person" shall be or become a "beneficial owner" of more than 50.0% of the total voting power of the Voting Stock of such parent Person (other than a parent Person that is a Subsidiary of another parent Person) and (*y*) any Voting Stock of which any Permitted Holder is the "beneficial owner" shall not in any case be included in any Voting Stock of which any such "person" is the beneficial owner.

For the purpose of this definition, so long as at the time of any Minority Business Disposition or any Minority Business Offering the Minority Business Disposition Condition is met, the Minority Business Assets shall not be deemed at any time to constitute all or substantially all of the assets of the Company and its Restricted Subsidiaries, and any sale or transfer of all or any part of the Minority Business Assets (whether directly or indirectly, whether by sale or transfer of any such assets, or of any Capital Stock or other interest in any Person holding such assets, or by merger or consolidation or any combination thereof, and whether in one or more transactions, or otherwise, including any Minority Business Offering or any Minority Business Disposition) shall not be deemed at any time to constitute a sale or transfer of all or substantially all of the assets of the Company and its Restricted Subsidiaries.

In the event that, at the time of such Change of Control, the terms of any Credit Facility Indebtedness constituting Designated Senior Indebtedness restrict or prohibit the repurchase of the Notes pursuant to this covenant, then prior to the sending of the notice to Holders provided for in the immediately following paragraph but in any event not later than 30 days following the date the Company obtains actual knowledge of any Change of Control (unless the Company has exercised its right to redeem all the Notes as described under "—Optional Redemption"), the Company shall, or shall cause one or more of its Subsidiaries to, (*i*) repay in full all such Credit Facility Indebtedness subject to such terms or offer to repay in full all such Credit Facility Indebtedness and repay the Credit Facility Indebtedness of each lender who has accepted such offer or (*ii*) obtain the requisite consent under the agreements governing such Credit Facility Indebtedness to permit the repurchase of the Notes as provided for in the immediately following paragraph. The Company shall first comply with the provisions of the immediately preceding sentence before it shall be required to repurchase Notes pursuant to the provisions described below. The Company's failure to comply with the provisions of this paragraph or the provisions of the immediately following paragraph shall constitute an Event of Default described in clause (iv) and not in clause (ii) under "—Defaults" below.

Unless the Company has exercised its right to redeem all the Notes as described under "—Optional Redemption," the Company shall, not later than 30 days following the date the Company obtains actual knowledge of any Change of Control having occurred, send a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating: (*1*) that a Change of Control has occurred or may occur and that such Holder has, or upon such occurrence will have, the right to require the Company to purchase such Holder's Notes at a purchase price in cash equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to but not including the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date falling prior to or on the purchase date); (*2*) the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is sent, except that such notice may be delivered more than 60 days prior to the purchase date if the purchase date is delayed as provided in clause (4) of this paragraph); (*3*) the instructions determined by the Company, consistent with this covenant, that a Holder must follow in order to have its Notes purchased; and (*4*) if such notice is sent prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control and that the purchase date may, in the Company's discretion, be delayed until such time as the Change of Control has occurred. No Note will be repurchased in part if less than the Minimum Denomination in original principal amount of such Note would be left outstanding.

The Company will not be required to make a Change of Control Offer upon a Change of Control if (*i*) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (*ii*) in connection with or in contemplation of any Change of Control, to the extent a definitive agreement is in place for the Change of Control at such time, the Company (or any Affiliate of the Company) has made an offer to purchase (an "*Alternate Offer*") any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in connection 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, conditional upon such Change of Control, 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 Indenture, Notes, the Parent Guarantee and/or Subsidiary Guarantees.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes of any series validly tender and do not withdraw such Notes in a Change of Control Offer or an Alternate Offer and the Company, or any third party making a Change of Control Offer or any Affiliate of the Company making an Alternate Offer in lieu of the Company as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, the Company or such third party or such Affiliate will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to such Change of Control Offer or such Alternate Offer, to redeem all Notes of such series that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the date of such redemption (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% in the aggregate principal amount of the outstanding Notes have validly tendered and not validly withdrawn the Notes in an offer, Notes owned by an Affiliate of the Company or by funds controlled or managed by an Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

The Change of Control purchase feature is a result of negotiations between the Company and the Initial Purchasers. The Company has no present plans to engage in a transaction involving a Change of Control, although it is possible that the Company could decide to do so in the future. Subject to the limitations discussed below, the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Company's capital structure or credit ratings. Restrictions on the ability of the Company to Incur additional Indebtedness are contained in the covenant described under "—Certain Covenants—Limitation on Indebtedness." Such restrictions can be waived with only the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenant, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The occurrence of a Change of Control could constitute a default under the Senior ABL Agreement. The Senior Cash Flow Agreement and the Existing Indentures each require that the lenders thereunder or holders of notes, as applicable, be offered the option to have their loans repaid or notes redeemed, as applicable, upon a Change of Control. Agreements governing other Indebtedness of the Company or of its Restricted Subsidiaries may contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid (or for holders of such Indebtedness to be offered the option to be repurchased or repaid) upon a Change of Control. Agreements governing other Indebtedness of the Company or of its Restricted Subsidiaries may prohibit the Company from repurchasing the Notes upon a Change of Control unless the Indebtedness governed by such agreements has been repurchased or repaid (or an offer made to effect such repurchase or repayment has been made and the Indebtedness of those creditors accepting such offer has been repurchased or repaid) and/or other specified requirements have been met. Moreover, the exercise by the Holders of their right to require the Company to repurchase the Notes could cause a default under such agreements, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company and its Subsidiaries. Finally, the Company's ability to pay cash to the Holders upon a repurchase may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Indenture relating to the Company's obligation to make an offer to purchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes. As described above under "—Optional Redemption," the Company also has the right to redeem the Notes at specified prices, in whole or in part, upon a Change of Control or otherwise. See "Risk Factors—Risks Related to the Offering and the Notes—We may not be able to repurchase the Notes upon a change of control as required by the terms of the Indenture."

The definition of Change of Control includes a phrase relating to the sale or other transfer of "all or substantially all" of the assets of the Company and its Restricted Subsidiaries. Although there is a body of case law interpreting the phrase "substantially all," there is no precise definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company and its Restricted Subsidiaries and therefore it may be unclear as to whether a Change of Control has occurred and whether the Holders of the Notes have the right to require the Company to repurchase such Notes. As noted above, under certain circumstances the Minority Business Assets shall not at any time be deemed to constitute "all or substantially all" of the assets of the Company and its Restricted Subsidiaries.

Certain Covenants

If on any day following the Issue Date (*a*) the Notes have an Investment Grade Rating from either of the Rating Agencies and (*b*) no Default has occurred and is continuing under the Indenture, then, beginning on that day subject to the provisions of the following paragraph, the covenants described under the following captions in this "Description of Secured Notes" section of this offering memorandum (collectively, the "*Suspended Covenants*") will be suspended:

"—Limitation on Indebtedness";

"—Limitation on Restricted Payments";

"—Limitation on Restrictions on Distributions from Restricted Subsidiaries";

"—Limitation on Sales of Assets and Subsidiary Stock";

"—Limitation on Transactions with Affiliates";

"—Future Subsidiary Guarantors"; and

clauses (iii) and (iv) of the first paragraph of "—Merger and Consolidation."

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with the covenant described under "—Limitation on Restricted Payments" as if such covenant would have been in effect during such period.

If on any subsequent date both of the Rating Agencies have assigned ratings to the Notes below an Investment Grade Rating, the foregoing covenants will be reinstated (and any Collateral acquired during the Suspension Period will be pledged to secure the Notes, the Parent Guarantee and the Subsidiary Guarantees, as applicable, pursuant to the covenant described above under "After Acquired Property") as of and from the time at which the Company obtains actual knowledge of such ratings (any such time, a "*Reversion Time*"). The period of time between the suspension of covenants as set forth above and the Reversion Time is referred to as the "*Suspension Period*." Upon such reinstatement, all Indebtedness Incurred during the Suspension Period will be deemed to have been Incurred under the exception provided by clause (b)(iii)(B) of the covenant described under "—Limitation on Indebtedness." With respect to Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as if the covenant described under "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period. For purposes of the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock," upon the occurrence of a Reversion Time the amount of Net Available Cash not applied in accordance with such covenant will be deemed to be reset to zero. In addition, for purposes of the covenant described under "—Limitation on Transactions with Affiliates," all agreements and arrangements entered into by the Company and any Restricted Subsidiary with an Affiliate of the Company during the Suspension Period prior to such Reversion Time will be deemed to have been entered into on or prior to the Issue Date, and for purposes of the covenant described under "—Limitation on Restrictions on Distributions from Restricted Subsidiaries," all contracts entered into during the Suspension Period prior to such Reversion Time that contain any of the encumbrances or restrictions subject to such covenant will be deemed to have been existing on the Issue Date. The Subsidiary Guarantees of the Subsidiary Guarantors will be suspended during the Suspension Period.

During the Suspension Period, any reference in the definitions of "Permitted Liens" and "Unrestricted Subsidiary" to the covenant described under "—Limitation on Indebtedness" or any provision thereof shall be construed as if such covenant were in effect during the Suspension Period.

Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of any actions taken by the Company or any Subsidiary (including, for the avoidance of doubt, any failure to (x) comply with the Suspended Covenants or (y) grant, perfect or maintain the effect of any party's security interest in any Collateral acquired during the Suspension Period) or other events that occurred during any Suspension Period (or upon termination of the Suspension Period or after that time arising out of events that occurred or actions taken during the Suspension Period) and the Company and any Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period following a Reversion Time and to consummate the transactions contemplated thereby.

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

Limitation on Indebtedness.

The Indenture will provide as follows:

(a) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness; *provided, however*, that the Company or any Restricted Subsidiary may Incur Indebtedness if on the date of the Incurrence of such Indebtedness, after giving effect to the Incurrence thereof (or, at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness (such committed amount, a "*Coverage Ratio Tested Committed Amount*"), in which case such Coverage Ratio Tested Committed Amount may thereafter be borrowed and reborrowed in whole or in part, from time to time without further compliance with this proviso), either (x) the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00 or (y) the Consolidated Coverage Ratio would equal or be greater than the Consolidated Coverage Ratio immediately prior to giving effect thereto.

(b) Notwithstanding the foregoing paragraph (a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

> (i) Indebtedness Incurred pursuant to (*x*) any Credit Facility (including but not limited to in respect of letters of credit or bankers' acceptances issued or created thereunder) and Indebtedness Incurred other than pursuant to any Credit Facility, (*y*) the Notes and (*z*) the Existing Secured Notes, and (without limiting the foregoing), in each case, any Refinancing Indebtedness in respect thereof, (*I*) in a maximum principal amount at any time outstanding not exceeding in the aggregate an amount equal to the sum of (*A*) $3,052.0 million, plus (*B*) €500.0 million, plus (*C*) the amount equal to the greater of (*x*) $660.0 million and (*y*) 75.0% of Four Quarter Consolidated EBITDA, plus (*D*) the amount equal to the greater of (*I*) the sum of (*1*) $500.0 million plus (*2*) the greater of (x) $730.0 million and (y) 100% of Four Quarter Consolidated EBITDA and (*II*) an amount equal to (but not less than zero) (*1*) the Borrowing Base less (*2*) the aggregate principal amount of Indebtedness Incurred by Special Purpose Entities that are Restricted Subsidiaries and then outstanding pursuant to clause (ix) of this paragraph (b), plus (*E*) in the event of any refinancing of any such Indebtedness, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing and (*II*) in an unlimited amount, if on the date of the Incurrence of such Indebtedness (other than any such Refinancing Indebtedness), after giving effect to such Incurrence (or, at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness (such committed amount, a "*Debt Secured Leverage Ratio Tested Committed Amount*"), in which case such Debt Secured Leverage Ratio Tested Committed Amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this clause) the Consolidated Secured Leverage Ratio would be equal to or less than 4.50:1.00; and in the case of any Indebtedness Incurred (or

Debt Secured Leverage Ratio Tested Committed Amount established) pursuant to this subclause (II), any Refinancing Indebtedness with respect to any such Indebtedness (or Debt Secured Leverage Ratio Tested Committed Amount);

(ii) Indebtedness (*A*) of any Restricted Subsidiary to the Company, or (*B*) of the Company or any Restricted Subsidiary to any Restricted Subsidiary; *provided* that in the case of this clause (ii), any subsequent issuance or transfer of any Capital Stock of such Restricted Subsidiary to which such Indebtedness is owed, or other event, that results in such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of such Indebtedness (except to the Company or a Restricted Subsidiary) will be deemed, in each case, an Incurrence of such Indebtedness by the issuer thereof not permitted by this clause (ii);

(iii) Indebtedness represented by (*A*) [Reserved], (*B*) any Indebtedness (other than the Indebtedness under the Senior Credit Facilities, the Notes and the Existing Secured Notes described in clause (i) above) outstanding (or Incurred pursuant to any commitment outstanding) on the Issue Date, (*C*) only Indebtedness of the Fortune Business (other than the Indebtedness under the Senior Credit Facilities described in clause (i) above) outstanding (or Incurred pursuant to any commitment outstanding on the Effective Date), and (*D*) any Refinancing Indebtedness Incurred in respect of any Indebtedness (or unutilized commitments) described in this clause (iii), paragraph (a) above or clause (xvii) below;

(iv) Purchase Money Obligations, Financing Lease Obligations, and in each case any Refinancing Indebtedness with respect thereto;

(v) Indebtedness (*A*) supported by a letter of credit issued pursuant to any Credit Facility in a principal amount not exceeding the face amount of such letter of credit or (*B*) consisting of accommodation guarantees for the benefit of trade creditors of the Company or any of its Restricted Subsidiaries;

(vi) (*A*) Guarantees by the Company or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Company or any Restricted Subsidiary (other than any Indebtedness Incurred by the Company or such Restricted Subsidiary, as the case may be, in violation of this covenant), or (*B*) without limiting the covenant described under "—Limitation on Liens," Indebtedness of the Company or any Restricted Subsidiary arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary (other than any Indebtedness Incurred by the Company or such Restricted Subsidiary, as the case may be, in violation of this covenant);

(vii) Indebtedness of the Company or any Restricted Subsidiary (*A*) arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds in the ordinary course of business, or (*B*) consisting of guarantees, indemnities, obligations in respect of earn-outs or other purchase price adjustments, or similar obligations, Incurred in connection with the acquisition or disposition of any business, assets or Person;

(viii) Indebtedness of the Company or any Restricted Subsidiary in respect of (*A*) letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred, in the ordinary course of business (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), (*B*) performance and completion guarantees, surety, judgment, appeal, bid, performance or payment bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business, (*C*) Hedging Obligations, (*D*) Management Guarantees or Management Indebtedness, (*E*) the financing of insurance premiums in the ordinary course of business, (*F*) take-or-pay obligations under supply arrangements incurred in the ordinary course of business, (*G*) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Company or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement, (*H*) Junior Capital or (*I*) Bank Products Obligations;

(ix) Indebtedness (*A*) of a Special Purpose Subsidiary secured by a Lien on all or part of the assets disposed of in, or otherwise Incurred in connection with, a Financing Disposition or (*B*) otherwise Incurred in connection with a Special Purpose Financing; *provided* that (*1*) such Indebtedness is not recourse to the Company or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings); (*2*) in the event such Indebtedness shall become recourse to the Company or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings), such Indebtedness will be deemed to be, and must be classified by the Company as, Incurred at such time (or at the time initially Incurred) under one or more of the other provisions of this covenant for so long as such Indebtedness shall be so recourse; and (*3*) in the event that at any time thereafter such Indebtedness shall comply with the provisions of the preceding subclause (1), the Company may classify such Indebtedness in whole or in part as Incurred under this clause (ix);

(x) Contribution Indebtedness and any Refinancing Indebtedness with respect thereto;

(xi) Indebtedness of (*A*) the Company or any Restricted Subsidiary Incurred to finance or refinance, or otherwise Incurred in connection with, any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary, or (*B*) any Person that is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary (including Indebtedness thereof Incurred in connection with any such acquisition, merger or consolidation); *provided* that on the date of such acquisition, merger or consolidation, after giving effect thereto, either (*1*) the Company would have a Consolidated Total Leverage Ratio equal to or less than 6.15:1.00, (*2*) the Consolidated Total Leverage Ratio of the Company would equal or be less than the Consolidated Total Leverage Ratio of the Company immediately prior to giving effect thereto or (*3*) the Consolidated Coverage Ratio of the Company would equal or be greater than the Consolidated Coverage Ratio of the Company immediately prior to giving effect thereto; *provided*, *further*, that if, at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness, pro forma effect is given to the Incurrence of the entire committed amount of such Indebtedness (any such committed amount pursuant to (*x*) clause (1) or (2) of this proviso, an "*Acquisition Leverage Ratio Tested Committed Amount*" and (*y*) pursuant to clause (3) of this proviso, an "*Acquisition Coverage Ratio Tested Committed Amount*"), then such Acquisition Leverage Ratio Tested Committed Amount or Acquisition Coverage Ratio Tested Committed Amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this clause (xi); and any Refinancing Indebtedness with respect to any such Indebtedness (or Acquisition Leverage Ratio Tested Committed Amount or Acquisition Coverage Ratio Tested Committed Amount);

(xii) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount at any time outstanding not exceeding an amount equal to the greater of $600.0 million and 75.0% of Four Quarter Consolidated EBITDA;

(xiii) Indebtedness of (A) the Company or any Restricted Subsidiary Incurred to finance or refinance, or otherwise Incurred in connection with any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary or (B) any Person that is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary (including Indebtedness thereof Incurred in connection with any such acquisition, merger or consolidation), and, in each case, any Refinancing Indebtedness with respect thereto, in an aggregate principal amount at any time outstanding not exceeding an amount equal to the greater of $255.0 million and 35.0% of Four Quarter Consolidated EBITDA;

(xiv) Indebtedness issuable upon the conversion or exchange of shares of Disqualified Stock issued in accordance with paragraph (a) above, and any Refinancing Indebtedness with respect thereto;

(xv) Indebtedness of any Foreign Subsidiary in an aggregate principal amount at any time outstanding not exceeding an amount equal to the greater of $300.0 million and 40.0% of Four Quarter Consolidated EBITDA;

(xvi) [Reserved]; and

(xvii) Indebtedness of the Company or any Restricted Subsidiary in an unlimited amount if, after giving effect to the Incurrence of such amount (or, at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount thereof (such committed amount, a "*Total Leverage Ratio Tested Committed Amount*"), in which case such Total Leverage Ratio Tested Committed Amount may thereafter be borrowed and reborrowed in whole or in part, from time to time, without further compliance with this clause (xvii)), either (*x*) the Consolidated Total Leverage Ratio shall not exceed 6.15:1.00 or (*y*) the Consolidated Total Leverage Ratio would equal or be less than the Consolidated Total Leverage Ratio immediately prior to giving effect thereto; and any Refinancing Indebtedness with respect to any such Indebtedness (or Total Leverage Ratio Tested Committed Amount).

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant, (*i*) any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this covenant) arising under any Guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation supporting such Indebtedness shall be disregarded to the extent that such Guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation secures the principal amount of such Indebtedness; (*ii*) in the event that Indebtedness Incurred pursuant to paragraph (b) above meets the criteria of more than one of the types of Indebtedness described in paragraph (b) above, the Company, in its sole discretion, shall classify such item of Indebtedness and may include the amount and type of such Indebtedness in one or more of the clauses or subclauses of paragraph (b) above (including in part under one such clause or subclause and in part under another such clause or subclause); *provided* that (if the Company shall so determine) any Indebtedness Incurred pursuant to (*x*) clause (b)(xii), (b)(xiii), (b)(xv) or (b)(xvi) of this covenant shall cease to be deemed Incurred or outstanding for purposes of such clause or subclause but shall be deemed Incurred for the purposes of paragraph (a) of this covenant or clause (b)(xvii), as applicable, of this covenant from and after the first date on which the Company or any Restricted Subsidiary could have Incurred such Indebtedness under paragraph (a) of this covenant or clause (b)(xvii), as applicable, of this covenant without reliance on such clause or subclause and (*y*) subclause (i)(I)(C) under paragraph (b) of this covenant shall cease to be deemed Incurred or outstanding pursuant to such subclause but shall be deemed Incurred for purposes of subclause (i)(II) of paragraph (b) of this covenant from and after the first date on which the Company or a Restricted Subsidiary could have Incurred such Indebtedness under subclause (i)(II) of paragraph (b) of this covenant without reliance on such subclause; (*iii*) in the event that Indebtedness could be Incurred in part under paragraph (a) above, the Company, in its sole discretion, may classify a portion of such Indebtedness as having been Incurred under paragraph (a) above and the remainder of such Indebtedness as having been Incurred under paragraph (b) above; (*iv*) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with GAAP; (*v*) the principal amount of Indebtedness outstanding under any clause or subclause of this covenant shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness;

(*vi*) if any commitments in respect of revolving or deferred draw Indebtedness are established in reliance on any provision of paragraph (b) above measured by reference to Four Quarter Consolidated EBITDA (or a percentage thereof), at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness (such committed amount, a "*Grower Tested Committed Amount*"), such Grower Tested Committed Amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, irrespective of whether or not such Incurrence would cause such Four Quarter Consolidated EBITDA (or a percentage thereof) to be exceeded and such Grower Tested Committed Amount shall be deemed outstanding pursuant to such basket so long as such commitments are in effect; (*vii*) if any Indebtedness is Incurred to refinance Indebtedness (or unutilized commitments in respect of Indebtedness) initially Incurred (or established) (or, to refinance Indebtedness Incurred (or commitments established) to refinance Indebtedness initially Incurred (or commitments initially established)) in reliance on any provision of paragraph (b) above measured by reference to Four Quarter Consolidated EBITDA (or a percentage thereof) at the time of Incurrence (or establishment), and such refinancing would cause such Four Quarter Consolidated EBITDA (or a percentage thereof) to be exceeded if calculated based on Four Quarter Consolidated EBITDA (or a percentage thereof) on the date of such refinancing, such Four Quarter Consolidated EBITDA (or a percentage thereof) shall not be deemed to be exceeded (and such refinancing Indebtedness shall be deemed permitted) so long as the outstanding or committed principal amount of such refinancing Indebtedness does not exceed an amount equal to the outstanding or committed principal amount of such Indebtedness being refinanced, *plus* the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing; and (*viii*) if any Indebtedness is Incurred to refinance Indebtedness (or unutilized commitments in respect of Indebtedness) initially Incurred (or established) (or, Indebtedness Incurred to refinance Indebtedness initially Incurred (or commitments initially established)) in reliance on any provision of paragraph (b) above measured by a dollar amount, such dollar amount shall not be deemed to be exceeded (and such refinancing Indebtedness shall be deemed permitted) to the extent the outstanding or committed principal amount of such newly Incurred Indebtedness does not exceed an amount equal to the principal amount of such Indebtedness being refinanced, *plus* the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing. Notwithstanding anything herein to the contrary, Indebtedness (x) Incurred by the Company on the Issue Date under the Senior Credit Facilities and the Indenture and (y) outstanding on the Issue Date under the Existing Secured Notes Indenture, shall be classified as Incurred under paragraph (b) of this covenant, and not under paragraph (a) or clause (b)(xvii) of this covenant, and may not later be reclassified.

(d) For purposes of determining compliance with any provision of paragraph (b) above (or any category of Permitted Liens described in the definition thereof) measured by a dollar amount or by reference to Four Quarter Consolidated EBITDA (or a percentage thereof), in each case, for the Incurrence of Indebtedness or Liens securing Indebtedness denominated in a foreign currency, the dollar equivalent principal amount of such Indebtedness Incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect, at the Company's option, on the date that such Indebtedness was Incurred, allocated or priced, as applicable, in the case of term Indebtedness, or first committed, in the case of revolving or deferred draw Indebtedness; *provided* that (*x*) the dollar equivalent principal amount of any such Indebtedness outstanding on the Effective Date shall be calculated based on the relevant currency exchange rate in effect on the Effective Date, (*y*) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency (or in a different currency from such Indebtedness so being Incurred), and such refinancing would cause the applicable provision of paragraph (b) above (or category of Permitted Liens) measured by a dollar amount or by reference to Four Quarter Consolidated EBITDA (or a percentage thereof) to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such provision of paragraph (b) above (or category of Permitted Liens) measured by a dollar amount or by reference to Four Quarter Consolidated EBITDA (or a percentage thereof) shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (*i*) the outstanding or committed principal amount (whichever is higher) of such Indebtedness being refinanced *plus* (*ii*) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing and (*z*) the dollar equivalent principal amount of Indebtedness denominated in a foreign currency and Incurred pursuant to a Senior Credit Facility shall be calculated based on the relevant currency exchange rate in effect on, at the Company's option, (*A*) the Issue Date, (*B*) the Effective Date, (*C*) any date on which any of the respective commitments under such Senior Credit Facility shall be reallocated between or among facilities or subfacilities thereunder, or on which such rate is otherwise calculated for any purpose thereunder, (*D*) the date of such Incurrence or (*E*) the date on which such Indebtedness is allocated or priced, as applicable. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments.

The Indenture will provide as follows:

(a) The Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to (*i*) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any such payment in connection with any merger or consolidation to which the Company is a party) except (*x*) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and (*y*) dividends or distributions payable to the Company or any Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to other holders of its Capital Stock on no more than a pro rata basis, measured by value), (*ii*) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company held by Persons other than the Company or a Restricted Subsidiary (other than any acquisition of Capital Stock deemed to occur upon the exercise of options if such Capital Stock represents a portion of the exercise price thereof), (*iii*) voluntarily purchase, repurchase, redeem, defease or otherwise voluntarily acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than a purchase, repurchase, redemption, defeasance or other acquisition or retirement for value in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement) or (*iv*) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, repurchase, redemption, defeasance, other acquisition or retirement or Investment being herein referred to as a "*Restricted Payment*"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment after giving effect thereto:

(1) so long as no Event of Default under paragraphs (i), (ii) or (viii) under "—Defaults" below exists or would arise therefrom;

(2) [reserved]; or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be as determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to the Issue Date and then outstanding would exceed, without duplication, the sum of:

(A) 50.0% of the Consolidated Net Income accrued during the period (treated as one accounting period) beginning on the first day of the Fiscal Quarter of the Company in which the Issue Date occurred to the end of the most recent Fiscal Quarter ending prior to the date of such Restricted Payment for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—SEC Reports") are available (which amount shall not be less than zero);

(B) the aggregate Net Cash Proceeds and the fair value (as determined in good faith by the Company, which determination shall be conclusive) of property or assets received (*x*) by the Company as capital contributions to the Company after the Effective Date or from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock) after the Effective Date (other than Excluded Contributions and Contribution Amounts) or (*y*) by the Company or any Restricted Subsidiary from the Incurrence by the Company or any Restricted Subsidiary after the Effective Date of Indebtedness that shall have been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent or IPO Vehicle, *plus* the amount of any cash and the fair value (as determined in good faith by the Company, which determination shall be conclusive) of any property or assets, received by the Company or any Restricted Subsidiary upon such conversion or exchange;

(C) (*i*) the aggregate amount of cash and the fair value (as determined in good faith by the Company, which determination shall be conclusive) of any property or assets received after the Effective Date from dividends, distributions, interest payments, return of capital, repayments of Investments or other transfers of assets to the Company or any Restricted Subsidiary from any Unrestricted Subsidiary after the Effective Date, including dividends or other distributions related to dividends or other distributions made pursuant to clause (x) of the following paragraph (b), *plus* (*ii*) the aggregate amount resulting from the redesignation after the Effective Date of any Unrestricted Subsidiary as a Restricted Subsidiary (valued in each case as provided in the definition of "Investment");

(D) in the case of any disposition or repayment of any Investment constituting a Restricted Payment after the Effective Date (without duplication of any amount deducted in calculating the amount of Investments at any time outstanding included in the amount of Restricted Payments), the aggregate amount of cash and the fair value (as determined in good faith by the Company, which determination shall be conclusive) of any property or assets received by the Company or a Restricted Subsidiary after the Effective Date with respect to all such dispositions and repayments; and

(E) the greater of (x) $195.0 million and (y) 25.0% of Four Quarter Consolidated EBITDA.

(b) The provisions of the foregoing paragraph (a) do not prohibit any of the following (each, a "*Permitted Payment*"):

(i) (*x*) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Capital Stock of the Company ("*Treasury Capital Stock*") or any Subordinated Obligations made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the issuance or sale of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary) ("*Refunding Capital Stock*") or a capital contribution to the Company, in each case other than Excluded Contributions and Contribution Amounts; *provided* that the Net Cash Proceeds from such issuance, sale or capital contribution shall be excluded in subsequent calculations under clause (3)(B) of the preceding paragraph (a) and (*y*) if immediately prior to such acquisition or retirement of such Treasury Capital Stock, dividends thereon were permitted pursuant to clause (xi) of this paragraph (b), dividends on such Refunding Capital Stock in an aggregate amount per annum not exceeding the aggregate amount per annum of dividends so permitted on such Treasury Capital Stock;

(ii) any purchase, redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Obligations (*v*) made by exchange for, or out of the proceeds of the Incurrence of, Indebtedness of the Company or any of its Restricted Subsidiaries or Refinancing Indebtedness

Incurred in compliance with the covenant described under "—Limitation on Indebtedness," *(*w*)* from Net Available Cash or an equivalent amount to the extent permitted by the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock," (*x*) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only if the Company shall have complied with the covenant described under "—Change of Control" and, if required, purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing or repaying such Subordinated Obligations, (*y*) constituting Acquired Indebtedness or (*z*) in an aggregate amount outstanding at any time not exceeding an amount equal to the greater of $185.0 million and 25.0% of Four Quarter Consolidated EBITDA;

(iii) any dividend paid or redemption made within 60 days after the date of declaration thereof or of the giving of notice thereof, as applicable, if at such date of declaration or the giving of such notice, such dividend or redemption would have complied with this covenant;

(iv) Investments or other Restricted Payments in an aggregate amount outstanding at any time not to exceed the sum (without duplication) of (*x*) the amount of Excluded Contributions plus (*y*) an amount equal to the product of (*i*) the Net Available Cash from an Asset Disposition in respect of property or assets acquired after the Issue Date, if the acquisition of such property or assets was financed with Excluded Contributions, multiplied by (*ii*) a fraction the numerator of which is the aggregate amount of Excluded Contributions used to finance the acquisition of such property or assets and the denominator of which is the aggregate cash consideration for the acquisition of such property or assets;

(v) loans, advances, dividends or distributions by the Company to any Parent or IPO Vehicle (whether made directly or indirectly) to permit any Parent or IPO Vehicle to repurchase or otherwise acquire its Capital Stock or other debt securities (including any options, warrants or other rights in respect thereof), or payments by the Company or its Subsidiaries to repurchase or otherwise acquire Capital Stock or other debt securities of any Parent or IPO Vehicle, the Company or any Subsidiary (including any options, warrants or other rights in respect thereof), in each case from or to current or former Management Investors (including any repurchase or acquisition by reason of the Company or any of its Subsidiaries or any Parent or IPO Vehicle retaining any Capital Stock or other debt securities, option, warrant or other right in respect of tax withholding obligations, and any related payment in respect of any such obligation), such payments, loans, advances, dividends or distributions not to exceed an amount (net of repayments of any such loans or advances) equal to (*x*) (*1*) the greater of $50.0 million and 7.0% of Four Quarter Consolidated EBITDA, *plus* (*2*) the greater of $50.0 million and 7.0% of Four Quarter Consolidated EBITDA multiplied by the number of calendar years that have commenced since the Effective Date, *plus* (*y*) the Net Cash Proceeds received by the Company (or by any Parent or IPO Vehicle and contributed to the Company) on or since the Effective Date from, or as a capital contribution from, the issuance or sale to Management Investors of Capital Stock or other debt or equity securities (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (3)(B)(x) of the preceding paragraph (a), *plus* (*z*) the cash proceeds of key man life insurance policies received by the Company or any Restricted Subsidiary (or by any Parent or IPO Vehicle and contributed to the Company) since the Effective Date to the extent such cash proceeds are not included in any calculation under clause (3)(A) of the preceding paragraph (a); *provided* that any cancellation of Indebtedness owing to the Company or any Restricted Subsidiary by any current or former Management Investor in connection with any repurchase or other acquisition of Capital Stock or other debt securities (including any options, warrants or other rights in respect thereof) from any Management Investor shall not constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(vi) Restricted Payments following a Qualified IPO in an amount not to exceed in any fiscal year of the Company the sum of (*x*) 7.0% of the aggregate gross proceeds received by the

Company (whether directly, or indirectly through a contribution to common equity capital) in or from such Qualified IPO and (*y*) 7.0% of Market Capitalization;

(vii) so long as no Event of Default under paragraphs (i), (ii) or (viii) under "—Defaults" below exists or would arise therefrom, Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed an amount (net of repayments of any such loans or advances) equal to the greater of $185.0 million and 25.0% of Four Quarter Consolidated EBITDA;

(viii) loans, advances, dividends, distributions or other payments by the Company or any Restricted Subsidiary to any Parent or IPO Vehicle or other payments by the Company or any Restricted Subsidiary (*A*) to satisfy or permit any Parent to satisfy obligations under the Transaction Agreements, (*B*) pursuant to the Tax Sharing Agreement or (*C*) to pay or permit any Parent to pay (but without duplication) any Parent Expenses or any Related Taxes;

(ix) payments by the Company, or loans, advances, dividends or distributions by the Company to any Parent or IPO Vehicle to make payments, to holders of Capital Stock of the Company or any Parent or IPO Vehicle in lieu of issuance of fractional shares of such Capital Stock;

(x) dividends or other distributions of, or Investments paid for or made with, Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(xi) (*A*) dividends on any Designated Preferred Stock of the Company issued after the Effective Date; *provided* that at the time of such issuance and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00, (*B*) loans, advances, dividends or distributions to any Parent or IPO Vehicle to permit dividends on any Designated Preferred Stock of any Parent or IPO Vehicle issued after the Effective Date if the net proceeds of the issuance of such Designated Preferred Stock have been contributed to the Company or any of its Restricted Subsidiaries; *provided* that the aggregate amount of all loans, advances, dividends or distributions paid pursuant to this subclause (B) shall not exceed the net proceeds of such issuance of Designated Preferred Stock received by or contributed to the Company or any of its Restricted Subsidiaries or (*C*) any dividend on Refunding Capital Stock that is Preferred Stock; *provided* that at the time of the declaration of such dividend and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio would be equal to or greater than 2.00:1.00;

(xii) Investments in Unrestricted Subsidiaries in an aggregate amount outstanding at any time not exceeding an amount equal to the greater of $220.0 million and 30.0% of Four Quarter Consolidated EBITDA;

(xiii) distributions or payments of Special Purpose Financing Fees;

(xiv) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "—Limitation on Indebtedness" above;

(xv) Investments or other Restricted Payments in an aggregate amount outstanding at any time not to exceed an aggregate amount equal to the aggregate amount of all Declined Excess Proceeds (as defined below);

(xvi) *(A)* any Restricted Payments of the type described in clause (i) or (ii) of the definition thereof in paragraph (a) above; *provided* that on a pro forma basis after giving effect to such Restricted Payment the Consolidated Total Leverage Ratio would be equal to or less than 5.40:1.00, *(B)* any Restricted Payments of the type described in clause (iii) of the definition thereof in paragraph (a) above; *provided* that on a pro forma basis after giving effect to such Restricted Payment the Consolidated Total Leverage Ratio would be equal to or less than 5.90:1.00 and *(C)* any Restricted Payments of the type described in clause (iv) of the definition thereof in paragraph (a) above; *provided* that on a pro forma basis after giving effect to such Restricted Payment the Consolidated Total Leverage Ratio would be equal to or less than 5.65:1.00;

(xvii) Restricted Payments in cash to pay or permit any Parent or IPO Vehicle to pay any amounts payable in respect of guarantees, indemnities, obligations in respect of earn-outs or other purchase price adjustments, or similar obligations, incurred in connection with the acquisition or disposition of any business, assets or Person, as long as such business, assets or Person have been acquired by or disposed of by the Company or a Restricted Subsidiary, or such business, assets or Person (or in the case of a disposition, the Net Available Cash thereof) have been contributed to the Company or a Restricted Subsidiary;

(xviii) any Restricted Payment pursuant to or in connection with the Transactions;

(xix) payments or distributions to satisfy dissenters' or appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, pursuant to or in connection with any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary, or any other Investment; and

(xx) Restricted Payments to any Parent or IPO Vehicle the proceeds of which are applied by any Parent or IPO Vehicle in connection with any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into such Parent or IPO Vehicle or any Subsidiary thereof, or any other Investment; provided that (A) such Restricted Payment shall be made substantially concurrently with the closing of such acquisition, merger or consolidation or other Investment and (B) any Parent or IPO Vehicle shall, substantially concurrently with the closing thereof, cause (1) such business, assets or Person acquired and any liabilities assumed to be contributed to the Company or a Restricted Subsidiary or (2) the merger into the Company or one of its Restricted Subsidiaries in accordance with "—Merger and Consolidation".

provided that (*A*) in the case of clauses (iii) and (ix), the net amount of any such Permitted Payment shall be included in subsequent calculations of the amount of Restricted Payments, and (*B*) in all cases other than pursuant to clause (A) immediately above, the net amount of any such Permitted Payment shall be excluded in subsequent calculations of the amount of Restricted Payments. The amount of any Investment or other Restricted Payment, if other than in cash, shall be determined in good faith by the Company, which determination shall be conclusive. The Company, in its sole discretion, may classify any Investment or other Restricted Payment as being made in part under one of the provisions of this covenant (or, in the case of any Investment, the clauses or subclauses of Permitted Investments) and in part under one or more other such provisions (or, as applicable, such clauses or subclauses).

If the Company or any of its Restricted Subsidiaries makes a Restricted Payment that, at the time of the making of such Restricted Payment, in the good faith determination of the Company, would be permitted under the requirements of the Indenture, such Restricted Payment shall be deemed to have been made in compliance with the Indenture notwithstanding any subsequent adjustment made in good faith to the Company's financial statements affecting Consolidated Net Income or Consolidated EBITDA, as applicable.

Notwithstanding any other provision of the Indenture, the Indenture will not restrict any redemption or other payment by the Company or any Restricted Subsidiary made as a mandatory principal redemption or other payment in respect of Subordinated Obligations pursuant to an "AHYDO saver" provision of any agreement or instrument in respect of Subordinated Obligations, and the

Company's determination in good faith (which determination shall be conclusive) of the amount of any such "AHYDO saver" mandatory principal redemption or other payment shall be conclusive and binding for all purposes under the Indenture.

Limitation on Restrictions on Distributions from Restricted Subsidiaries.

The Indenture will provide that the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (*i*) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, (*ii*) make any loans or advances to the Company or (*iii*) transfer any of its property or assets to the Company (*provided* that dividend or liquidation priority between classes of Capital Stock, or subordination of any obligation (including the application of any remedy bars thereto) to any other obligation, will not be deemed to constitute such an encumbrance or restriction), except any encumbrance or restriction:

(1) pursuant to an agreement or instrument in effect at or entered into on the Issue Date, any Credit Facility, the Existing Indentures, the Existing Notes, the Unsecured Notes Indenture, the Unsecured Notes, the Indenture, the Note Security Documents, the Intercreditor Agreements or the Notes (or in the case of the Fortune Business, pursuant to an agreement or instrument in effect at or entered into on the Effective Date);

(2) pursuant to any agreement or instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary, or which agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets from such Person, or any other transaction entered into in connection with any such acquisition, merger or consolidation, as in effect at the time of such acquisition, merger, consolidation or transaction (except to the extent that such Indebtedness was Incurred to finance, or otherwise Incurred in connection with, such acquisition, merger, consolidation or transaction); *provided* that for purposes of this clause (2), if a Person other than the Company is the Successor Company with respect thereto, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed, as the case may be, by the Company or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(3) pursuant to an agreement or instrument (a "*Refinancing Agreement*") effecting a refinancing of Indebtedness Incurred or outstanding pursuant or relating to, or that otherwise extends, renews, refunds, refinances or replaces, any agreement or instrument referred to in clause (1) or (2) of this covenant or this clause (3) (an "*Initial Agreement*") or that is, or is contained in, any amendment, supplement or other modification to an Initial Agreement or Refinancing Agreement (an "*Amendment*"); *provided*, *however*, that the encumbrances and restrictions contained in any such Refinancing Agreement or Amendment taken as a whole are not materially less favorable to the Holders of the Notes than encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such Refinancing Agreement or Amendment relates (as determined in good faith by the Company, which determination shall be conclusive);

(4) (*A*) pursuant to any agreement or instrument that restricts in a customary manner (as determined by the Company in good faith, which determination shall be conclusive) the assignment or transfer thereof, or the subletting, assignment or transfer of any property or asset subject thereto, (*B*) by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture, (*C*) contained in mortgages, pledges or other security agreements securing Indebtedness or other obligations of the Company or a Restricted Subsidiary to the extent restricting the transfer of the property or assets subject thereto, (*D*) pursuant to customary provisions (as determined by the Company in good faith, which determination shall be conclusive) restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary, (*E*) pursuant to

Purchase Money Obligations that impose encumbrances or restrictions on the property or assets so acquired, (*F*) on cash or other deposits or net worth or inventory imposed by customers or suppliers under agreements entered into in the ordinary course of business, (*G*) pursuant to customary provisions (as determined by the Company in good faith, which determination shall be conclusive) contained in agreements and instruments entered into in the ordinary course of business (including but not limited to leases and licenses) or in joint venture and other similar agreements or in shareholder, partnership, limited liability company and other similar agreements in respect of non-wholly owned Restricted Subsidiaries, (*H*) that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or such Restricted Subsidiary, (*I*) pursuant to Hedging Obligations or Bank Products Obligations or (*J*) that arises under the terms of documentation governing any factoring agreement or any similar arrangements that in the good faith determination of the Company, which determination shall be conclusive, are necessary or appropriate to effect such factoring agreement or similar arrangements;

(5) with respect to any agreement for the direct or indirect sale or other disposition of Capital Stock, property or assets of any Person, imposing restrictions with respect to such Person, Capital Stock, property or assets pending the closing of such sale or other disposition;

(6) by reason of any applicable law, rule, regulation or order, or required by any regulatory authority having jurisdiction over the Company or any Restricted Subsidiary or any of their businesses, including any such law, rule, regulation, order or requirement applicable in connection with such Restricted Subsidiary's status (or the status of any Subsidiary of such Restricted Subsidiary) as an Insurance Subsidiary; or

(7) pursuant to an agreement or instrument (*A*) relating to any Indebtedness permitted to be Incurred subsequent to the Effective Date pursuant to the provisions of the covenant described under "—Limitation on Indebtedness" (*i*) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than the encumbrances and restrictions contained in the Initial Agreements (as determined in good faith by the Company, which determination shall be conclusive) or (*ii*) if such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the Company, which determination shall be conclusive) and either (*x*) the Company determines in good faith, which determination shall be conclusive, that such encumbrance or restriction will not materially affect the Company's ability to make principal or interest payments on the Notes or (*y*) such encumbrance or restriction applies only if a default occurs under a circumstance described in clause (viii) under "—Defaults" below or in respect of a payment or financial covenant relating to such Indebtedness, (*B*) relating to any sale of receivables by or Indebtedness of a Foreign Subsidiary or (*C*) relating to Indebtedness of or a Financing Disposition by or to or in favor of any Special Purpose Entity.

Limitation on Sales of Assets and Subsidiary Stock.

The Indenture will provide as follows:

(a) The Company will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless:

> (i) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as of the date on which a legally binding commitment for such Asset Disposition was entered into) of the shares and assets subject to such Asset Disposition, as such fair market value may be determined in good faith by the Company, whose determination shall be conclusive (including as to the value of all non-cash consideration);

(ii) in the case of any Asset Disposition (or series of related Asset Dispositions) having a fair market value (as determined in good faith by the Company, whose determination shall be conclusive, as of the date on which a legally binding commitment for such Asset Disposition was entered into) of the greater of $185.0 million and 25.0% of Four Quarter Consolidated EBITDA or more, at least 75.0% of the consideration therefor (excluding, in the case of an Asset Disposition (or series of related Asset Dispositions), any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, that are not Indebtedness) received by the Company or such Restricted Subsidiary for such Asset Disposition, when taken together with any consideration received by the Company or any Restricted Subsidiary in connection with all other Asset Dispositions since the Issue Date (on a cumulative basis), is in the form of cash; and

(iii) an amount equal to 100.0% of the Net Available Cash from such Asset Disposition (such amount, the *"Net Available Cash Amount"*) is applied by the Company (or any Restricted Subsidiary, as the case may be) in accordance with paragraphs (b) or (c) as follows:

(b) To the extent that such Net Available Cash Amount is from an Asset Disposition of any Collateral, such Net Available Cash is applied by the Company (or any Restricted Subsidiary, as the case may be) as follows:

(*A*) first, either (*x*) to the extent that such Net Available Cash is from an Asset Disposition of any Collateral, and to the extent that the Company elects (or is required by the terms of any Indebtedness under the Senior Credit Facilities), to prepay, repay or purchase any such Indebtedness or (in the case of letters of credit, bankers' acceptances or other similar instruments) cash collateralize any such Indebtedness within 720 days after the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or (y) to the extent that the Company or such Restricted Subsidiary elects, to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with an amount equal to Net Available Cash received by the Company or another Restricted Subsidiary) within 720 days after the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or, if such investment in Additional Assets is a project authorized by the Board of Directors that will take longer than such 720 days to complete, the period of time necessary to complete such project;

(B) second, to the extent of the balance of such Net Available Cash Amount after application in accordance with clause (A) above (such balance, the "*Excess Collateral Proceeds*"), to make an offer to purchase Notes and (to the extent the Company or such Restricted Subsidiary elects, or is required by the terms thereof) to make an offer to purchase, redeem or repay and/or to purchase, redeem or repay any Senior Indebtedness under any other Parity Lien Obligations of the Company or a Restricted Subsidiary secured by Liens that rank pari passu with the Liens securing the Notes, or any other Indebtedness secured by Liens that rank pari passu with the Liens securing the Notes, pursuant and subject to the conditions of the Indenture and the agreements or instruments governing such other Senior Indebtedness; and

(C) third, to the extent of the balance of such Net Available Cash Amount after application in accordance with clauses (A) and (B) above (including, an amount equal to the amount of any purchase, redemption or repayment contemplated by clause (B) above that is declined or not accepted by any applicable holder) (the amount of such balance, "*Declined Collateral Excess Proceeds*"), to fund (to the extent consistent with any other applicable provision of the Indenture) any general corporate purpose (including but not limited to the repurchase, repayment or other acquisition or retirement of any Subordinated Obligations);

provided, however, that (*1*) in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) above, the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; and (*2*) the Company (or any

Restricted Subsidiary, as the case may be) may elect to invest in Additional Assets prior to receiving the Net Available Cash attributable to any given Asset Disposition (provided that such investment shall be made no earlier than the earliest of notice to the Trustee of the relevant Asset Disposition, execution of a definitive agreement for the relevant Asset Disposition, and consummation of the relevant Asset Disposition) and deem the amount so invested to be applied pursuant to and in accordance with clause (A)(y) above with respect to such Asset Disposition.

(c) To the extent that such Net Available Cash Amount is from an Asset Disposition of any assets not constituting Collateral ("*Other Assets*"), such Net Available Cash is applied by the Company (or any Restricted Subsidiary, as the case may be) as follows:

> (A) *first*, either (*x*) to the extent the Company or such Restricted Subsidiary elects (or is required by the terms of any Credit Facility Indebtedness, any Senior Indebtedness of the Company or any Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor), to prepay, repay or purchase any such Indebtedness or Obligations in respect thereof or (in the case of letters of credit, bankers' acceptances or other similar instruments) cash collateralize any such Indebtedness or Obligations in respect thereof (in each case other than Indebtedness owed to the Company or a Restricted Subsidiary) within 720 days after the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or (*y*) to the extent the Company or such Restricted Subsidiary elects, to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with an amount equal to Net Available Cash received by the Company or another Restricted Subsidiary) within 720 days after the later of the date of such Asset Disposition and the date of receipt of such Net Available Cash, or, if such investment in Additional Assets is a project authorized by the Board of Directors that will take longer than such 720 days to complete the period of time necessary to complete such project;
>
> (B) *second*, to the extent of the balance of such Net Available Cash after application in accordance with clause (A) above (such balance, the "*Excess Other Proceeds*"), to make an offer to purchase the Notes and (to the extent the Company or such Restricted Subsidiary elects, or is required by the terms thereof) to make an offer to purchase, redeem or repay and/or to purchase, redeem or repay any other Senior Indebtedness under any other Parity Lien Obligations of the Company or a Restricted Subsidiary having secured by Liens pari passu with the Liens securing the Notes, or any other Indebtedness secured by Liens pari passu with the Liens securing the Notes, pursuant and subject to the conditions of the Indenture and the agreements or instruments governing such other Senior Indebtedness; and
>
> (C) *third*, to the extent of the balance of such Net Available Cash Amount or equivalent amount after application in accordance with clauses (A) and (B) above (including, an amount equal to the amount of any purchase, redemption or repayment contemplated by clause (B) above that is declined or not accepted by any applicable holder) (the amount of such balance, "*Declined Other Excess Proceeds*", together with Declined Collateral Excess Proceeds, "*Declined Excess Proceeds*"), to fund (to the extent consistent with any other applicable provision of the Indenture) any general corporate purpose (including but not limited to the repurchase, repayment or other acquisition or retirement of any unsecured Senior Indebtedness or Subordinated Obligations or the making of other Restricted Payments);

provided, *however*, that (*1*) in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to clause (A)(x) or (B) above, the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed; and (*2*) the Company (or any Restricted Subsidiary, as the case may be) may elect to invest in Additional Assets prior to receiving the Net Available Cash attributable to any given Asset Disposition (*provided* that such investment shall be made no earlier than the earliest of notice to the Trustee of the relevant Asset Disposition, execution of a definitive agreement for the relevant Asset Disposition, and consummation of the relevant Asset Disposition) and deem the amount so invested to be applied pursuant to and in accordance with clause (A)(y) above with respect to such Asset Disposition.

Notwithstanding the foregoing clause (iii) of the first paragraph of this covenant, to the extent that repatriating any or all of the Net Available Cash from any Asset Disposition by a Foreign Subsidiary (*x*) would result in material adverse tax consequences to Topco or one of its Subsidiaries or (*y*) (*1*) could reasonably be expected to be prohibited or delayed by or violate or conflict with applicable local law, (*2*) is restricted by applicable organizational documents or any agreement, (*3*) subject to other organizational or administrative impediments from being repatriated to the United States or (*4*) conflicts with the fiduciary duties of the applicable directors, or results in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any applicable officer, director or manager (in the case of the foregoing clauses (x) and (y), as determined in good faith by the Company, which determination shall be conclusive), the portion of such Net Available Cash so affected will not be required to be applied in compliance with clause (iii) of the first paragraph of this covenant, and such amounts may be retained by the applicable Foreign Subsidiary; *provided* that, in the case of clause (y), the Company shall take commercially reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, the applicable organizational documents or agreements, the applicable organizational impediments or other impediment to permit such repatriation, and if such repatriation of any of such affected Net Available Cash can be achieved without any such prohibition, delay, violation, conflict, restriction, impediment or risk, such repatriation will be promptly effected and such repatriated Net Available Cash will be applied (whether or not repatriation actually occurs) in compliance with clause (iii) of the first paragraph of this covenant. The time periods set forth in this covenant shall not start until such time as the Net Available Cash may be repatriated whether or not such repatriation actually occurs.

Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash or equivalent amount in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions or equivalent amount that is not applied in accordance with this covenant exceeds the greater of $110.0 million and 15.0% of Four Quarter Consolidated EBITDA, in which case the Company and the Restricted Subsidiaries shall apply all such Net Available Cash or equivalent amount from such Asset Dispositions in excess of this threshold in accordance with this covenant. If the aggregate principal amount of Notes and/or other Indebtedness of the Company or a Restricted Subsidiary validly tendered and not withdrawn (or otherwise subject to purchase, redemption or repayment) in connection with an offer pursuant to clause (iii)(B) of paragraphs (b) and (c) above exceeds the Excess Proceeds, the Excess Proceeds will be apportioned between such Notes and such other Indebtedness of the Company or a Restricted Subsidiary, with the portion of the Excess Proceeds payable in respect of such Notes to equal the lesser of (*x*) the Excess Proceeds amount multiplied by a fraction, the numerator of which is the outstanding principal amount of such Notes and the denominator of which is the sum of the outstanding principal amount of the Notes and the outstanding principal amount of the relevant other Indebtedness of the Company or a Restricted Subsidiary, and (*y*) the aggregate principal amount of Notes validly tendered and not withdrawn.

(d) For the purposes of clause (ii) of paragraph (a) above, the following are deemed to be cash: (*1*) Temporary Cash Investments and Cash Equivalents; (*2*) the assumption of Indebtedness of the Company (other than Disqualified Stock of the Company) or any Restricted Subsidiary and the release of the Company or such Restricted Subsidiary from all liability on payment of the principal amount of such Indebtedness in connection with such Asset Disposition; (*3*) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition; (*4*) securities received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days; (*5*) consideration consisting of Indebtedness of the Company or any Restricted Subsidiary; (*6*) Additional Assets; and (*7*) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in an Asset Disposition having an aggregate fair market value (as determined by the Company in good faith, which determination shall be conclusive), taken together with all other Designated Noncash Consideration received pursuant to this clause (7), not to exceed an aggregate amount at any time outstanding equal to the greater of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA (with the fair market value (as determined by the Company in good faith, which determination shall be conclusive) of each item of Designated Noncash Consideration being measured on the date a legally binding commitment for such Asset Disposition (or, if later, for the payment of such item) was entered into and without giving effect to subsequent changes in value).

(e) In the event of an Asset Disposition that requires the purchase of Notes pursuant to clause (iii)(B) of paragraphs (b) and (c) above, the Company will be required to purchase Notes tendered pursuant to an offer by the Company for the Notes (the "*Offer*") at a purchase price of 100.0% of their principal amount *plus* accrued and unpaid interest to but not including the date of purchase in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. If the aggregate purchase price of the Notes tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of Notes, the remaining Net Available Cash will be available to the Company and the Restricted Subsidiaries for use in accordance with clause (iii)(B) of paragraphs (b) and (c) above (to repay other Indebtedness of the Company or a Restricted Subsidiary) or clause (iii)(C) of paragraphs (b) and (c) above. The Company shall not be required to make an Offer for Notes pursuant to this covenant if the Net Available Cash available therefor (after application of the proceeds as provided in clause (iii)(A) of paragraphs (b) and (c) above, as applicable) is less than the greater of $110.0 million and 15.0% of Four Quarter Consolidated EBITDA for any particular Asset Disposition (which lesser amounts shall be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). No Note will be repurchased in part if less than the Minimum Denomination in original principal amount of such Note would be left outstanding. The provisions under the Indenture relating to the Company's obligation to make an Offer for Notes pursuant to this covenant may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes.

(f) For the purposes of paragraphs (b) and (c) above, (i) in the event of any Asset Disposition of Capital Stock of a Person that has any right, title or interest to or in assets constituting both Collateral and Other Assets, such Asset Disposition shall instead be deemed to be an Asset Disposition of such assets, and the Company shall allocate the Net Available Cash from such Asset Disposition between the Collateral and the Other Assets in proportion to their respective fair market values as determined by the Company in good faith (which determination shall be conclusive), (ii) any Asset Disposition of Capital Stock of any Person that has any right, title or interest to or in assets constituting only Other Assets will be subject to paragraph (c) and not paragraph (b) of this covenant, and (iii) any Asset Disposition of Capital Stock of any Person that has any right, title or interest to or in assets constituting only Collateral will be subject to paragraph (b) and not paragraph (c) of this covenant.

(g) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitation on Transactions with Affiliates.

The Indenture will provide as follows:

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "*Affiliate Transaction*") involving aggregate consideration in excess of the greater of $75.0 million and 10.0% of Four Quarter Consolidated EBITDA unless (*i*) the terms of such Affiliate Transaction are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate and (*ii*) if such Affiliate Transaction involves aggregate consideration in excess of the greater of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA, the terms of such Affiliate Transaction have been approved by a majority of the Board of Directors. For purposes of this paragraph, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this paragraph if (*x*) such Affiliate Transaction is approved by a majority of the Disinterested Directors or (*y*) in the event there are no Disinterested Directors, a fairness opinion is provided by a nationally recognized appraisal or investment banking firm with respect to such Affiliate Transaction.

(b) The provisions of the preceding paragraph (a) will not apply to:

(i) any Restricted Payment Transaction,

(ii) (*1*) the entering into, maintaining or performance of any employment or consulting contract, collective bargaining agreement, benefit plan, program or arrangement, related trust agreement or any other similar arrangement for or with any current or former management member, employee, officer or director or consultant of or to the Company, any Restricted Subsidiary or any Parent or IPO Vehicle heretofore or hereafter entered into in the ordinary course of business, including vacation, health, insurance, deferred compensation, severance, retirement, savings or other similar plans, programs or arrangements, (*2*) payments, compensation, performance of indemnification or contribution obligations, or the making or cancellation of loans in the ordinary course of business to any such management members, employees, officers, directors or consultants, (*3*) any issuance, grant or award of stock, options, other equity related interests or other securities, to any such management members, employees, officers, directors or consultants, (*4*) the payment of reasonable fees to directors of the Company or any of its Subsidiaries or any Parent or IPO Vehicle (as determined in good faith by the Company, such Subsidiary or such Parent or IPO Vehicle, which determination shall be conclusive), (*5*) any transaction with an officer or director of the Company or any of its Subsidiaries or any Parent in the ordinary course of business not involving more than $100,000 in any one case or (*6*) Management Advances and payments in respect thereof (or in reimbursement of any expenses referred to in the definition of such term),

(iii) any transaction between or among any of the Company, one or more Restricted Subsidiaries, or one or more Special Purpose Entities,

(iv) any transaction arising out of agreements or instruments in existence on the Issue Date (or, with respect to agreements or instruments of the Fortune Business, the Effective Date) (other than the Tax Sharing Agreement and any Transaction Agreement referred to in clause (b)(vii) of this covenant), or any amendment, supplement, waiver or other modification thereto (so long as such amendment, supplement, waiver or other modification is not disadvantageous in any material respect in the good faith judgment of the Company, whose determination shall be conclusive, to the Holders when taken as a whole as compared to the applicable agreement or instrument as in effect on the Issue Date (or, with respect to agreements or instruments of the Fortune Business, the Effective Date)), and any payments made pursuant thereto,

(v) any transaction in the ordinary course of business on terms that are fair to the Company and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or senior management of the Company, or are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that could be obtained at the time in a transaction with a Person who is not an Affiliate of the Company,

(vi) any transaction in the ordinary course of business, or approved by a majority of the Board of Directors, between the Company or any Restricted Subsidiary and any Affiliate of the Company controlled by the Company that is a joint venture or similar entity,

(vii) (*1*) the execution, delivery and performance of any obligations under the Tax Sharing Agreement and any Transaction Agreement, and (*2*) payments to CD&R or any of its Affiliates (*x*) for any consulting services pursuant to the CD&R Expense Reimbursement Agreement or as may be approved by a majority of the Disinterested Directors, (*y*) in connection with any acquisition, disposition, merger, recapitalization or similar transactions, which payments are made pursuant to the Transaction Agreements or are approved by a majority of the Board of Directors in good faith, which determination shall be conclusive, and (*z*) of all out-of-pocket expenses incurred in connection with such services or activities,

(viii) the Transactions, all transactions in connection therewith (including but not limited to the financing thereof), and all fees and expenses paid or payable in connection with the Transactions, including the fees and out-of-pocket expenses of CD&R and its Affiliates,

(ix) any issuance or sale of Capital Stock (other than Disqualified Stock) of the Company or Junior Capital or any capital contribution to the Company,

(x) (*i*) any investment by any CD&R Investor in securities or loans of the Company or any of its Restricted Subsidiaries (and payment of out-of-pocket expenses incurred by any CD&R Investor in connection therewith) so long as such investments are being offered by the Company or the applicable Restricted Subsidiary generally to investors (other than CD&R Investors) on the same or more favorable terms and (*ii*) payments to any CD&R Investor in respect of securities or loans of the Company or any of its Restricted Subsidiaries contemplated in the foregoing subclause (i) or that were acquired from Persons other than the Company and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans, and

(xi) the pledge of Capital Stock, Indebtedness or other securities of any Unrestricted Subsidiary or joint venture to lenders to support the Indebtedness or other obligations of such Unrestricted Subsidiary or joint venture, respectively, owed to such lenders.

Limitation on Liens.

The Indenture will provide that the Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien (other than Permitted Liens) on any of its property or assets (including Capital Stock of any other Person), whether owned on the date of the Indenture or thereafter acquired, securing any Indebtedness (the "*Initial Lien*"), unless (a) in the case of an Initial Lien on any Collateral, such Initial Lien expressly has Junior Lien Priority on such Collateral in relation to the Notes and the Guarantees, as applicable, or (b) in the case of an Initial Lien on any other asset or property, contemporaneously therewith effective provision is made to secure the Indebtedness due under the Indenture and the Notes or, in respect of any Initial Lien on any Restricted Subsidiary's property or assets, any Subsidiary Guarantee of such Restricted Subsidiary, equally and ratably with (or on a senior basis to, in the case of Subordinated Obligations or Guarantor Subordinated Obligations) such obligation for so long as such obligation is so secured by such Initial Lien. Any such Lien thereby created in favor of the Notes or any such Subsidiary Guarantee will be automatically and unconditionally released and discharged upon (*i*) the release and discharge of the Initial Lien to which it relates, (*ii*) in the case of any such Lien in favor of any such Subsidiary Guarantee, the termination and discharge of such Subsidiary Guarantee in accordance with the terms of the Indenture or (*iii*) any sale, exchange or transfer (other than a transfer constituting a transfer of all or substantially all of the assets of the Company that is governed by the provisions of the covenant described under "—Merger and Consolidation" below) to any Person not an Affiliate of the Company of the property or assets secured by such Initial Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Initial Lien.

Future Subsidiary Guarantors.

As set forth more particularly under "—Subsidiary Guarantees," the Indenture will provide that, the Company will cause each Wholly Owned Domestic Subsidiary that guarantees payment by the Company or any Subsidiary Guarantor of any Indebtedness of the Company or any such Subsidiary Guarantor under either of the Senior Credit Facilities (including by reason of being a borrower under the Senior ABL Facility on a joint and several basis with the Company or a Subsidiary Guarantor) to execute and deliver to the Trustee within 30 days a supplemental indenture or other instrument pursuant to which such Wholly Owned Domestic Subsidiary will guarantee payment of the Notes, whereupon such Wholly Owned Domestic Subsidiary will become a Subsidiary Guarantor for all purposes under the Indenture. Within 90 days of any Wholly-Owned Domestic Subsidiary so becoming a Subsidiary Guarantor, the Company will also cause such Subsidiary Guarantor to execute and deliver such documents and instruments as shall be reasonably necessary to cause its property and assets of a type that would constitute Collateral to be made subject to a perfected Lien (subject to Liens permitted by the Indenture, including Permitted Liens) in favor of the Note Collateral Agent, as and to the extent provided in the Indenture, as described under "Security for the Notes"; *provided* that if any Parity Lien Obligations or Priority Lien Obligations are outstanding at such time, the execution and delivery of such documents and instruments will only be required, and such property and assets will only become part of the Collateral securing the Notes, if and to the extent that such property and assets become part of the Collateral securing such Parity Lien Obligations or such Priority Lien Obligations, respectively, substantially concurrently therewith; provided that any party will take all further action, that may be necessary or desirable or that any party may reasonably request, in order to protect any right or interest granted or purpose to be granted under the Base Intercreditor Agreement or to enable such party to exercise and enforce its right and remedies under the Base Intercreditor Agreement. The Company will also have the right to cause any other Subsidiary to guarantee payment of the Notes. Subsidiary Guarantees will be subject to release and discharge under certain circumstances prior to payment in full of the Notes. See "—Subsidiary Guarantees."

SEC Reports.

The Indenture will provide that so long as any Notes are outstanding:

(a) At any time prior to such time as the Company first becomes required to be subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, the Company shall furnish or make available to the Trustee (if not publicly available on EDGAR):

(i) within 120 days (or, for any fiscal year of the Company during which either (*A*) the Company or any Subsidiary has consummated a material (as determined by the Company in good faith, which determination shall be conclusive) acquisition or other Investment or (*B*) a material (as determined by the Company in good faith, which determination shall be conclusive) accounting change has occurred, 150 days) following the end of each fiscal year of the Company (or such longer period as may be permitted by the SEC if the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under this covenant) were then subject to SEC reporting requirements as a non-accelerated filer) ending thereafter, the consolidated financial statements of the Company for such year prepared in accordance with GAAP setting forth, commencing with the financial statements for the fiscal year ending December 31, 2022, in comparative form the figures for and as of the end of the previous year, together with a report thereon by the Company's independent auditors, and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to such financial statements substantially similar to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to the consolidated financial statements of each of the Monarch Business and the Fortune Business included in the offering memorandum for the Secured Notes; it being understood that the Company shall not be required to include any separate consolidating financial information with respect to the Company, any Subsidiary Guarantor or any other Affiliate of the Company, or any segment reporting, reporting with respect to non-consolidated subsidiaries, separate financial statements or information for the Company, any Subsidiary Guarantor or any other Affiliate of the Company;

(ii) (*A*) within 90 days after the end of the Fiscal Quarter of the Company ending September 30, 2021, the unaudited consolidated balance sheet and related statements of operations and cash flows of the Company for such fiscal quarter and (*B*) thereafter within 60 days (or, for any quarterly period (and the two immediately subsequent quarterly periods) during which either (*A*) the Company or any Subsidiary has consummated a material (as determined by the Company in good faith, which determination shall be conclusive) acquisition or other Investment or (*B*) a material (as determined by the Company in good faith, which determination shall be conclusive) accounting change has occurred, 90 days) after the end of each of the first three Fiscal Quarters of the Company in each fiscal year of the Company (or such longer period as may be permitted by the SEC if the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under this covenant) were then subject to SEC reporting requirements as a non-accelerated filer), beginning with the Fiscal Quarter ending June 30, 2022, the unaudited condensed consolidated financial statements of the Company for such quarter prepared in accordance with GAAP, together with a "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to such financial statements substantially consistent with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to the consolidated financial statements of each of the Monarch Business and the Fortune Business included in the offering memorandum for the Secured Notes; it being understood that the Company shall not be required to include any separate consolidating financial information with respect to the Company, any Subsidiary Guarantor or any other Affiliate of the Company, or any segment reporting, reporting with respect to non-consolidated subsidiaries, separate financial statements or information for the Company, any Subsidiary Guarantor or any other Affiliate of the Company; and

(iii) information substantially similar to the information that would be required to be included in a Current Report on Form 8-K (as in effect on the Issue Date) filed with the SEC by the Company (if the Company were required to prepare and file such form) pursuant to Item 1.03 (Bankruptcy or Receivership), 2.01 (Completion of Acquisition or Disposition of Assets) or 5.01 (Changes in Control of Registrant) of such form (and in any event excluding, for the avoidance of doubt, the financial statements, pro forma financial information and exhibits, if any, that would be required by Item 9.01 (Financial Statements and Exhibits) of such form), within 15 days after the date of filing that would have been required for a Current Report on Form 8-K.

In addition, to the extent not satisfied by the foregoing, for so long as the Notes remain subject to this paragraph (a), the Company will furnish to Holders thereof and prospective investors in such Notes, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) (as in effect on the Issue Date). In connection with this covenant, it being understood that the Company shall not be required to (*a*) comply with Section 302, Section 404 and Section 906 of the Sarbanes Oxley Act of 2002, as amended, or related Items 307, 308 and 308T of Regulation S-K under the Securities Act or (*b*) comply with Rule 3-05, Rule 3-09, Rule 3-10 and Rule 3-16 of Regulation S-X under the Securities Act.

(b) Substantially concurrently with the furnishing or making available to the Trustee of the information specified in paragraph (a) above pursuant thereto, the Company shall also (*1*) use its commercially reasonable efforts (*i*) to post copies of such reports on such website as may be then maintained by the Company, or (*ii*) to post copies of such reports on a website (which may be nonpublic) to which access is given to Holders, prospective investors in the Notes (which prospective investors shall be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act that certify their status as such to the reasonable satisfaction of the Company), and securities analysts (to the extent providing research and analysis of investment in the Notes to investors and prospective investors therein) and market-making financial institutions reasonably satisfactory to the Company, or (*iii*) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith, which determination shall be conclusive) (it being understood that, without limitation, making such reports available on Bloomberg or another private electronic information service shall constitute substantially comparable availability), or (*2*) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (1) after the use of its commercially reasonable efforts, furnish such reports to the Holders of the Notes, upon their request.

(c) Notwithstanding the foregoing, at any time following such time as the Company first becomes required to be subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, notwithstanding that the Company may not be required to be or remain subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, the Company will file with the SEC (unless such filing is not permitted under the Exchange Act or by the SEC), so long as the Notes are outstanding, the annual reports, information, documents and other reports that the Company is required to file with the SEC pursuant to such Section 13(a) or 15(d) or would be so required to file if the Company were so subject.

(d) If, at any time, any audited or reviewed financial statements or information required to be included in any statement or filing pursuant to paragraph (a) or (c) above are not reasonably available on a timely basis as a result of the Company's (or, any Parent's or IPO Vehicle's whose financial statements satisfy the Company's reporting obligations under this covenant) accountants not being "independent" (as defined pursuant to the Exchange Act and the rules and regulations of the SEC thereunder), the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under this covenant) may, in lieu of making such filing or transmitting or making available the financial statements or information, documents and reports so required to be filed, transmitted or made available, as the case may be, elect to make a filing on an alternative form or transmit or make available unaudited or unreviewed financial statements or information substantially similar to such required audited or reviewed financial statements or information; *provided* that (*i*) the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under this covenant) shall in any event be required to make such filing and so transmit or make available, as applicable, such audited or reviewed financial statements or information no later than the first anniversary of the date on which the same was otherwise required pursuant to the preceding provisions of this paragraph (such initial date, the "*Reporting Date*") and (*ii*) if the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under this covenant) makes such an election and such filing has not been made, or such information, documents and reports have not been transmitted or made available, as the case may be, within 90 days after such Reporting Date, liquidated damages will accrue on the Notes at a rate of 0.50% per annum from the date that is 90 days after such Reporting Date to the earlier of (*x*) the date on which such filing has been made, or such information, documents and reports have been transmitted or made available, as the case may be, and (*y*) the first anniversary of such Reporting Date (*provided* that not more than 0.50% per annum in liquidated damages shall be payable for any period regardless of the number of such elections by the Company).

The Company will be deemed to have satisfied the requirements of this covenant if any Parent or IPO Vehicle, in the case of paragraphs (a) and (b), furnishes or makes available information regarding the Parent or IPO Vehicle of the type otherwise so required with respect to the Company, and in the case of paragraph (c), files reports under Section 13(a) or 15(d) of the Exchange Act with the SEC via the EDGAR (or successor) filing system and such reports are publicly available.

Merger and Consolidation

The Indenture will provide as follows:

The Company will not consolidate with or merge with or into, or convey, lease or otherwise transfer all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) will expressly assume all the obligations of the Company under the Intercreditor Agreement, Note Security Documents, Notes and the Indenture by executing and delivering to the Trustee a supplemental indenture;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing;

(iii) immediately after giving effect to such transaction, either (*A*) the Company (or, if applicable, the Successor Company with respect thereto) could Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) or paragraph (b)(xvii) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", (*B*) the Consolidated Coverage Ratio of the Company (or, if applicable, the Successor Company with respect thereto) would equal or exceed the Consolidated Coverage Ratio of the Company immediately prior to giving effect to such transaction or (*C*) the Consolidated Total Leverage Ratio of the Company (or, if applicable, the Successor Company with respect thereto) would equal or be less than the Consolidated Total Leverage Ratio of the Company immediately prior to giving effect to such transaction;

(iv) each Subsidiary Guarantor (other than (*x*) any Subsidiary Guarantor that will be released from its obligations under its Subsidiary Guarantee in connection with such transaction and (*y*) any party to any such consolidation or merger) shall have delivered a supplemental indenture or other document or instrument in form reasonably satisfactory to the Trustee, confirming its Subsidiary Guarantee (other than any Subsidiary Guarantee that will be discharged or terminated in connection with such transaction); and

(v) the Company will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer complies with the provisions described in this paragraph; *provided* that (*x*) in giving such opinion such counsel may rely on an Officer's Certificate as to compliance with the foregoing clauses (ii) and (iii) and as to any matters of fact and (*y*) no Opinion of Counsel will be required for a consolidation, merger or transfer described in the fourth succeeding paragraph of this covenant.

Immediately after giving effect to any transaction involving the Company in accordance with the first paragraph of this covenant in which the Company is not the Successor Company, the Collateral owned by the Successor Company upon giving effect thereto (including any Collateral transferred to the Successor Company pursuant to such transaction) shall continue to constitute Collateral under the Indenture and the Note Security Documents and be subject to the Lien in favor of the Note Collateral Agent for the benefit of the Trustee and the Holders of the Notes, and shall not be subject to any Lien other than Permitted Liens, in each case except as otherwise permitted by or provided in the Indenture and the Note Security Documents. Any property and assets of any Person that is so consolidated or merged with the Company, to the extent of a type that would constitute Collateral under the Note Security Documents (excluding, for the avoidance of doubt, any Excluded Assets), shall be treated as After Acquired Property and the Successor Company shall take such action as may be reasonably necessary to cause such property and assets to be made subject to a Lien in favor of the Note Collateral Agent for the benefit of the Trustee and the Holders of the Notes, in each case to the extent required under the covenant described under "—Security for the Notes—After Acquired Property."

Any Indebtedness that becomes an obligation of the Company (or, if applicable, the Successor Company with respect thereto) or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness."

Upon any transaction involving the Company in accordance with the first paragraph of this "Merger and Consolidation" covenant in which the Company is not the Successor Company, the

Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture, and shall become the "Company" for all purposes of the Indenture, and thereafter the predecessor Company shall be relieved of all obligations and covenants under the Indenture, and shall cease to constitute the "Company" for all purposes of the Indenture, except that the predecessor Company in the case of a lease of all or substantially all its assets will not be released from the obligation to pay the principal of and interest on the Notes.

Clauses (ii) and (iii) of the first paragraph of this "Merger and Consolidation" covenant will not apply to any transaction in which the Company consolidates or merges with or into or transfers all or substantially all its properties and assets to (*x*) an Affiliate incorporated or organized for the purpose of reincorporating or reorganizing the Company in another jurisdiction or changing its legal structure to a corporation, limited liability company, partnership or other entity or (*y*) a Restricted Subsidiary of the Company so long as all assets of the Company and the Restricted Subsidiaries immediately prior to such transaction (other than Capital Stock of such Restricted Subsidiary) are owned by such Restricted Subsidiary and its Restricted Subsidiaries immediately after the consummation thereof. The first paragraph of this "Merger and Consolidation" covenant will not apply to (*1*) any transaction in which any Restricted Subsidiary consolidates with, merges into or transfers all or part of its assets to the Company or (*2*) the Transactions.

For purposes of this covenant, so long as at the time of any Minority Business Disposition or any Minority Business Offering the Minority Business Disposition Condition is met, the Minority Business Assets shall not be deemed at any time to constitute all or substantially all of the assets of the Company, and any sale or transfer of all or any part of the Minority Business Assets (whether directly or indirectly, whether by sale or transfer of any such assets, or of any Capital Stock or other interest in any Person holding such assets, or any consolidation or merger, or any combination thereof, and whether in one or more transactions, or otherwise, including any Minority Business Offering or any Minority Business Disposition) shall not be deemed at any time to constitute a consolidation with or merger with or into, or conveyance, transfer or lease of all or substantially all of the assets of the Company to, any Person.

Any reference herein to (*i*) a transfer, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company or a limited partnership, as applicable, or an allocation of assets to a series of a limited liability company (collectively, a "*Division*"), as if it were a transfer, assignment, sale or transfer, or similar term, as applicable, to a separate Person, and (*ii*) a merger, consolidation, amalgamation or consolidation, or similar term, shall be deemed to apply to the division of or by a limited liability company, or an allocation of assets to a series of a limited liability company, or the unwinding of such a division or allocation, as if it were a merger, consolidation, amalgamation or consolidation or similar term, as applicable, with a separate Person.

Financial Calculations

The Indenture will provide that, in connection with any Limited Condition Transaction and any related transactions (including any financing thereof), at the Company's election, (*a*) compliance with any requirement relating to the absence of a Default, an Event of Default or a specified Default or Event of Default, as applicable, may be determined as of the date (*w*) in the case of the Fortune Acquisition and the LOI 2 Acquisition, the Issue Date, (*x*) a definitive agreement for such Limited Condition Transaction is entered into, (*y*) in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers (or any equivalent thereof under laws, rules or regulations in any other applicable jurisdiction) applies, on which a "Rule 2.7 announcement" of a firm intention to make an offer in respect of a target of a Limited Condition Transaction is made (or the equivalent notice under such equivalent laws, rules or regulations in such other applicable jurisdiction) or (*z*) notice of redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock is given (the "*effective date*") and not as of any later date as would otherwise be required under the Indenture, and (*b*) any calculation of the Consolidated Coverage Ratio, the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio or any other financial measure, or any amount based on Four Quarter Consolidated EBITDA or a percentage of Four Quarter Consolidated EBITDA or any other determination under any basket or ratio under the Indenture, or any other determination as to whether any such Limited Condition Transaction and any related transactions (including any financing thereof) complies with the covenants or agreements contained in the Indenture, may be made as of such effective date and, to the extent so made, will not be required to be made at any later date as would otherwise be required under the Indenture, giving pro forma effect to such Limited Condition Transaction and any related transactions (including any Incurrence or Discharge of Indebtedness and Liens and the use of proceeds thereof); *provided* that (1) if financial statements for one or more subsequent Fiscal Quarters or fiscal years shall have been delivered pursuant to the Company's reporting obligations under "—Certain Covenants—SEC Reports", the Company may elect, in its sole discretion, to re-determine all such ratios, baskets or amounts on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable effective date for purposes of such ratios, baskets or amounts and (2) except as contemplated in the foregoing clause (1), compliance with such ratios, baskets or amounts (and any related requirements and conditions) shall not be determined or tested at any time after the applicable effective date for such Limited Condition Transaction and any actions or transactions related thereto (including any Incurrence or Discharge of Indebtedness and Liens and the use of proceeds thereof). For purposes of determining compliance with any ratio, basket or amount on the applicable effective date, Consolidated Interest Expense for purposes of the Consolidated 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 determined by the Company in good faith, which determination shall be conclusive. For the avoidance of doubt, if the Company makes such an election and any of the ratios, baskets or amounts for which compliance was determined or tested as of the effective date are exceeded as a result of fluctuations in any such ratio, basket or amount, including due to fluctuations in exchange rates, in Consolidated EBITDA of the Company or the Person subject to such Limited Condition Transaction or any applicable currency exchange rate, at or prior to the consummation of the relevant transaction or action, such ratios, baskets or amounts will not be deemed to have been exceeded as a result of such fluctuations. The Indenture will also provide that, if the Company makes such an election, any subsequent calculation of any such ratio, basket or amount (unless the definitive agreement for, or firm offer in respect of, such Limited Condition Transaction (in the case of an acquisition or Investment) is terminated or expires without its consummation or such notice of redemption, repurchase, defeasance, satisfaction and discharge or repayment is revoked or expires without consummation) shall be calculated on an equivalent pro forma basis. As used herein, the term "*Limited Condition Transaction*" means (*i*) any acquisition, including by way of merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise, of any assets, business or Person, or any other Investment by one or more of the Company and its Subsidiaries permitted by the Indenture, in each case, whose consummation is not conditioned on the availability of, or on obtaining, third party financing or (*ii*) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock requiring notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

Defaults

An Event of Default will be defined in the Indenture as:

(i) a default in any payment of interest on any Note when due, continued for 30 days;

(ii) a default in the payment of principal of any Note when due, whether at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(iii) the failure by the Company to comply with its obligations under the first paragraph of the covenant described under "—Merger and Consolidation" above;

(iv) the failure by the Company to comply for 30 days after notice with any of its obligations under the covenant described under "—Change of Control" above (other than a failure to purchase Notes);

(v) the failure by the Company to comply for (*x*) 180 days after notice of the failure by the Company to comply with any of its obligations under the covenant described under "—Certain Covenants—SEC Reports" or (*y*) 60 days after notice of the failure by the Company to comply with its other agreements contained in the Notes or the Indenture;

(vi) the failure by any Subsidiary Guarantor to comply for 45 days after notice with its obligations under its Subsidiary Guarantee;

(vii) the failure by the Company or any Restricted Subsidiary to pay any Indebtedness for borrowed money (other than Indebtedness owed to the Company or any Restricted Subsidiary, any Indebtedness in relation to which the Company or any Restricted Subsidiary is contesting such default in good faith and any Indebtedness arising pursuant to a Special Purpose Financing or a Financing Disposition if and to the extent permitted under the Indenture) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, if the total amount of such Indebtedness so unpaid or accelerated exceeds the greater of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA or its foreign currency equivalent; *provided* that no Default or Event of Default will be deemed to occur with respect to any such Indebtedness that is paid or otherwise acquired or retired (or for which such failure to pay or acceleration is waived or rescinded) within 20 Business Days after such failure to pay or such acceleration (the "*cross acceleration provision*");

(viii) certain events of bankruptcy, insolvency or reorganization of the Company or a Significant Subsidiary (the "*bankruptcy provisions*");

(ix) the rendering of any judgment or decree for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 90 days from the entry thereof, or to be received in respect thereof in the event of any appeal thereof shall be unsuccessful, or that the Company has determined there exists reasonable evidence that such amount will be reimbursed by the insurer or indemnifying party and such amount is not denied by the applicable insurer or indemnifying party in writing within 180 days and is reimbursed within 365 days of the date of such evidence) in excess of the greater of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA or its foreign currency equivalent against the Company or a Significant Subsidiary that is not discharged, satisfied, supported by a letter of credit or bonded or insured by a third Person, if such judgment or decree remains outstanding for a period of 90 days following such judgment or decree and is not discharged, waived or stayed (the "*judgment default provision*");

(x) the failure of any Subsidiary Guarantee by a Subsidiary Guarantor that is a Significant Subsidiary to be in full force and effect (except as contemplated by the terms thereof or of the Indenture) or the denial or disaffirmation in writing by any Subsidiary Guarantor that is a Significant Subsidiary of its obligations under the Indenture or any Subsidiary Guarantee (other than by reason of the termination of the Indenture or such Subsidiary Guarantee or the release of such Subsidiary Guarantee in accordance with such Subsidiary Guarantee or the Indenture), if such Default continues for 10 days; or

(xi) with respect to any Collateral, individually or in the aggregate, having a Fair Market Value in excess of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA, any of the Note Security Documents ceases to be in full force and effect, or any of the Note Security Documents ceases to give the holders of the Notes the Liens purported to be created thereby, or any of the Note Security Documents is declared null and void or the Company or any Guarantor denies in writing that it has any further liability under any Note Security Document (in each case (i) other than in accordance with the terms of the Indenture or any of the Note Security Documents or (ii) unless waived by the requisite creditors under the Senior Cash Flow Agreement or the Senior ABL Agreement (or by their agent or other representative on their behalf) if, after that waiver, the Company is in compliance with the covenant described under "—Security for the Notes"), except to the extent that any loss of perfection or priority results from the failure of any Collateral Agent (as defined in the Base Intercreditor Agreement) to maintain possession of certificates actually delivered to it representing securities, promissory notes or other instruments pledged under the Note Security Documents, or otherwise results from the gross negligence or willful misconduct of such Collateral Agent; *provided*, that if a failure of the sort described in this clause (xi) is susceptible of cure (including with respect to any loss of Lien priority on material portions of the Collateral), no Event of Default shall arise under this clause (xi) with respect thereto until 30 days after notice of such failure shall have been given to the Company.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a Default under clause (iv), (v), (vi) or (xi) will not constitute an Event of Default until the Trustee or the Holders of at least 30.0% in principal amount of the outstanding Indenture Notes notify the Company in writing of the Default and the Company does not cure such Default within the time specified in such clause after receipt of such notice; *provided* that a notice of Default with respect to any action taken, and reported publicly or to Holders more than two years prior to such notice of Default, may not be given and any such notice shall be invalid and have no effect. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default." When a Default or an Event of Default is cured, it ceases.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 30.0% in principal amount of the outstanding Indenture Notes by written notice to the Company and the Trustee, in either case specifying in such notice the respective Event of Default and that such notice is a "notice of acceleration," may declare the principal of and accrued but unpaid interest on all the Indenture Notes to be due and payable. Upon the effectiveness of such a declaration, such principal and interest will be due and payable immediately.

Notwithstanding the foregoing, if an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs and is continuing, the principal of and accrued but unpaid interest on all the outstanding Indenture Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Under certain circumstances, the Holders of a majority in principal amount of the outstanding Indenture Notes may rescind any such acceleration with respect to the Indenture Notes and its consequences.

Any time period in the Indenture to cure any actual or alleged Default or Event of Default may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered, and if requested, provided to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to institute suit for the enforcement of payment of principal and interest of any Note of such Holder on or after the respective Stated Maturity for such principal or interest payment dates for such interest expressed in such Note, no Holder may pursue any remedy (including, without limitation, taking or instituting any actions or proceedings, judicial or otherwise, for any right or remedy or asserting any other cause of action against the Company or any Subsidiary Guarantor (including the exercise of any right of set-off, rights on account of any banker's lien or similar claim or other rights of self-help), or instituting any actions or proceedings or any other cause of action, or otherwise commencing any remedial procedures) with respect to the Indenture or the Indenture Notes unless (*i*) such Holder has previously given the Trustee written notice that an Event of Default is continuing, (*ii*) Holders of at least 30.0% in principal amount of the outstanding Indenture Notes have requested the Trustee in writing to pursue the remedy, (*iii*) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense, (*iv*) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and (*v*) the Holders of a majority in principal amount of the outstanding Indenture Notes have not given the Trustee a direction inconsistent with such request within such 60-day period. For the avoidance of doubt, this provision may be enforced against any Holder by the Holders of a majority in principal amount of the outstanding Indenture Notes, the Trustee or the Company (or any of its Affiliates) and each Holder expressly acknowledges that this provision shall be available as a defense of the Company (or any of its Affiliates) in any action, proceeding, cause of action or remedial procedure. Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Indenture Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and is actually known to a Trust Officer of the Trustee, the Trustee must send to each Holder notice of the Default within 90 days after a Trust Officer of the Trustee has obtained actual knowledge thereof. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on, any Note, the Trustee may withhold notice if and so long as it in good faith determines that withholding notice is in the interests of the Noteholders. In addition, the Company is required to deliver to the Trustee, (*1*) within 150 days after the end of the fiscal year of the Company ending December 31, 2021 and (*2*) within 120 days after the end of each fiscal year of the Company ending thereafter, a certificate indicating whether the signers thereof know of any Default occurring during the previous year. The Company is also required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event that would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof. The Trustee will not be deemed to have knowledge of any Defaults or Events of Default unless a Trust Officer of the Trustee shall have obtained actual knowledge thereof and a written notice of such an event has been received by the Trustee at its corporate trust office specified in the Indenture and such notice references the Indenture Notes and the Indenture and states that it is a "Notice of Default."

Amendments and Waivers

Amendments and Waivers with the Consent of Holders

Subject to certain exceptions, the Indenture, the Notes, the Note Security Documents and the Intercreditor Agreements may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of the Indenture Notes (including Additional Notes, if any) then outstanding voting as a single class and any past default or compliance with any provisions may be waived with the consent of the Holders of not less than a majority in principal amount of the Indenture Notes (including Additional Notes, if any) then outstanding voting as a single class (including in each case, consents obtained in connection with a tender offer or exchange offer for Indenture Notes); *provided* that (*x*) if any such amendment or waiver will only affect one series of Indenture Notes (or less than all series of Indenture Notes) then outstanding under the Indenture, then only the consent of the Holders of a majority in principal amount of the Indenture Notes of such series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Indenture Notes) shall be required and (*y*) if any such amendment or waiver by its terms will affect a series of Indenture Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Indenture Notes, then the consent of the Holders of a majority in principal amount of the Indenture Notes of such series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Indenture Notes) shall be required. However, without the consent of Holders of at least 90% of the principal amount of the Indenture Notes affected, no amendment or waiver may (*i*) reduce the principal amount of Indenture Notes whose Holders must consent to an amendment or waiver, (*ii*) reduce the rate of or extend the time for payment of interest on any Indenture Note, (*iii*) reduce the principal of or extend the Stated Maturity of any Indenture Note, (*iv*) reduce the premium payable upon the redemption of any Indenture Note, or change the date on which any Indenture Note may be redeemed as described under "—Optional Redemption" above (in the case of the Notes) or the corresponding section of any supplemental indenture or other instrument pursuant to which the Secured Notes or Additional Notes, as applicable, are issued, (*v*) make any Indenture Note payable in money other than that stated in such Indenture Note, (*vi*) amend or waive the legal right of any Holder of any Indenture Note to receive payment of principal of and interest on such Indenture Note on or after the respective Stated Maturity for such principal or interest payment date for such interest expressed in such Indenture Note, or to institute suit for the enforcement of any such payment on or after such respective Stated Maturity or interest payment date, or (*vii*) make any change in the amendment or waiver provisions described in this sentence. Any amendment, supplement or waiver consented to by Holders of at least 90% of the principal amount of the Indenture Notes affected will be binding on any non-consenting Holder of the Indenture Notes affected.

In addition, without the consent of the Holders of at least 66-2/3% in principal amount of Indenture Notes then outstanding, no amendment, supplement or waiver may (*1*) make any change to any Note Security Document, any Intercreditor Agreement, or the specified provisions in the Indenture dealing with the Collateral or the Note Security Documents, that would release all or substantially all of the Fair Market Value of the Collateral from the Liens of the Note Security Documents (except as permitted by the terms of the Indenture, the Note Security Documents and the Intercreditor Agreements) or would change or alter the priority of the security interests in the Collateral under any Intercreditor Agreement in any manner adverse to the Holders in any material respect, or (*2*) make any other change to any Note Security Document, any Intercreditor Agreement, or the specified provisions in the Indenture dealing with the Collateral or the Note Security Documents, or the application of trust proceeds of the Collateral pursuant to the Indenture, that would adversely affect the Holders in any material respect, in each case other than in accordance with the terms of the Indenture, the Note Security Documents and the Intercreditor Agreements.

Amendments and Waivers Without the Consent of Holders

Without the consent of (or notice to) any Holder, the Company, the Trustee, the Note Collateral Agent and (as applicable) any Guarantor may amend the Indenture, any Indenture Note, any Note Security Document or any Intercreditor Agreement to cure any ambiguity, mistake, omission, defect or inconsistency, to provide for the assumption by a successor of the obligations of the Company or a Guarantor under the Indenture or any Indenture Note, to provide for uncertificated Indenture Notes in addition to or in place of certificated Indenture Notes, to add Guarantees with respect to the Indenture Notes, to secure the Indenture Notes or to add to the Collateral (including to mortgage, pledge, hypothecate or grant any other Lien in favor of the Note Collateral Agent for the benefit of the Trustee and the Holders of the Indenture Notes, as additional security for the payment and performance of all or any portion of the Obligations with respect to the Indenture Notes, in any property or assets, including any that 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 Note Collateral Agent pursuant to the Indenture, any of the Note Security Documents or otherwise), to evidence a successor Trustee or Note Collateral Agent, to provide for Parity Lien Obligations pursuant to any Intercreditor Agreement, to confirm and evidence the release, termination or discharge of any Guarantee or Lien with respect to or securing the Indenture Notes when such release, termination or discharge is provided for under the Indenture, the Indenture Notes or any of the Note Security Documents, to add to the covenants of the Company for the benefit of the Noteholders or to surrender any right or power conferred upon the Company, to provide for or confirm the issuance of the Secured Notes or any Additional Notes, to conform the text of the Base Indenture (including any supplemental indenture or other instrument pursuant to which the Notes or any Additional Notes are issued), the Notes (including any Additional Notes), any Note Security Documents, the Base Intercreditor Agreement, the Pari Passu Intercreditor Agreement, the Parent Guarantee or any Subsidiary Guarantee to any provision of this “Description of Secured Notes” or, with respect to the Indenture Notes or any Additional Notes and any supplemental indenture or other instrument pursuant to which the Indenture Notes or such Additional Notes are issued, to the “Description of Notes” section of the offering memorandum relating to the issuance of the Indenture Notes or such Additional Notes solely to the extent that such “Description of Notes” provides for terms of the Indenture Notes or such Additional Notes that differ from the terms of the Notes offered hereby, as contemplated by “—Principal, Maturity and Interest” above, to make any change that does not materially adversely affect the rights of any Holder, or to comply with any requirement of the SEC in connection with the qualification of the Indenture under the TIA or otherwise.

The consent of the Noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment or waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by such Noteholder and every subsequent Holder of all or part of the related Indenture Note. Any such Noteholder or subsequent holder may revoke such consent as to its Indenture Note by written notice to the Trustee or the Company, received thereby before the date on which the Company certifies to the Trustee that the Holders of the requisite principal amount of Indenture Notes have consented to such amendment or waiver. After an amendment or waiver that requires the consent of the Noteholders under the Indenture becomes effective, the Company is required to send to Noteholders a notice briefly describing such amendment or waiver. However, the failure to give such notice to all Noteholders, or any defect therein, will not impair or affect the validity of the amendment or waiver.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under "—Certain Covenants" or any related defined terms, shall be deemed to impair or affect any rights of Holders of the Indenture Notes to receive payment of principal of, or premium, if any, or interest on, the Indenture Notes.

Net Short Holders

Each amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, as well as any other request, demand, authorization, direction, notice, consent or waiver under the Indenture, shall be binding and effective as to each Net Short Holder. By acceptance of a beneficial ownership interest in the Notes, each Notes Beneficial Owner shall be deemed to have agreed to not take any action, whether consenting, affirmatively not consenting or otherwise, for any amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, or otherwise give any request, demand, authorization, direction, notice, consent or waiver under the Indenture, if it is a Net Short Holder (in each case unless otherwise agreed to by the Company). In connection with any amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, or any other request, demand, authorization, direction, notice, consent or waiver under the Indenture, each Notes Beneficial Owner shall promptly notify the Trustee and the Company in writing that it is a Net Short Holder, or shall otherwise be deemed to have represented and warranted to the Company and the Trustee that it is not a Net Short Holder; *provided* that if such action relates to a Default or Event of Default, such representation or deemed representation shall be deemed repeated at all times until the resulting Default or Event of Default is cured or ceases to exist or the Notes hereunder are accelerated. In connection with, and as a condition to, taking any action requiring the consent of, or the giving of any request, demand, authorization, direction, notice, consent or waiver by, the Holders of the requisite principal amount of Notes, each Notes Beneficial Owner taking such action shall (*A*) certify to the Trustee and the Company that it is not a Net Short Holder (in each case unless otherwise agreed to by the Company) and (*B*) covenant to provide the Company with such other information as the Company may reasonably request from time to time in order to verify the accuracy of such Net Beneficial Owner's representation or warranty, deemed representation or warranty or certification with respect to not being a Net Short Holder, within five Business Days of request thereof (the "*Net Short Holder Verification Covenant*"). Notwithstanding the foregoing, these provisions shall in no way limit the right of any Notes Beneficial Owner or Holder to institute suit for the enforcement of payment of principal and interest of any Note of such Holder on or after the Final Maturity Date for such principal or scheduled interest payment dates for such interest expressed in such Note. If any Notes Beneficial Owner has made an incorrect representation or warranty, deemed representation or warranty or certification with respect to not being a Net Short Holder, or has otherwise breached its covenant to not take any action, whether consenting, affirmatively not consenting or otherwise, for any amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, or otherwise give any request, demand, authorization, direction, notice, consent or waiver under the Indenture, if it is a Net Short Holder (in each case unless otherwise agreed to by the Company), the Company shall have the right at the sole expense of any such Person to cause such Person to (and such Person shall be obligated to) transfer any or all of its Notes to one or more transferees (which may, at the Company's sole option, be or include any Parent, the Company or any Subsidiary); *provided* that (*1*) the Trustee shall not have any obligation to the Company or to such Notes Beneficial Owner to find such a transferee, (*2*) the Company shall not have any obligation to such Notes Beneficial Owner to find such a transferee or accept or consent to any such transfer to itself or any other Person and (*3*) the transferee (or, at its option, the Company) shall pay to such Notes Beneficial Owner concurrently with such transfer an amount (which payment shall be deemed payment in full) equal to the lesser of (*x*) the face principal amount of the Notes so assigned and (*y*) the most recently available quoted price for such Notes (as determined by the Company in good faith, which determination shall be conclusive), in each case without interest thereon. The rights and remedies of the Company provided herein are cumulative and are not exclusive of any other rights and remedies provided to the Company at law or in equity, and the Company shall be entitled to pursue any remedy available to it against any Net Short Holder (or any Notes Beneficial Owner that the Company in good faith believes is a Net Short Holder). In no event shall the Trustee have any liability or obligation to ascertain, monitor or inquire as to whether any Person is a Net Short Holder and/or whether such Net Short Holder has delivered any related certifications under the Indenture or in connection with the Notes. It is understood and agreed that the Company and the Trustee shall be entitled to rely on each representation, deemed representation and certification made by, and covenant of, each Notes Beneficial Owner provided for in this paragraph. Notwithstanding any other provision of the Indenture, the Notes or any other document, the provisions of this paragraph shall apply and survive with respect to each Notes Beneficial Owner notwithstanding that any such Person may have ceased to be a Notes Beneficial Owner, the Indenture may have been terminated or the Notes may have been redeemed in full.

If, in connection with the giving of a request, demand, authorization, notice, consent or waiver relating to a Default or Event of Default (each, a "*Default Direction*"), but prior to the acceleration of the Notes, the Company determines in good faith that there is a reasonable basis to believe a Notes Beneficial Owner that took such action made an incorrect representation or warranty, deemed representation or warranty or certification with respect to not being a Net Short Holder, or otherwise at any relevant time on or following such action was a Net Short Holder (a "*Net Short Holder Default Breach*"), the Company delivers an Officer's Certificate to the Trustee certifying that (*i*) the Company believes in good faith that there is a reasonable basis to believe a Notes Beneficial Owner that gave a Default Direction (*x*) made an incorrect representation or warranty, deemed representation or warranty or certification with respect to not being a Net Short Holder, or otherwise at any relevant time on or following such action was a Net Short Holder or (*y*) breached the Net Short Holder Verification Covenant and (*ii*) the Company and/or one of its Affiliates has filed papers with a court of competent jurisdiction seeking a determination that such Notes Beneficial Owner made an incorrect representation or warranty, deemed representation or warranty or certification with respect to not being a Net Short Holder, or otherwise at any relevant time on or following such action was a Net Short Holder or breached the Net Short Holder Verification Covenant, and seeking to invalidate any Default or Event of Default that resulted from such action, the cure period with respect to such Default or Event of Default shall be automatically stayed pending a final and non-appealable 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 any such Default Direction until such time as the Company provides to the Trustee an Officer's Certificate stating that such Notes Beneficial Owner has satisfied its Net Short Holder Verification Covenant. If such Notes Beneficial Owner has satisfied its Net Short Holder Verification Covenant, then the Trustee shall be permitted to act in accordance with such Default Direction.

If any amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, or any other request, demand, authorization, direction, notice, consent or waiver under the Indenture, is effected in violation of the immediately preceding paragraph (including, without limitation, as a result of such amendment, supplement, waiver or modification having been consented to by a Net Short Holder or such other request, demand, authorization, direction, notice, consent or waiver having been given by a Net Short Holder), and assuming all Net Short Holders complied with the preceding paragraph and Notes owned by all Net Short Holders were disregarded and deemed not to be Outstanding (in each case unless otherwise agreed to by the Company), (*1*) if such amendment, supplement, waiver or modification, or such other request, demand, authorization, direction, notice, consent or waiver, shall have received the requisite percentage of Holders under the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, without taking into account any action, whether consenting, affirmatively not consenting or otherwise, of any Net Short Holder (in each case unless otherwise agreed to by the Company), then such amendment, supplement, waiver or modification, or such other request, demand, authorization, direction, notice, consent or waiver shall nonetheless be binding and effective, and shall not be null or void, as to each Holder and (*2*) in all other cases, such amendment, supplement, waiver or modification, or such other request, demand, authorization, direction, notice, consent or waiver shall be null and void (in each case unless otherwise agreed to by the Company).

Defeasance

The Company at any time may terminate all obligations of the Company under the Notes and the Indenture ("*legal defeasance*"), except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

The Company at any time may terminate its obligations under certain covenants under the Indenture, including the covenants described under "—Certain Covenants," "—Security for the Notes—After Acquired Property," and "—Change of Control," the operation of the default provisions relating to such covenants described under "—Defaults" above, the operation of the cross acceleration provision, the bankruptcy provisions with respect to Subsidiaries and the judgment default provision described under "—Defaults" above, and the limitations contained in clauses (iii), (iv) and (v) and the second paragraph under "—Merger and Consolidation" above ("*covenant defeasance*"). If the Company exercises its legal defeasance option or its covenant defeasance option, Holdings will be released from all of its obligations with respect to the Parent Guarantee, each Subsidiary Guarantor will be released from all of its obligations with respect to its Subsidiary Guarantee, and Liens on the Collateral securing the Indebtedness evidenced by the Notes will be released and the Note Security Documents shall cease to be of further effect.

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (iv), (v) (as it relates to the covenants described under "—Certain Covenants" or "—Security for the Notes—After Acquired Property" above), (vi), (vii), (viii) (but only with respect to events of bankruptcy, insolvency or reorganization of a Subsidiary), (ix), (x) or (xi) under "—Defaults" above or because of the failure of the Company to comply with clause (iii), (iv) or (v) or the second paragraph under "—Merger and Consolidation" above.

Either defeasance option may be exercised to any redemption date or to the maturity date for the Notes. In order to exercise either defeasance option, the Company must irrevocably deposit or cause to be deposited in trust (the "*defeasance trust*") with the Trustee money or U.S. Government Obligations, or a combination thereof, sufficient (without reinvestment) to pay principal of (and premium, if any) and interest on, the Notes to redemption or maturity, as the case may be (*provided* that if such redemption is made pursuant to the provisions described in the fifth paragraph under "—Optional Redemption," (*x*) the amount of money or U.S. Government Obligations, or a combination thereof, that the Company must irrevocably deposit or cause to be deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit, as calculated by the Company in good faith, and (*y*) the Company must irrevocably deposit or cause to be deposited additional money in trust on or prior to the redemption date as necessary to pay the Applicable Premium as determined on such redemption date), and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel (*x*) must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. federal income tax law since the Issue Date and (*y*) need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, will become due and payable at their Stated Maturity within one year, or have been called for redemption, or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company).

Satisfaction and Discharge

The Indenture, the Note Security Documents and the Notes will be discharged and cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) when (*i*) either (*a*) all Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been cancelled or delivered to the Trustee for cancellation or (*b*) all Notes not previously cancelled or delivered to the Trustee for cancellation (*x*) have become due and payable, (*y*) will become due and payable at their Stated Maturity within one year or (*z*) have been called for redemption, or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; (*ii*) the Company has irrevocably deposited or caused to be deposited with the Trustee money, U.S. Government Obligations or a combination thereof, sufficient (without reinvestment) to pay and discharge the entire Indebtedness on the Notes not previously cancelled or delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of such deposit (in the case of Notes that have become due and payable), redemption or their Stated Maturity, as the case may be (*provided* that if such redemption is made pursuant to the provisions described in the fifth paragraph under "—Optional Redemption," (*x*) the amount of money or U.S. Government Obligations, or a combination thereof, that the Company must irrevocably deposit or cause to be deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit, as calculated by the Company in good faith, and (*y*) the Company must irrevocably deposit or cause to be deposited additional money in trust on or prior to the redemption date as necessary to pay the Applicable Premium as determined on such redemption date); (*iii*) the Company has paid or caused to be paid all other sums payable under the Indenture by the Company; and (*iv*) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "—Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (i), (ii) and (iii)).

No Personal Liability of Directors, Officers, Employees, Incorporators and Stockholders

No director, officer, employee, incorporator or stockholder of the Company, any Subsidiary Guarantor or any Subsidiary of any thereof shall have any liability for any obligation of the Company or any Subsidiary Guarantor under the Indenture, the Notes, the Parent Guarantee or any Subsidiary Guarantee, the Note Security Documents or the Intercreditor Agreements or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Noteholder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Concerning the Trustee and the Note Collateral Agent

Wilmington Trust, National Association, is the Trustee under the Indenture and is appointed by the Company as initial registrar and paying agent with regard to the Notes. Wilmington Trust, National Association is the Note Collateral Agent under the Indenture and the Note Security Documents.

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Indenture and (if applicable) the TIA will impose certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; *provided* that if it acquires any conflicting interest as described in the TIA, it must eliminate such conflict, apply to the SEC for permission to continue as Trustee with such conflict (if the Indenture is then qualified under the TIA), or resign.

The Indenture will provide that neither the Trustee nor the Note Collateral Agent shall be responsible for the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession and for trust monies actually received), for the legality, effectiveness or sufficiency of any Note Security Document, or for the creation, perfection, priority, sufficiency or protection of any Lien on Collateral.

Transfer and Exchange

A Noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the registrar and the Trustee may require such Noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require such Noteholder to pay any taxes or other governmental charges required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption or purchase or to transfer or exchange any Note for a period of 15 Business Days prior to the day of the sending of the notice of redemption or purchase. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection with the transfer or exchange. The Notes will be issued in registered form and the registered holder of a Note will be treated as the owner of such Note for all purposes.

Governing Law

The Indenture will provide that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Company has not qualified and does not expect to qualify the Indenture under the TIA. The Indenture will accordingly not be subject to the TIA, and will not contain any provision corresponding or similar to certain provisions of the TIA that would otherwise apply if the Indenture were so qualified, including TIA §316(b).

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness of a Person (*i*) existing at the time such Person becomes a Subsidiary or (*ii*) assumed in connection with the acquisition of assets from such Person, in each case other than Indebtedness Incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition of assets. Acquired Indebtedness shall be deemed to be

Incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

"*Additional Assets*" means (*i*) any property or assets that replace the property or assets that are the subject of an Asset Disposition; (*ii*) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company or a Restricted Subsidiary or otherwise useful in a Related Business, and any capital expenditures in respect of any property or assets already so used; (*iii*) the Capital Stock of a Person that is engaged in a Related Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (*iv*) Capital Stock of any Person that at such time is a Restricted Subsidiary acquired from a third party.

"*Affiliate*" means, as to any specified Person, any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*After Acquired Property*" means any and all assets or property (other than Excluded Assets) acquired by the Company or any Subsidiary Guarantor after the Effective Date that constitutes or is required to constitute Collateral.

"*Asset Disposition*" means any sale, lease, transfer, Division or other disposition of shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares, or (in the case of a Foreign Subsidiary) to the extent required by any applicable law), property or other assets (each referred to for the purposes of this definition as a "*disposition*") by the Company or any of its Restricted Subsidiaries (including any disposition by means of a merger, consolidation or similar transaction) other than (*i*) a disposition to the Company or a Restricted Subsidiary, (*ii*) a disposition in the ordinary course of business (including in connection with any factoring agreement or similar arrangements), (*iii*) a disposition of Cash Equivalents, Investment Grade Securities or Temporary Cash Investments, (*iv*) the sale or discount (with or without recourse, and on customary or commercially reasonable terms, as determined by the Company in good faith, which determination shall be conclusive) of accounts receivable or notes receivable which have arisen in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable (including ancillary rights pertaining thereto), (*v*) any Restricted Payment Transaction, (*vi*) a disposition that is governed by the provisions described under "—Merger and Consolidation," (*vii*) any Financing Disposition, (*viii*) any "fee in lieu" or other disposition of assets to any Governmental Authority that continue in use by the Company or any Restricted Subsidiary, so long as the Company or any Restricted Subsidiary may obtain title to such assets upon reasonable notice by paying a nominal fee, (*ix*) any exchange of property pursuant to or intended to qualify under Section 1031 (or any successor section) of the Code, or any exchange of equipment to be leased, rented or otherwise used in a Related Business, (*x*) any financing transaction with respect to property built or acquired by the Company or any Restricted Subsidiary after the Issue Date, including, without limitation, any sale/leaseback transaction or asset securitization, (*xi*) any disposition arising from foreclosure, condemnation, eminent domain, compulsory purchase, enforcement or similar action with respect to any property or other assets, or exercise of termination rights under any lease, license, concession or other agreement, or necessary or advisable (as determined by the Company in good faith, which determination shall be conclusive) in order to consummate any acquisition of any Person, business or assets, or pursuant to buy/sell arrangements under any joint venture or similar agreement or arrangement, or of non-core assets acquired in connection with any acquisition of (or any merger, consolidation, amalgamation or other business combination with or into) any Person, business or assets or any Investment, (*xii*) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary, (*xiii*) a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary that is not a Subsidiary Guarantor acquired its business and assets (having been newly formed in connection with such acquisition), entered into in connection with such acquisition, (*xiv*) a disposition of not more than 5.0% of the outstanding Capital Stock of a Foreign Subsidiary that has been approved by the Board of Directors, (*xv*) any disposition or series of related dispositions for aggregate consideration not to exceed the greater of $110.0 million and 15.0% of Four Quarter Consolidated EBITDA (as of the earlier of the date such disposition was made or the date on which a binding commitment for such disposition was entered into), (*xvi*) any Exempt Sale and Leaseback Transaction, (*xvii*) the abandonment or other disposition of any patent, trademark or other intellectual property or application that is, in the good faith determination of the Company, which determination shall be conclusive, no longer economically reasonable to maintain or useful in the conduct of the business of the Company and its Subsidiaries taken as a whole, (*xviii*) any license, sublicense or other grant of rights in or to any trademark, copyright, patent or other intellectual property, (*xix*) the creation or granting of any Lien permitted under the Indenture, (*xx*) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions or (*xxi*) any exchange of assets (including a combination of assets and Cash Equivalents, Investment Grade Securities and Temporary Cash Investments) for assets used or useful in a Related Business (or Capital Stock of a Person that will be a Restricted Subsidiary following such transaction) of comparable or greater fair market value (as determined by the Company in good faith, which determination shall be conclusive).

"*Bank Products Agreement*" means any agreement pursuant to which a bank or other financial institution or other Person agrees to provide (*a*) treasury services, (*b*) credit card, debit card, merchant card, purchasing card, stored value card, non-card electronic payable or other similar services (including, without limitation, the processing of payments and other administrative services with respect thereto), (*c*) cash management or related services (including, without limitation, controlled disbursements, automated clearinghouse transactions, return items, netting, overdrafts, depository, lockbox, stop payment, electronic funds transfer, information reporting, wire transfer and interstate depository network services) and (*d*) other banking, financial or treasury products or services as may be requested by the Company or any Restricted Subsidiary (other than letters of credit and other than loans and advances except indebtedness arising from services described in clauses (a) through (c) of this definition), including, for the avoidance of doubt, bank guarantees.

"*Bank Products Obligations*" of any Person means the obligations of such Person pursuant to any Bank Products Agreement.

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended, modified or supplemented from time to time.

"*Base Intercreditor Agreement*" means the ABL Intercreditor Agreement, dated as of July 1, 2019, between Bank of America, N.A., as collateral agent for the holders of the Revolving Credit Obligations (as defined therein), Bank of America, N.A., as collateral agent for the holders of the Initial Fixed Asset Obligations (as defined therein) and Wilmington Trust, National Association, as collateral agent for the holders of the Initial Additional Fixed Asset Obligations (as defined therein) and acknowledged by the Company and certain of the Guarantors, as modified by the Joinder Agreement (as defined therein) dated as of the Effective Date by the Note Collateral Agent, the Senior Cash Flow Collateral Agent and the Senior ABL Collateral Agent, as the same may be further amended, restated, supplemented, waived or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Board of Directors*" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the board of directors or other governing body of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such board of directors or other governing body. Unless otherwise provided, "Board of Directors" means the Board of Directors of the Company.

"*Borrowing Base*" means the sum of (*1*) 90.0% of the book value of Inventory of the Company and its Restricted Subsidiaries, (*2*) 90.0% of the book value of Receivables of the Company and its Restricted Subsidiaries, (*3*) 85.0% of the book value (or, if higher, appraised value) of Real Property of the Company and its Restricted Subsidiaries and (*4*) cash, Cash Equivalents and Temporary Cash Investments of the Company and its Restricted Subsidiaries (in each case, determined as of the end of the most recently ended Fiscal Month of the Company for which internal consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available, and, in the case of any determination relating to any Incurrence of Indebtedness, on a pro forma basis including (*x*) any property or assets of a type described above acquired since the end of such Fiscal Month and (*y*) any property or assets of a type described above being acquired in connection therewith).

"*Business Day*" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in New York City (or any other city in which a paying agent maintains its office).

"*Capital Stock*" as to any Person, any and all shares or units of, rights to purchase, warrants or options for, or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Captive Insurance Subsidiary*" means any Subsidiary of the Company that is subject to regulation as an insurance company or captive insurance company (or any Subsidiary of any of the foregoing).

"*Cash Equivalents*" means any of the following: (*a*) money, (*b*) securities issued or fully guaranteed or insured by the United States of America, Canada, the United Kingdom, Japan, Switzerland or a member state of the European Union or any agency or instrumentality of any thereof, (*c*) time deposits, certificates of deposit or bankers' acceptances of (*i*) any bank or other institutional lender under any Senior Credit Facility or any affiliate thereof or (*ii*) any commercial bank having capital and surplus in excess of $250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and the commercial paper of the holding company of which is rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings, a comparable rating of another nationally recognized rating agency), (*d*) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c)(i) or (c)(ii) above, (*e*) money market instruments, commercial paper or other short-term obligations rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings, a comparable rating of another nationally recognized rating agency), (*f*) investments in money market funds subject to the risk limiting conditions of Rule 2a-7 or any successor rule of the SEC under the Investment Company Act of 1940, as amended, (*g*) investment funds investing at least 90.0% of their assets in cash equivalents of the types described in clauses (a) through (f) above (which funds may also hold cash pending investment and/or distribution), (*h*) investments similar to any of the foregoing denominated in foreign currencies approved by the Board of Directors and (*i*) solely with respect to any Captive Insurance Subsidiary, any investment that any such Person is permitted to make in accordance with applicable law.

"*CD&R*" means Clayton, Dubilier & Rice, LLC, a Delaware limited liability company, and any successor in interest thereto, and any successor to its investment management business.

"*CD&R Expense Reimbursement Agreement*" means the Expense Reimbursement Agreement, dated as of the Issue Date, by and among Labels Buyer, LLC and the Company, on the one hand, and CD&R, on the other hand, pursuant to which CD&R shall be entitled to expense reimbursement from Labels Buyer, LLC and/or one or more of its Subsidiaries for certain consulting services, as the same may be amended, supplemented, waived or otherwise modified from time to time so long as such amendment, supplement, waiver or modification complies with the Indenture (including the covenant described under "—Certain Covenants—Limitation on Transactions with Affiliates" (for the avoidance of doubt, other than by reason of clause (vii) of paragraph (b) of such covenant)).

"*CD&R Fund XI*": Clayton, Dubilier & Rice Fund XI, L.P., a Cayman Islands exempted limited partnership, and any successor in interest thereto.

"*CD&R Indemnification Agreement*" the Indemnification Agreement, dated as of the Issue Date, by and among Labels Buyer, LLC, the Company, certain CD&R Investors and CD&R and the other parties thereto, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"*CD&R Investors*" collectively, (i) CD&R, (ii) CD&R Fund XI, (iii) Clayton, Dubilier & Rice Fund XI-A, L.P., a Cayman Islands exempted limited partnership, and any successor in interest thereto, (iv) CD&R Advisor Fund XI, L.P., a Cayman Islands exempted limited partnership, and any successor in interest thereto, (v) Clayton, Dubilier & Rice XI (Scotland), L.P., a Scotland private fund limited partnership, and any successor in interest thereto, (vi) CD&R Associates XI, L.P., a Cayman Islands exempted limited partnership, and any successor in interest thereto, (vii), CD&R Associates XI (Scotland), L.P., a Delaware limited partnership, and any successor in interest thereto, (viii) CD&R XI Scotland GP-GP, L.P., a Delaware limited partnership, and any successor in interest thereto, (ix) CD&R XI Scotland, LLC, a Delaware limited liability company, and any successor in interest thereto, (x) CD&R Investment Associates XI, Ltd., a Cayman Islands exempted company, and any successor in interest thereto, (xi) Topco and (xii) any Affiliate of any CD&R Investor identified in clauses (i) through (xi) of this definition.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Collateral*" means the Current Asset Collateral and the Fixed Asset Collateral, other than Excluded Assets.

"*Collateral Agreement*" means that certain Notes Collateral Agreement, dated as of the Issue Date, among the Note Collateral Agent, the Company and the Guarantors party thereto from time to time, as amended, amended and restated, supplemented, waived, modified, renewed or replaced from time to time.

"*Commodities Agreement*" means, in respect of a Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

"*Company*" means LABL, Inc., a Delaware corporation, and any successor in interest thereto.

"*Consolidated Coverage Ratio*" as of any date of determination, means the ratio of (*i*) the Four Quarter Consolidated EBITDA as of such date to (*ii*) Consolidated Interest Expense for the period of the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of such determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available (determined for any fiscal quarter (or portion thereof) ending prior to the Effective Date, on a pro forma basis to give effect to the Transactions as if they had occurred at the beginning of such four-quarter period); *provided* that

(1) if, since the beginning of such period, the Company or any Restricted Subsidiary has Incurred any Indebtedness or the Company has issued any Designated Preferred Stock that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness by the Company or any Restricted Subsidiary or an issuance of Designated Preferred Stock of the Company, Four Quarter Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness or Designated Preferred Stock as if such Indebtedness or Designated Preferred Stock had been Incurred or issued, as applicable, on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (*A*) the average daily balance of such Indebtedness

during such four fiscal quarters or such shorter period for which such facility was outstanding or (*B*) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation; *provided* that, in the case of both of clauses (A) and (B), the Initial Revolving Commitments (as defined in the Senior Cash Flow Agreement) and the Senior ABL Facility as of the Issue Date shall be treated as if they were in place for any fiscal quarter (or portion thereof) ending prior to the Issue Date, and the daily balance of Indebtedness thereunder for any date prior to the Issue Date shall be deemed to be $0),

(2) if, since the beginning of such period, the Company or any Restricted Subsidiary has Discharged any Indebtedness or any Designated Preferred Stock of the Company, that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a Discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been Discharged with an equivalent permanent reduction in commitments thereunder) or a Discharge of Designated Preferred Stock of the Company, Four Quarter Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Discharge of Indebtedness or Designated Preferred Stock, including with the proceeds of such new Indebtedness or such new Designated Preferred Stock of the Company, as if such Discharge had occurred on the first day of such period,

(3) if, since the beginning of such period, the Company or any Restricted Subsidiary shall have disposed of any company, any business or any group of assets constituting an operating unit of a business, including any such disposition occurring in connection with a transaction causing a calculation to be made hereunder, or designated any Restricted Subsidiary as an Unrestricted Subsidiary (any such disposition or designation, a "*Sale*"), Consolidated Interest Expense for such period shall be reduced by an amount equal to (*A*) the Consolidated Interest Expense attributable to any Indebtedness of the Company or any Restricted Subsidiary Discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Sale for such period (including but not limited to through the assumption of such Indebtedness by another Person) *plus* (*B*) if the Capital Stock of any Restricted Subsidiary is disposed of in such Sale or any Restricted Subsidiary is designated as an Unrestricted Subsidiary, the Consolidated Interest Expense for such period attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale,

(4) if, since the beginning of such period, the Company or any Restricted Subsidiary (by merger, consolidation or otherwise) shall have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquired any company, any business or any group of assets constituting an operating unit of a business, including any such Investment or acquisition occurring in connection with a transaction causing a calculation to be made hereunder, or designated any Unrestricted Subsidiary as a Restricted Subsidiary (any such Investment, acquisition or designation, a "*Purchase*"), Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any related Indebtedness) as if such Purchase occurred on the first day of such period,

(5) if, since the beginning of such period, any Person became a Restricted Subsidiary or was merged or consolidated with or into the Company or any Restricted Subsidiary, and since the beginning of such period such Person shall have Discharged any Indebtedness or made any Sale or Purchase that would have required an adjustment pursuant to clause (2), (3) or (4) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Discharge, Sale or Purchase occurred on the first day of such period, and

(6) Four Quarter Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated as if any Coverage Ratio Tested Committed Amount, Acquisition Coverage Ratio Tested Committed Amount, Total Leverage Ratio Tested Committed Amount, Acquisition Leverage Ratio Tested

Committed Amount, Debt Secured Leverage Ratio Tested Committed Amount or Liens Secured Leverage Ratio Tested Committed Amount existing at the time of determination were fully drawn;

provided that (in the event that the Company shall classify Indebtedness Incurred on the date of determination as Incurred in part under paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Indebtedness" and in part under paragraph (b) of such covenant, as provided in paragraph (c)(iii) of such covenant) any such pro forma calculation of Consolidated Interest Expense shall not give effect to any such Incurrence of Indebtedness on the date of determination pursuant to such paragraph (b) (other than, if the Company at its option has elected to disregard Indebtedness being Incurred on the date of determination in part under paragraph (a) of such covenant for purposes of calculating the Consolidated Total Leverage Ratio for Incurring Indebtedness on the date of determination in part under clause (xi) or (xvii) of paragraph (b) of such covenant, clause (xi) or (xvii) of such paragraph (b)) or to any Discharge of Indebtedness from the proceeds of any such Incurrence pursuant to such paragraph (b) (other than clauses (xi) and (xvii) of paragraph (b), if the Incurrence of Indebtedness under clause (xi) or (xvii) is being given effect to in the calculation of the Consolidated Coverage Ratio).

For purposes of this definition, whenever pro forma effect is to be given to any Sale, Purchase or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred, Designated Preferred Stock issued or Indebtedness or Designated Preferred Stock Discharged in connection therewith, the pro forma calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such Sale, Purchase or other transaction) shall be as determined in good faith by the Chief Financial Officer or an authorized Officer of the Company, which determination shall be conclusive; *provided* that with respect to cost savings or synergies relating to any Sale, Purchase or other transaction, the related actions are expected by the Company to be taken no later than 24 months after the date of determination. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness). If any Indebtedness bears, at the option of the Company or a Restricted Subsidiary, a rate of interest based on a prime or similar rate, a eurocurrency interbank offered rate or other fixed or floating rate, and such Indebtedness is being given pro forma effect, the interest expense on such Indebtedness shall be calculated by applying such optional rate as the Company or such Restricted Subsidiary may designate. If any Indebtedness that is being given pro forma effect was Incurred under a revolving credit facility, the interest expense on such Indebtedness shall be computed based upon the average daily balance of such Indebtedness during the applicable period; *provided* that, in the case of the Initial Revolving Commitments (as defined in the Senior Cash Flow Agreement) and the Senior ABL Facility as of the Issue Date, each such facility shall be treated as if it were in place for any fiscal quarter (or portion thereof) ending prior to the Issue Date, and the daily balance of Indebtedness thereunder for any date prior to the Issue Date shall be deemed to be $0. Interest on a Financing Lease Obligation shall be deemed to accrue at an interest rate determined in good faith by a responsible financial or accounting officer of the Company (which determination shall be conclusive) to be the rate of interest implicit in such Financing Lease Obligation in accordance with GAAP.

"*Consolidated EBITDA*" means, for any period, the Consolidated Net Income for such period, plus (*x*) the following to the extent deducted in calculating such Consolidated Net Income, without duplication: (*i*) the provision for all taxes (whether or not paid, estimated or accrued) based on income, profits or capital (including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and foreign withholding taxes of such Person paid or accrued during such period deducted, including any penalties and interest related to such taxes or arising from any tax examinations), (*ii*) Consolidated Interest Expense, all items excluded from the definition of Consolidated Interest Expense pursuant to clause (iii) thereof (other than Special Purpose Financing Expense), any Special Purpose Financing Fees, and to the extent not reflected in Consolidated Interest Expense, costs of surety bonds in connection with financing activities, (*iii*) depreciation, (*iv*) amortization (including but not limited to amortization of goodwill and intangibles and amortization and write-off of financing costs), (*v*) any non-cash charges or non-cash losses, (*vi*) any expenses, fees, losses or charges related to any equity offering, including without limitation a Qualified IPO (including any one-time expenses of the Company, any Parent or IPO Vehicle relating to the enhancement of accounting functions or other transactions costs associated with becoming a public company), acquisition or other Investment, Restricted Payment or Indebtedness permitted by the Indenture (whether or not consummated or Incurred, and including any offering or sale of Capital Stock of a Parent or an IPO Vehicle), (*vii*) the amount of any loss attributable to non-controlling interests and any loss related to start-ups, greenfield projects and other new ventures, (*viii*) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments, (*ix*) any management, monitoring, consulting and advisory fees and related expenses (including any such fees and expenses paid to the Sponsor or any Investor or any of its Affiliates), (*x*) interest and investment income, (*xi*) the amount of loss on any Financing Disposition, (*xii*) any costs or expenses pursuant to any management or employee stock option or other equity-related plan, program or arrangement, or other benefit plan, program or arrangement, or any equity subscription or equity holder agreement, (*xiii*) the amount of any pre-opening losses attributable to any newly opened location within 12 months of the opening of such location, (*xiv*) net out-of-pocket costs and expenses related to the acquiring of inventory of a prior supplier of a company in connection with becoming a provider to such company, (*xv*) any expenses incurred in connection with any plant or facility shutdown, (*xvi*) internal software development costs that are expensed during the period but could have been capitalized in accordance with GAAP, (*xvii*) any adjustments resulting from the application of Accounting Standards Codification Topic No. 460, (*xviii*) costs of surety bond incurred in such period and (*xix*) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Accounting Standards Codification Topic No. 715, and any other items of a similar nature; *plus* (*y*) the amount of net cost savings, operating expense reductions, revenue or operating enhancements and synergies (including revenue synergies, including those related to new contract, business and customer wins, the modification or renegotiation of contracts and other arrangements and pricing adjustments and increases) projected by the Company in good faith to be realized as the result of actions taken or to be taken on or prior to the Effective Date or within 24 months of the Effective Date in connection with the Transactions, or within 24 months of the initiation or consummation of any operational change or other initiative, or within 24 months of the consummation of any applicable acquisition or cessation of operations (in each case, calculated on a pro forma basis as though such cost savings, operating expense reductions, revenue or operating enhancements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that (other than with respect to (*A*) additions attributable to the Transactions and reflected in any of (*i*) the Sponsor's financial model, dated as of June 21, 2021, (*ii*) the Quality of Earnings report of PricewaterhouseCoopers LLP, dated as of May 17, 2021 related to the Hexagon Acquisition and (*iii*) the Quality of Earnings report of PricewaterhouseCoopers LLP, dated as of June 4, 2021 related to the Monarch Acquisition and the Fortune Acquisition and (*B*) any other quality of earnings analysis prepared by independent certified public accountants of nationally recognized standing or any other accounting firm in connection with any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or an Restricted Subsidiary, or any other Investment, in each case that is permitted under the Indenture) the aggregate amount of net cost savings, operating expense reductions, revenue or operating enhancements and synergies (including revenue synergies, including those related to new contract, business and customer wins, the modification or renegotiation of contracts and other arrangements and pricing adjustments and increases) added pursuant to this clause (y) shall not exceed 25.0% of Consolidated EBITDA for any period of four consecutive Fiscal Quarters (calculated after giving effect to any adjustment pursuant to this clause (y)) (which adjustments may be incremental to pro forma adjustments made pursuant to the proviso to the definition of "Consolidated Coverage Ratio" or "Four Quarter Consolidated EBITDA"), *plus* (*z*) without duplication of any item in the preceding clause (x) or (y), adjustments consistent with Regulation S-X or additions of the type reflected in any of (*i*) CD&R's financial model, dated as of June 21, 2021, (*ii*) the Quality of Earnings report of PricewaterhouseCoopers LLP dated as of June 4, 2021 related to the Monarch Acquisition and the Fortune Acquisition or (*iii*) any other quality of earnings analysis prepared by independent certified public accountants of nationally recognized standing or any other accounting firm in connection with any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or an Restricted Subsidiary, or any other Investment, in each case that is permitted under the Indenture.

"*Consolidated Interest Expense*" means, for any period, (*i*) the total interest expense of the Company and its Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income, net of any interest income of the Company and its Restricted Subsidiaries, including, without limitation, any such interest expense consisting of (*A*) interest expense attributable to Financing Lease Obligations (excluding, for the avoidance of doubt, any lease, rental or other expense in connection with a lease that is not a Financing Lease Obligation), (*B*) amortization of debt discount, (*C*) interest in respect of Indebtedness of any other Person that has been Guaranteed by the Company or any Restricted Subsidiary, but only to the extent that such interest is actually paid by the Company or any Restricted Subsidiary, (*D*) non-cash interest expense, (*E*) the interest portion of any deferred payment obligation, and (*F*) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, *plus* (*ii*) Preferred Stock dividends paid in cash in respect of Disqualified Stock of the Company held by Persons other than the Company or a Restricted Subsidiary, or in respect of Designated Preferred Stock of the Company pursuant to clause (xi)(A) of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," *minus* (*iii*) to the extent otherwise included in such interest expense referred to in clause (i) above, Special Purpose Financing Expense, accretion or accrual of discounted liabilities not constituting Indebtedness, expense resulting from discounting of Indebtedness in conjunction with recapitalization or purchase accounting, any "additional interest" in respect of registration rights arrangements for any securities, amortization or write-off of financing costs, and any expensing of bridge, commitment or other financing fees, in each case under clauses (i) through (iii) above as determined on a Consolidated basis in accordance with GAAP; *provided* that gross interest expense shall be determined after giving effect to any net payments made or received by the Company and its Restricted Subsidiaries with respect to Interest Rate Agreements.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries, determined on a Consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock dividends; *provided* that, without duplication, there shall not be included in such Consolidated Net Income:

(i) any net income (loss) of any Person if such Person is not the Company or a Restricted Subsidiary, except that the Company's or any Restricted Subsidiary's net income for such period shall be increased by the aggregate amount actually dividended or distributed or that (as determined by the Company in good faith, which determination shall be conclusive) could have been dividended or distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (ii) below),

(ii) solely for purposes of determining the amount available for Restricted Payments under clause (a)(3)(A) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any net income (loss) of any Restricted Subsidiary that is not a Subsidiary Guarantor if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of similar distributions by such Restricted Subsidiary, directly or indirectly, to the Company by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its stockholders (other than (*x*) restrictions that have been waived or otherwise released, (*y*) restrictions pursuant to the Notes, the Indenture, the Note Security Documents or the Intercreditor Agreements and (*z*) restrictions in effect on the Effective Date with respect to a Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole are not materially less favorable to the Noteholders than such restrictions in effect on the Effective Date as determined by the Company in good faith, which determination shall be conclusive), except that the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of any dividend or distribution that was or that (as determined by the Company in good faith, which determination shall be conclusive) could have been made by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary (subject, in the case of a dividend that could have been made to another Restricted Subsidiary, to the limitation contained in this clause (ii)),

(iii) (*x*) any gain or loss realized upon the sale, abandonment or other disposition of any asset of the Company or any Restricted Subsidiary (including pursuant to any sale/leaseback transaction) that is not sold, abandoned or otherwise disposed of in the ordinary course of business (as determined by the Company in good faith, which determination shall be conclusive) and (*y*) any gain or loss realized upon the disposal, abandonment or discontinuation of operations of the Company or any Restricted Subsidiary,

(iv) any extraordinary, unusual, nonrecurring, exceptional, special or infrequent gain, loss or charge and any other gain, loss or charge not in the ordinary course of business (as determined by the Company in good faith, which determination shall be conclusive) (including fees, expenses and charges (or any amortization thereof) associated with the Transactions, any acquisition, merger or consolidation, whether or not completed), any severance, relocation, consolidation or the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non-recurring, unusual, special or infrequent items, closing, integration, new product introductions, facilities opening, business optimization, and/or similar initiatives or programs, transition or restructuring costs, charges or expenses (whether or not classified as restructuring costs, charges or expenses on the consolidated financial statements of the Company), any signing, stretch, retention or completion bonuses, and any costs associated with curtailments or modifications to pension and post-retirement employee benefit plans,

(v) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies,

(vi) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments,

(vii) any gains or losses in respect of Hedge Agreements,

(viii) any foreign currency translation or transaction gains or losses, including in respect of Indebtedness of any Person,

(ix) any non-cash compensation charge arising from any grant of limited liability company interests, stock, stock options or other equity based awards,

(x) [Reserved],

(xi) any non-cash charge, expense or other impact attributable to application of the purchase or recapitalization method of accounting (including the total amount of depreciation and amortization, cost of sales or other non-cash expense resulting from the write-up of assets to the extent resulting from such purchase or recapitalization accounting adjustments), non-cash charges for deferred tax valuation allowances or from re-measuring deferred tax assets and non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP,

(xii) any impairment charge or asset write-off, including any charge or write-off related to intangible assets, long-lived assets or investments in debt and equity securities, and any amortization of intangibles,

(xiii) expenses related to the conversion of various employee benefit programs in connection with the Transactions, and non-cash compensation related expenses,

(xiv) any fees and expenses (or amortization thereof), and any charges or costs, in connection with or related to any acquisition, Investment, Asset Disposition, issuance of Capital Stock or other equity offering, dividend, distribution or other Restricted Payment, Incurrence, Discharge or refinancing of

Indebtedness, or amendment or modification of any agreement or instrument relating to any Indebtedness (in each case, whether or not completed, consummated or Incurred, and including (*i*) any such transaction consummated prior to the Effective Date, (*ii*) any offering or sale of Capital Stock of a Parent or an IPO Vehicle to the extent the proceeds thereof were contributed, or if not consummated, were intended to be contributed to the equity capital of the Company or any of its Restricted Subsidiaries and (*iii*) any rating agency fees, consulting fees and other related expenses and/or letter of credit or similar fees),

(xv) to the extent covered by insurance and actually reimbursed (or the Company has determined that there exists reasonable evidence that such amount will be reimbursed by the insurer and such amount is not denied by the applicable insurer in writing within 180 days and is reimbursed within 365 days of the date of such evidence (with a deduction in any future calculation of Consolidated Net Income for any amount so added back to the extent not so reimbursed within such 365 day period)), any expenses with respect to liability or casualty events or business interruption,

(xvi) any expenses, charges and losses in the form of earn-out obligations and contingent consideration obligations (including to the extent accounted for as performance and retention bonuses, compensation or otherwise) and adjustments thereof and purchase price adjustments, in each case paid in connection with any acquisition, merger or consolidation or Investment,

(xvii) any expenses or reserves for liabilities to the extent that the Company or any Restricted Subsidiary is entitled to indemnification therefor under binding agreements and is actually reimbursed (or the Company has determined that there exists reasonable evidence that such amount will be reimbursed by the indemnifying party and such amount is not denied by the applicable indemnifying party in writing within 180 days and is reimbursed within 365 days of the date of such evidence (with a deduction in any future calculation of Consolidated Net Income for any amount so added back to the extent not so reimbursed within such 365 day period)),

(xviii) any accruals and reserves established or adjusted within twelve months after the Effective Date that are established as a result of the Transactions,

(xix) effects of adjustments to accruals and reserves established during a prior period attributable to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates),

(xx) the amount of any deduction for minority interests and dividends,

(xxi) any costs or expenses incurred during such period relating to environmental remediation, litigation, or other disputes in respect of events and exposures, and

(xxii) 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 and public company costs;

provided, *further*, that the exclusion of any item pursuant to the foregoing clauses (i) through (xxii) shall also exclude the tax impact of any such item, if applicable.

Notwithstanding the foregoing, for the purpose of clause (a)(3)(A) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income, without duplication, any income consisting of dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Company or a Restricted Subsidiary, and any income consisting of return of capital, repayment or other proceeds from dispositions or repayments of Investments consisting of Restricted Payments, in each case to the extent such income would be included in Consolidated Net Income and such related dividends, repayments, transfers, return of capital or other proceeds are applied by the Company to increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(C) or (D) thereof.

In addition, Consolidated Net Income for any period ending on or prior to the Issue Date (or, with respect to the Fortune Business, the Effective Date) shall be determined based upon the net income (loss) reflected in the consolidated balance sheets and related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows of the Company and the Fortune Business for such period, with pro forma effect being given to the Transactions; and each Person that is a Restricted Subsidiary upon giving effect to the Transactions shall be deemed to be a Restricted Subsidiary and the Transactions shall not constitute a sale or disposition under clause (iii) above, for purposes of such determination.

"*Consolidated Secured Indebtedness*" means, as of any date of determination, an amount equal to (*i*) the sum of, without duplication, Consolidated Total Indebtedness (without regard to clause (iii) of the definition thereof) as of such date that, in each case, is either (*x*) then secured by Liens on property or assets of the Company or any of its Restricted Subsidiaries (other than (*A*) Indebtedness secured by a Lien ranking junior to or subordinated to any Liens securing the Notes (but, for the avoidance of doubt, not excluding other Consolidated Total Indebtedness secured by Liens senior to or *pari passu* therewith) and (*B*) property or assets held in a defeasance or similar trust or arrangement for the benefit of the Indebtedness secured thereby) or (*y*) Incurred (or, in the case of any Debt Secured Leverage Ratio Tested Committed Amount or any Liens Secured Leverage Ratio Tested Committed Amount (or to the extent secured as described in clause (x) immediately above, any Coverage Ratio Tested Committed Amount, Acquisition Coverage Ratio Tested Committed Amount, Total Leverage Ratio Tested Committed Amount or Acquisition Leverage Ratio Tested Committed Amount), established) pursuant to clause (b)(i)(II) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", *minus* (*ii*) the sum of (*A*) the amount of such Indebtedness consisting of Indebtedness under the Senior ABL Facility and Indebtedness of a type referred to in, or Incurred pursuant to, clause (b)(ix) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", (*B*) cash, Cash Equivalents and Temporary Cash Investments held by the Company and its Restricted Subsidiaries (*x*) (for the avoidance of doubt, including cash, Cash Equivalents and Temporary Cash Investments that cash collateralize letters of credit issued on behalf of the Company or any of its Restricted Subsidiaries, including the proceeds of any Indebtedness being borrowed at the time of determination) as of the end of the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of such determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available and (*y*) from the proceeds of any capital contribution to the Company or from the issuance or sale of its Capital Stock or from any Incurrence of Indebtedness since the date of such financial statement and on or prior to the date of determination but excluding any proceeds of any revolving credit facility of the Company and its Restricted Subsidiaries (other than to the extent such proceeds are intended to be promptly applied for working capital purposes), and (*C*) any outstanding loans under any revolving facility of the Company and its Restricted Subsidiaries that was used to finance working capital needs of the Company and its Restricted Subsidiaries (as reasonably determined by the Company in its reasonable discretion); *provided* that, for the purposes of this definition, proceeds of any revolving credit facility of the Company and its Restricted Subsidiaries shall be calculated using the average daily balance of such proceeds for the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available (other than to the extent such proceeds are intended to be promptly applied for working capital purposes).

"*Consolidated Secured Leverage Ratio*" means, as of any date of determination, the ratio of (*i*) Consolidated Secured Indebtedness as at such date (after giving effect to any Incurrence or Discharge of Indebtedness on such date) to (*ii*) the Four Quarter Consolidated EBITDA as of such date; *provided* that, (x) in the event that the Company shall classify Indebtedness Incurred on the date of determination as Incurred in part pursuant to clause (i)(II) of paragraph (b) of the covenant described under "—Certain

Covenants—Limitation on Indebtedness" and, that is secured by Liens on property or assets of the Company and its Restricted Subsidiaries, in part pursuant to one or more other clauses or subclauses of paragraph (b) and/or pursuant to paragraph (a) of such covenant (other than Indebtedness secured pursuant to clause (s) of the "Permitted Liens" definition), as provided in clauses (ii) and (iii) of paragraph (c) of such covenant), Consolidated Secured Indebtedness shall not include any such Indebtedness (and shall not give effect to any Discharge of Consolidated Secured Indebtedness from the proceeds thereof) to the extent Incurred pursuant to any such other clause or subclause of such paragraph (b) and/or pursuant to such paragraph (a) and (y) in the event that the Company shall classify Indebtedness Incurred on the date of determination as secured in part pursuant to clause (s) of the "Permitted Liens" definition and in part pursuant to one or more other clauses or subclauses of the definition of "Permitted Liens" (other than Indebtedness Incurred pursuant to clause (i)(II) of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Indebtedness"), as provided in clause (x) of the final paragraph of such definition, any calculation of the Consolidated Secured Leverage Ratio on such date of determination shall not include any such Indebtedness (and shall not give effect to any Discharge of Indebtedness from the proceeds thereof) to the extent secured pursuant to any such other clause or subclause of such definition.

"*Consolidated Total Indebtedness*" means, as of any date of determination, an amount equal to (*i*) the sum of, without duplication, the aggregate principal amount of outstanding Indebtedness of the Company and its Restricted Subsidiaries, any Debt Secured Leverage Ratio Tested Committed Amount, Total Leverage Ratio Tested Committed Amount, Acquisition Leverage Ratio Tested Committed Amount, Coverage Ratio Tested Committed Amount and Acquisition Coverage Ratio Tested Committed Amount, in each case, as of such date consisting of (or, in the case of any Debt Secured Leverage Ratio Tested Committed Amount, Total Leverage Ratio Tested Committed Amount, Acquisition Leverage Ratio Tested Committed Amount, Coverage Ratio Tested Committed Amount and Acquisition Coverage Ratio Tested Committed Amount, will consist of) (without duplication) Indebtedness for borrowed money (including (x) Purchase Money Obligations and (y) unreimbursed outstanding drawn amounts under funded letters of credit; *provided* that such amounts shall not be counted as Consolidated Total Indebtedness until five Business Days after such amounts were drawn); debt obligations evidenced by bonds, debentures, notes or similar instruments (but excluding surety bonds, performance bonds or other similar instruments); Disqualified Stock; and (in the case of any Restricted Subsidiary that is not a Subsidiary Guarantor) Preferred Stock, determined on a Consolidated basis in accordance with GAAP (in each case, excluding (*v*) items eliminated in Consolidation, (w) Hedging Obligations, (*x*) Indebtedness or other obligations arising from any cash management or related services, and (*y*) any other lease obligations, *plus* (*ii*) the average daily balance of Indebtedness of the Company and its Restricted Subsidiaries under any revolving credit facility for the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available (other than to the extent such proceeds are intended to be promptly applied for working capital purposes) (*provided* that, for any date prior to the Issue Date, the daily balance of Indebtedness of the Company and its Restricted Subsidiaries under revolving credit facilities shall be deemed to be $0)) *minus* (*iii*) the sum of (*A*) the amount of such Indebtedness consisting of Indebtedness of a type referred to in, or Incurred pursuant to, clause (b)(ix) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", (*B*) cash, Cash Equivalents and Temporary Cash Investments held by the Company and its Restricted Subsidiaries (*x*) (for the avoidance of doubt, including cash, Cash Equivalents and Temporary Cash Investments that cash collateralize letters of credit issued on behalf of the Company or any of its Restricted Subsidiaries, including the proceeds of any Indebtedness being borrowed at the time of determination) as of the end of the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of such determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available and (*y*) from the proceeds of any capital contribution to the Company or from the issuance or sale of its Capital Stock or from any Incurrence of Indebtedness since the date of such financial statements and on or prior to the date of determination but excluding any proceeds of any revolving credit facility of the Company and its Restricted Subsidiaries (other than to the extent such proceeds are intended to be promptly applied for working capital purposes), and (*C*) any outstanding loans under any revolving facility of the Company and its Restricted Subsidiaries that was used to finance working capital needs of the Company and its Restricted Subsidiaries (as reasonably determined by the Company in its reasonable discretion); *provided* that, for the purposes of this definition, proceeds of any revolving credit facility of the Company and its Restricted Subsidiaries shall be calculated using the average daily balance of such proceeds for the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") are available (other than to the extent such proceeds are intended to be promptly applied for working capital purposes). For purposes hereof, any earn-out or similar obligations shall not constitute Consolidated Total Indebtedness until such obligation becomes a liability on the consolidated balance sheet of the Company in accordance with GAAP and is not paid within 60 days after becoming due and payable.

"*Consolidated Total Leverage Ratio*" means, as of any date of determination, the ratio of (*i*) Consolidated Total Indebtedness as at such date (after giving effect to any Incurrence or Discharge of Indebtedness on such date) to (*ii*) the Four Quarter Consolidated EBITDA as of such date; *provided* that, for purposes of the foregoing calculation, in the event that the Company shall classify Indebtedness Incurred on the date of determination as Incurred in part pursuant to clause (xi) of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Indebtedness" (other than by reason of subclause (2) or (3) of the proviso to such clause (xi)) or clause (xvii) of such paragraph (b) and in part pursuant to one or more other clauses or subclauses of such paragraph (b) and/or (unless the Company at its option has elected to disregard Indebtedness being Incurred on the date of determination in part pursuant to subclause (2) or (3) of the proviso to clause (xi) or clause (xvii) of paragraph (b) for purposes of calculating the Consolidated Coverage Ratio for Incurring Indebtedness on the date of determination in part under paragraph (a) of such covenant) pursuant to paragraph (a) of such covenant (as provided in clauses (ii) and (iii) of paragraph (c) of such covenant), Consolidated Total Indebtedness shall not include any such Indebtedness Incurred pursuant to one or more such other clauses or subclauses of such paragraph (b) and/or pursuant to such paragraph (a), and shall not give effect to any Discharge of any Indebtedness from the proceeds of any such Indebtedness being disregarded for purposes of the calculation of the Consolidated Total Leverage Ratio on such date of determination that otherwise would be included in Consolidated Total Indebtedness.

"*Consolidation*" means the consolidation of the accounts of each of the Restricted Subsidiaries with those of the Company in accordance with GAAP; *provided* that "Consolidation" will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in any Unrestricted Subsidiary will be accounted for as an investment. The term "*Consolidated*" has a correlative meaning. For purposes of the Indenture for periods ending on or prior to the Issue Date (or, with respect to the Fortune Business, the Effective Date), references to the consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports") shall be to the consolidated financial statements of the Company and the Fortune Business for such period, with pro forma effect being given to the Transactions (with the Subsidiaries of the Fortune Business that are Subsidiaries of the Company after giving effect to the Transactions being deemed Subsidiaries of the Company), as the context may require.

"*Contingent Obligation*" means, with respect to any Person, any obligation of such Person guaranteeing any obligation that does not constitute Indebtedness (a "*primary obligation*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (*1*) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (*2*) to advance or supply funds (*a*) for the purchase or payment of any such primary obligation or (*b*) to maintain 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.

"*Contribution Amounts*" means the aggregate amount of capital contributions applied by the Company to permit the Incurrence of Contribution Indebtedness pursuant to clause (b)(xi) of the covenant described under "—Certain Covenants—Limitation on Indebtedness."

"*Contribution Indebtedness*" means Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount not greater than the aggregate amount of cash contributions (other than Excluded Contributions, the proceeds from the issuance of Disqualified Stock or contributions by the Company or any Restricted Subsidiary) made to the capital of the Company or such Restricted Subsidiary after the Effective Date (whether through the issuance or sale of Capital Stock or otherwise); *provided* that such Contribution Indebtedness (*a*) is Incurred within 180 days after the receipt of the related cash contribution and (*b*) is so designated as Contribution Indebtedness pursuant to an Officer's Certificate promptly following the date of Incurrence thereof.

"*Controlling Fixed Asset Collateral Agent*" shall have the meaning assigned to it in the Base Intercreditor Agreement.

"*Controlling Secured Parties*" means, with respect to any Collateral, the Series of holders of Parity Lien Obligations whose authorized representative is the Controlling Collateral Agent for such Collateral.

"*Credit Facilities*" means one or more of (*i*) the Senior Cash Flow Facility, (*ii*) the Senior ABL Facility and (*iii*) any other facilities or arrangements designated by the Company, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables, inventory or real estate financings (including, without limitation, through the sale of receivables, inventory, real estate and/or other assets to such institutions or to special purpose entities formed to borrow from such institutions against such receivables, inventory, real estate and/or other assets or the creation of any Liens in respect of such receivables, inventory, real estate and/or other assets in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark and copyright security agreement, mortgages or letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "*Credit Facility*" shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries as additional borrowers or guarantors thereunder, (*iii*) increasing or decreasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

"*Credit Facility Indebtedness*" means any and all amounts, whether outstanding on the Effective Date or thereafter Incurred, payable under or in respect of any Credit Facility, including, without limitation, principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Restricted Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangements (including derivative agreements or arrangements), as to which such Person is a party or a beneficiary.

"*Current Asset Collateral*" means the following assets of the Company and the Guarantors:

(1) all Accounts Receivable (except to the extent constituting proceeds of Equipment, real property or Intellectual Property or evidencing any intercompany debt);

(2) all Inventory;

(3) all Instruments, Payment Intangibles, Chattel Paper and other contracts, in each case, evidencing, or substituted for, any Accounts Receivable referred to in clause (1) above;

(4) all guarantees, letters of credit, security and other credit enhancements, in each case, for the Accounts Receivable referred to in clause (1) above;

(5) all Documents for any Inventory referred to in clause (2) above;

(6) all Commercial Tort Claims and General Intangibles (other than Intellectual Property, Equity Interests and intercompany debt) to the extent relating to any of the Accounts Receivable referred to in clause (1) above or Inventory referred to in clause (2) above;

(7) all Deposit Accounts and Securities Accounts (including all cash and other funds on deposit therein, except any such account which holds solely identifiable proceeds of the Fixed Asset Collateral) and Investment Property (excluding any Equity Interests);

(8) all tax refunds (other than tax refunds relating to real property, Intellectual Property, Equipment or Equity Interests);

(9) all Supporting Obligations;

(10) all documents and books and records relating to any of the foregoing; and

(11) all substitutions, replacements, accessions, products or proceeds (including, without limitation, insurance proceeds) of any of the foregoing;

in each case, except to the extent constituting Excluded Assets; *provided*, *however*, that, to the extent that identifiable proceeds of Fixed Asset Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute Current Asset Collateral after the Senior ABL Collateral Agent or the Senior Cash Flow Collateral Agent has notified the Company that an event of default has occurred under the applicable credit agreement and it is enforcing its rights thereunder, then such Collateral or other identifiable proceeds shall be treated as Fixed Asset Collateral. Terms used in this definition and not otherwise defined herein shall have the meanings given to such terms in the Base Intercreditor Agreement or the UCC, as applicable.

"*Default*" means any event or condition that is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Noncash Consideration*" means the non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation.

"*Designated Preferred Stock*" means Preferred Stock of the Company (other than Disqualified Stock) or any Parent or IPO Vehicle that is issued after the Issue Date for cash (other than to a Restricted Subsidiary) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate of the Company; *provided* that the cash proceeds of such issuance shall be excluded from the calculation set forth in clause (a)(3)(B) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments".

"*Designated Senior Indebtedness*" means with respect to a Person (*i*) the Credit Facility Indebtedness under or in respect of the Senior Credit Facilities and (*ii*) any other Senior Indebtedness of such Person that, at the date of determination, has an aggregate principal amount equal to or under which, at the date of determination, the holders thereof are committed to lend up to, at least $25.0 million and is specifically designated by such Person in an agreement or instrument evidencing or governing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of the Indenture.

"*Discharge*" means to repay, repurchase, redeem, defease or otherwise acquire, retire or discharge; and the term "Discharged" shall have a correlative meaning.

"*Disinterested Directors*" means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of the Company, or one or more members of the Board of Directors of a Parent or IPO Vehicle, having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or IPO Vehicle or any options, warrants or other rights in respect of such Capital Stock or by reason of such member receiving any compensation from the Company or Parent or IPO Vehicle, as applicable, on whose Board of Directors such member serves in respect of such member's role as director.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock (other than Management Stock) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (other than following the occurrence of a Change of Control or other similar event described under such terms as a "change of control" or an Asset Disposition or other disposition) (*i*) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (*ii*) is convertible or exchangeable for Indebtedness or Disqualified Stock or (*iii*) is redeemable at the option of the holder thereof (other than following the occurrence of a Change of Control or other similar event described under such terms as a "change of control" or an Asset Disposition or other disposition), in whole or in part, in each case on or prior to the final Stated Maturity of the Notes; *provided* that Capital Stock issued to any employee benefit plan, or by any such plan to any employees of the Company or any Subsidiary, shall not constitute Disqualified Stock solely because it may be required to be repurchased or otherwise acquired or retired in order to satisfy applicable statutory or regulatory obligations.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Company other than a Foreign Subsidiary.

"*Effective Date*" means the date the Fortune Acquisition was consummated.

"*Equity Contribution*" means the direct or indirect cash equity contributions to Topco by one or more CD&R Investors and any other investors arranged by CD&R (collectively, the "*Investors*") in connection with the Monarch Acquisition.

"*Ethically Screened Affiliate*" means any Affiliate of a Person that (i) is managed as to day-to-day matters (but excluding, for the avoidance of doubt, as to strategic direction and similar matters) independently from such Person and any other Affiliate of such Person that is not an Ethically Screened Affiliate, (ii) has in place customary information screens between it and such Person and any other Affiliate of such Person that is not an Ethically Screened Affiliate and (iii) such Person or any other Affiliate of such Person that is not an Ethically Screened Affiliate does not direct or cause the direction of the investment policies of such entity, nor does such Person's or any such other Affiliate's investment decisions influence the investment decisions of such entity.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time.

"*Excluded Assets*" means on any date (*x*) prior to the Discharge of all Obligations under the Existing Secured Notes, the meaning ascribed to such term in the Existing Secured Notes Indenture, and (*y*) at all times thereafter:

(i) any instruments, contracts, chattel paper, general intangibles, copyright licenses, patent licenses, trademark licenses, trade secret licenses or other contracts or agreements with or issued by Persons other than the Company, a Subsidiary of the Company, or an Affiliate of any of the foregoing (collectively, "*Restrictive Agreements*") that would otherwise be included in the Collateral (and such Restrictive Agreements shall not be deemed to constitute a part of the Collateral) for so long as, and to the extent that, the granting of such a security interest pursuant hereto would result in a breach, default or termination of such Restrictive Agreements (in each case, except to the extent that, pursuant to the Code and any other applicable law, the granting of security interests therein can be made without resulting in a breach, default or termination of such Restrictive Agreements);

(ii) any equipment or other property that would otherwise be included in the Collateral (and such equipment or other property shall not be deemed to constitute a part of the Collateral) if such equipment or other property (x) (A) is subject to a Lien described in clause (h) (with respect to Purchase Money Obligations or Financing Lease Obligations) or clause (o) of the definition of "Permitted Liens" (with respect to such Liens described in clause (h) of the definition of "Permitted Liens" in the Indenture (or any corresponding provision of any additional cash flow facility; *provided* that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Note Security Documents (as reasonably determined in writing by the Company and notified in writing to the Note Collateral Agent) or (B) is subject to a Lien described in clause (p) (with respect to Purchase Money Obligations or Financing Lease Obligations) or (o) (with respect to such Liens described in such clause (p)) of the definition of "Permitted Liens" in the Indenture (or any corresponding provision of any additional cash flow facility; *provided* that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Note Security Documents (as determined by the Company in good faith, which determination shall be conclusive) (but in each case only for so long as such Liens are in place)) or (y) (A) is subject to any Lien described in clause (k) of the definition of "Permitted Liens" in the Indenture (or any corresponding provision of any additional cash flow facility; *provided* that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision of the Note Security Documents (as reasonably determined in writing by the Company and notified in writing to the Note Collateral Agent) or (B) is subject to any Lien in respect of Hedging Obligations permitted by clause (p) of the definition of "Permitted Liens" in the Indenture (or any corresponding provision of any additional cash flow facility; *provided* that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Indenture (as determined by the Company in good faith, which determination shall be conclusive) (but in each case only for so long as such Liens are in place)), and, in the case of such other property, such other property consists solely of (i) cash, Cash Equivalents or Temporary Cash Investments, together with proceeds, dividends and distributions in respect thereof, (ii) any assets relating to such assets, proceeds, dividends or distributions, or to such Hedging Obligations, and/or (iii) any other assets consisting of, relating to or arising under or in connection with (1) any Hedging Obligations or (2) any other agreements, instruments or documents related to any Hedging Obligations or to any of the assets referred to in any of subclauses (i) through (iii) of this subclause (b)(y);

(iii) any property (and/or related rights and/or assets) that (A) would otherwise be included in the Collateral (and such property (and/or related rights and/or assets) shall not be deemed to constitute a part of the Collateral) if such property has been sold or otherwise transferred in connection with a Sale and Leaseback Transaction permitted under "—Certain Covenants—Limitation of Sale of Assets and Subsidiary Stock" in the Indenture (or any corresponding provision of any additional cash flow facility; provided that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Indenture (as reasonably determined in writing by the Company and notified in writing to the Note Collateral Agent) or clause (x) or (xix) of the definition of "Asset Disposition" in the Indenture (or any corresponding provision of any additional cash flow facility;

provided that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Indenture (as determined in writing by the Company and notified in writing to the Note Collateral Agent)), or (B) is subject to any Liens permitted under "—Certain Covenants—Limitation on Liens" (or any corresponding provision of any additional cash flow facility; provided that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Indenture (as determined by the Company in good faith, which determination shall be conclusive)) (or any corresponding provision of any additional cash flow facility; provided that such provision in any additional cash flow facility is not materially less favorable to the noteholders than the corresponding provision in the Indenture in any material respect (as reasonably determined in writing by the Company and notified in writing by the Note Collateral Agent) that, in each case, relate to property subject to any such Sale and Leaseback Transaction or general intangibles related thereto (but only for so long as such Liens are in place); provided that, notwithstanding the foregoing, a security interest of the Note Collateral Agent shall attach to any money, securities or other consideration received by any grantor as consideration for the sale or other disposition of such property as and to the extent such consideration would otherwise constitute Collateral;

(iv) Capital Stock (including for these purposes any investment deemed to be Capital Stock for United States tax purposes) which is described in the proviso to the definition of Pledged Stock (as defined in the Collateral Agreement);

(v) any money, cash, checks, other negotiable instruments, funds and other evidence of payment held in any deposit account of the Company or any of its Subsidiaries in the nature of a security deposit with respect to obligations for the benefit of the Company or any of its Subsidiaries, which must be held for or returned to the applicable counterparty under applicable law or pursuant to contractual obligations;

(vi) the Monarch Acquisition Agreement and any rights therein or arising thereunder (except any proceeds of the Monarch Acquisition Agreement) and (y) the Fortune Acquisition Agreement and any rights therein or arising thereunder (except any proceeds of the Fortune Acquisition Agreement);

(vii) any interest in leased real property (including fixtures related thereto) (and there shall be no requirement to deliver landlord lien waivers, estoppels or collateral access letters);

(viii) any fee interest in owned real property (including fixtures related thereto);

(ix) any vehicles and any assets subject to certificate of title;

(x) letter-of-credit rights (other than letter-of-credit rights (i) to the extent such letter-of-credit rights are supporting obligations in respect of Collateral and (ii) in which a security interest is automatically perfected by filings under the Uniform Commercial Code of any applicable jurisdiction; provided that, notwithstanding any other provision of the Indenture, neither the Company nor any other Grantor will be required to confer perfection by control over any such letter-of-credit rights) and commercial tort claims, in each case, individually with a value of less than $22.5 million;

(xi) assets to the extent the granting or perfecting of a security interest in such assets would result in costs or other consequences to TopCo or any of its Subsidiaries as reasonably determined in writing by the Company, the administrative agent under the Senior ABL Facility and, to the extent such assets would otherwise constitute Fixed Asset Collateral, by the Company in good faith in writing and delivered to the Note Collateral Agent, which determination shall be conclusive, that are excessive in view of the benefits that would be obtained by the noteholders;

(xii) those assets over which the granting of security interests in such assets would be prohibited by contract permitted under the Indenture, applicable law or regulation or the organizational or joint venture documents of any non-wholly owned Subsidiary (including permitted liens, leases and licenses), including contracts over which the granting of security interests therein would result in termination thereof (in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial

Code of any applicable jurisdiction, other than proceeds and receivables thereof to the extent that their assignment is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction notwithstanding such prohibitions for so long as such prohibitions are in effect), or to the extent that such security interests would result in adverse tax consequences to TopCo or one of its Subsidiaries (or, at the election of the Company in connection with an initial public offering or other restructuring of the Company or any of its Subsidiaries or any Parent) (as determined in writing by the Company and notified in writing to the Note Collateral Agent (it being understood that the noteholders shall not require the Company or any of its Subsidiaries to enter into any security agreements or pledge agreements governed by foreign law);

(xiii) any assets specifically requiring perfection through control (including cash, cash equivalents, deposit accounts or other bank or securities accounts), (i) to the extent the security interest in such asset is not perfected by filings under the Uniform Commercial Code of any applicable jurisdiction, (ii) other than in the case of pledged stock or pledged notes, to the extent not perfected by being held by the Note Collateral Agent or an additional agent as agent for the Note Collateral Agent, (iii) other than demand deposit accounts, concentration accounts, the core concentration account and blocked accounts as set forth in Subsection 4.16 of the Senior ABL Facility), and (iv) other than the collateral proceeds account (to the extent required pursuant to the Collateral Agreement), and any collateral proceeds account under and as defined in the Collateral Agreement (to the extent required pursuant to the Collateral Agreement);

(xiv) foreign intellectual property;

(xv) any aircraft, airframes, aircraft engines, helicopters, vessels or rolling stock or any equipment or other assets constituting a part thereof;

(xvi) prior to the payment of the Notes, any property that would otherwise constitute Fixed Asset Priority Collateral but is an Excluded Asset;

(xvii) any Capital Stock and other securities of (i) a Subsidiary of the Company to the extent that the pledge of or grant of any other Lien on such Capital Stock and other securities for the benefit of any holders of securities results in the Company or any of its Restricted Subsidiaries being required to file separate financial statements for such Subsidiary with the Securities and Exchange Commission (or any other governmental authority) pursuant to either Rule 3-10 or 3-16 of Regulation S-X under the Securities Act, or any other law, rule or regulation as in effect from time to time, but only to the extent necessary to not be subject to such requirement and/or (ii) any Subsidiary of the Company that is (x) an Unrestricted Subsidiary or (y) an Excluded Subsidiary, other than a Foreign Subsidiary (which pledge of Capital Stock (including for these purposes any investment deemed to be Capital Stock for United States tax purposes) of a Foreign Subsidiary shall be limited to 65% of each series of its Capital Stock);

(xviii) any assets or property of Holdings, other than the pledged stock of the Company; and

(xix) any goods in which a security interest is not perfected by filing a financing statement in the applicable grantor's jurisdiction of organization.

"*Excluded Contribution*" means Net Cash Proceeds, or the Fair Market Value (as of the date of contribution, issuance or sale) of property or assets, received by the Company as capital contributions to the Company after the Effective Date or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company, in each case to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company and not previously included in the calculation set forth in clause (a)(3)(B)(x) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" for purposes of determining whether a Restricted Payment may be made.

"*Exempt Sale and Leaseback Transaction*" means any Sale and Leaseback Transaction (*a*) in which the sale or transfer of property occurs within 180 days of the acquisition of such property by the

Company or any of its Subsidiaries or (*b*) that involves property with a book value (as of the date on which a legally binding commitment for such Sale and Leaseback Transaction was entered into) equal to the greater of $150.0 million and 20.0% of Four Quarter Consolidated EBITDA or less and is not part of a series of related Sale and Leaseback Transactions involving property with an aggregate value in excess of such amount and entered into with a single Person or group of Persons. For purposes of the foregoing, "*Sale and Leaseback Transaction*" means any arrangement with any Person providing for the leasing by the Company or any of its Subsidiaries of real or personal property that has been or is to be sold or transferred by the Company or any such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Company or such Subsidiary.

"*Existing Indentures*" means collectively the Existing Secured Notes Indenture and the Existing Unsecured Notes Indenture.

"*Existing Notes*" means collectively the Existing Secured Notes and the Existing Unsecured Notes.

"*Existing Secured Notes*" shall mean the senior secured notes issued under the Existing Secured Notes Indenture and outstanding as of the Issue Date.

"*Existing Secured Notes Agent*" shall mean, Wilmington Trust, National Association, as trustee and notes collateral agent, under the Existing Secured Notes Indenture.

"*Existing Secured Notes Indenture*" shall mean that certain Indenture, dated as of July 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time), by and among LABL Acquisition Corp., LABL Escrow Issuer, LLC, as issuer, the Company, the other guarantors party thereto and the Existing Secured Notes Agent, pursuant to which $700.0 million aggregate principal amount of 6.75% Senior Secured Notes due 2026 were issued.

"*Existing Unsecured Notes*" shall mean the senior notes issued under the Existing Unsecured Notes Indenture and outstanding as of the Issue Date.

"*Existing Unsecured Notes Indenture*" shall mean that certain Indenture, dated as of July 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time), by and among LABL Acquisition Corp., LABL Escrow Issuer, LLC, as issuer, the Company, the other guarantors party thereto and Wilmington Trust, National Association, as trustee, pursuant to which $690.0 million aggregate principal amount of 10.50% senior notes due 2027 were issued.

"*Fair Market Value*" means, with respect to any asset or property, the fair market value of such asset or property as determined in good faith by the Company or the Board of Directors, whose determination shall be conclusive.

"*Financing Disposition*" means any sale, transfer, conveyance or other disposition of, or creation or Incurrence of any Lien on, property or assets (*a*) by the Company or any Subsidiary thereof to or in favor of any Special Purpose Entity, or by any Special Purpose Subsidiary, in each case in connection with the Incurrence by a Special Purpose Entity of Indebtedness, or obligations to make payments to the obligor on Indebtedness, which may be secured by a Lien in respect of such property or assets or (*b*) by the Company or any Subsidiary thereof to or in favor of any Special Purpose Entity that is not a Special Purpose Subsidiary.

"*Financing Lease*" means any lease of property, real or personal, the obligations of the lessee in respect of which are required to be classified and accounted for as a financing lease (and not, for the avoidance of doubt, as an operating lease) on the balance sheet of such lessee for financial reporting purposes in accordance with GAAP prior to the adoption of Accounting Standards Update No. 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board (and all calculations and deliverables under the Indenture, the Note Security Documents or the Notes (other than those made under "—Certain Covenants—SEC Reports") shall be made or delivered, as applicable, based on GAAP as in effect prior to such adoption). The Stated Maturity of any Financing Lease Obligation shall be the date of the last payment of rent or any other amount due under the related lease.

"*Financing Lease Obligation*" means an obligation under any Financing Lease.

"*Fiscal Month*" means each monthly accounting period of the Company calculated in accordance with the fiscal calendar of the Company (or, in each case, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports").

"*Fixed Asset Collateral*" means (i) all real estate, equipment, intellectual property, equity interests in the Company or a Guarantor or its subsidiaries and all other assets other than Current Asset Collateral, and all supporting obligations, documents and books and records relating to any of the foregoing; and (ii) all substitutions, replacements, accessions, products or proceeds (including, without limitation, insurance proceeds) of any of the foregoing.

"*Fiscal Quarter*" means each quarterly accounting period of the Company calculated in accordance with the fiscal calendar of the Company (or, in each case, any Parent or IPO Vehicle whose financial statements satisfy the Company's reporting obligations under "—Certain Covenants—SEC Reports").

"*Fixed GAAP Date*" means the Issue Date; *provided* that at any time after the Issue Date, the Company may by written notice to the Trustee elect to change the Fixed GAAP Date to be the date specified in such notice, and upon such notice, the Fixed GAAP Date shall be such date for all periods beginning on and after the date specified in such notice.

"*Fixed GAAP Terms*" means (*a*) the definitions of the terms "Borrowing Base", "Consolidated Coverage Ratio", "Consolidated EBITDA", "Consolidated Interest Expense", "Consolidated Net Income", "Consolidated Secured Indebtedness", "Consolidated Secured Leverage Ratio", "Consolidated Tangible Assets", "Consolidated Total Indebtedness", "Consolidated Total Leverage Ratio", "Consolidation", "Financing Lease", "Four Quarter Consolidated EBITDA", "Inventory" and "Receivable", (*b*) all defined terms in the Indenture to the extent used in or relating to any of the foregoing definitions, and all ratios and computations based on any of the foregoing definitions, and (*c*) any other term or provision of the Indenture or the Notes that, at the Company's election, may be specified by the Company by written notice to the Trustee from time to time.

"*Foreign Subsidiary*" means any Subsidiary of the Company (*a*) that is not organized under the laws of the United States of America or any state thereof or the District of Columbia and any Subsidiary of such Foreign Subsidiary (including, for the avoidance of doubt, any Subsidiary of the Company which is organized and existing under the laws of Puerto Rico or any other territory of the United States of America) or (*b*) that has no material assets other than securities or indebtedness of one or more Foreign Subsidiaries (or Subsidiaries thereof), intellectual property relating to such Foreign Subsidiaries (or Subsidiaries thereof), and/or other assets (including cash, Cash Equivalents and Temporary Cash Investments) relating to an ownership interest in any such securities, indebtedness, intellectual property or Subsidiaries.

"*Fortune Acquisition*" means the acquisition of Fortress TopCo, Inc. in accordance with the Fortune Acquisition Agreement.

"*Fortune Acquisition Agreement*" means the Stock Purchase Agreement, dated July 1, 2021, among Fortress Parent, LP, Fortress TopCo, Inc. and Labels Buyer, LLC, as the same may be amended, restated, supplemented, waived or otherwise modified from time to time in accordance with this Agreement.

“*Fortune Business*” means Fortress TopCo, Inc. and its Subsidiaries.

“*Four Quarter Consolidated EBITDA*” means, as of any date of determination, the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive Fiscal Quarters of the Company ending prior to the date of such determination for which consolidated financial statements of the Company (or, any Parent whose financial statements satisfy the Company’s reporting obligations under “—Certain Covenants—SEC Reports”) are available (determined for any fiscal quarter (or portion thereof) ending prior to the Effective Date, on a pro forma basis to give effect to the Transactions as if they had occurred at the beginning of such four quarter period), *provided* that:

(1) if, since the beginning of such period, the Company or any Restricted Subsidiary shall have made a Sale (including any Sale occurring in connection with a transaction causing a calculation to be made hereunder), the Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the company, business, group of assets or Subsidiary that are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

(2) if, since the beginning of such period, the Company or any Restricted Subsidiary (by merger, consolidation or otherwise) shall have made a Purchase (including any Purchase occurring in connection with a transaction causing a calculation to be made hereunder), Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) if, since the beginning of such period, any Person became a Restricted Subsidiary or was merged or consolidated with or into the Company or any Restricted Subsidiary, and since the beginning of such period such Person shall have made any Sale or Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any Sale, Purchase or other transaction, or the amount of income or earnings relating thereto, the pro forma calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such Sale, Purchase or other transaction) shall be as determined in good faith by the Chief Financial Officer or another authorized Officer of the Company, which determination shall be conclusive; *provided* that with respect to cost savings or synergies relating to any Sale, Purchase or other transaction, the related actions are expected by the Company to be taken no later than 24 months after the date of determination.

“*GAAP*” means generally accepted accounting principles in the United States of America as in effect on the Fixed GAAP Date (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes under the Indenture), including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession, and subject to the following sentence. If at any time the SEC permits or requires U.S. domiciled companies subject to the reporting requirements of the Exchange Act to use IFRS in lieu of GAAP for financial reporting purposes, the Company (or, any Parent or IPO Vehicle whose financial statements satisfy the Company’s reporting obligations under “—Certain Covenants—SEC Reports”) may elect by written notice to the Trustee to so use IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean (*a*) for periods beginning on and after the date specified in such notice, IFRS as in effect on the date specified in such notice (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes under the Indenture) and (*b*) for prior periods, GAAP as defined in the first sentence of this definition. All ratios and computations based on GAAP contained in the Indenture shall be computed in conformity with GAAP.

"*Governmental Authority*" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies such as the European Union or the European Central Bank).

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person; *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantor Subordinated Obligations*" means, with respect to a Subsidiary Guarantor, any Indebtedness of such Subsidiary Guarantor (whether outstanding on the Effective Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee pursuant to a written agreement.

"*Guarantors*" means the collective reference to (*x*) Holdings (or any Successor Holding Company in respect thereof), unless and until Holdings is released from the Parent Guarantee in accordance with the terms of the Indenture, and (*y*) the Subsidiary Guarantors.

"*Hedge Agreements*" means, collectively, Interest Rate Agreements, Currency Agreements and Commodities Agreements.

"*Hedging Obligations*" as to any Person, the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

"*Hexagon Acquisition*" means the acquisition of all of the outstanding equity interests of Hexagon Holdings Limited, a New Zealand incorporated company, by Multi-Color (New Zealand) Holdings Pty Limited, a company incorporated under the laws of New Zealand, in accordance with the Hexagon Acquisition Agreement.

"*Hexagon Acquisition Agreement*" means the Agreement for Sale and Purchase of Shares in Hexagon Holdings Limited (including the schedules, exhibits and disclosure letters thereto), dated June 24, 2021, by and among MCC New Zealand, the Vendors (as defined therein), the Vendor Guarantors (as defined therein), Multi-Color Corporation, Mercury Capital Investments Pty Ltd, MCF2 Limited Partnership and MCF2B Limited Partnership, as the same may be amended, restated, supplemented, waived or otherwise modified from time to time.

"*Holder*" or "*Noteholder*" means the Person in whose name an Indenture Note is registered in the note register.

"*Holdings*" means LABL Acquisition Corporation, a Delaware corporation, and any successor in interest thereto.

"*IFRS*" means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants, or any successor to either such board, or the SEC, as the case may be), as in effect from time to time.

"*Incur*" means issue, assume, enter into any Guarantee of, incur or otherwise become liable for; and the terms "*Incurs*," "*Incurred*" and "*Incurrence*" shall have a correlative meaning; *provided* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness, and the payment of dividends on Capital Stock constituting Indebtedness in the form of additional shares of the same class of Capital Stock, will be deemed not to be an Incurrence of Indebtedness. Any Indebtedness issued at a discount (including Indebtedness on which interest is payable through the issuance of additional Indebtedness) shall be deemed Incurred at the time of original issuance of the Indebtedness at the initial accreted amount thereof.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(i) the principal of indebtedness of such Person for borrowed money;

(ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit, bankers' acceptances or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed) (except to the extent such reimbursement obligations relate to Trade Payables and such obligations are expected to be satisfied within 30 days of becoming due and payable);

(iv) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except Trade Payables), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto;

(v) all Financing Lease Obligations of such Person;

(vi) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or (if such Person is a Subsidiary of the Company other than a Subsidiary Guarantor) any Preferred Stock of such Subsidiary, but excluding, in each case, any accrued dividends (the amount of such obligation to be equal at any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased, and if such price is based upon or measured by the fair market value of such Capital Stock, such fair market value shall be as determined in good faith by senior management of the Company, the Board of Directors of the Company or the Board of Directors of the issuer of such Capital Stock, in each case which determination shall be conclusive);

(vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination (as determined in good faith by the Company, which determination shall be conclusive) and (B) the amount of such Indebtedness of such other Persons;

(viii) all Guarantees by such Person of Indebtedness of other Persons, to the extent so Guaranteed by such Person; and

(ix) to the extent not otherwise included in this definition, net Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time);

provided that, Indebtedness shall not include (*p*) any obligations whatsoever in respect of Vendor Financing Arrangements, (*q*) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than 60 days, (*r*) accrued expenses and royalties, (*s*) prepaid or deferred revenue arising in the ordinary course of business, (*t*) any obligations attributable to the exercise of dissenters' or appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (*u*) any liability for federal, state, local or other taxes owed or owing to any government or other taxing authority, (*v*) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (*w*) obligations, to the extent such obligations constitute Indebtedness, under any agreement that has been defeased or satisfied and discharged pursuant to the terms of such agreement, (*x*) Contingent Obligations incurred in the ordinary course of business or consistent with past practice, (*y*) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing (so long as (i) at the time of closing, the amount of any such payment is not determinable and (ii) to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner) or (*z*) for the avoidance of doubt, any obligations or liabilities which would be required to be classified and accounted for as an operating lease for financial reporting purposes in accordance with GAAP prior to the adoption of Accounting Standards Update No. 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board.

The amount of Indebtedness of any Person at any date shall be determined as set forth above or as otherwise provided for in the Indenture, or otherwise shall equal the amount thereof that would appear as a liability on a balance sheet of such Person (excluding any notes thereto) prepared in accordance with GAAP.

"*Initial Purchasers*" means Goldman Sachs & Co. LLC, BofA Securities, Inc., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., RBC Capital Markets, UBS Securities LLC, Wells Fargo Securities, LLC, HSBC Securities (USA) Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., KKR Capital Markets LLC, KKR Corporate Lending LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc. and Truist Securities, Inc., as initial purchasers of the Notes.

"*Insurance Subsidiary*" means any Subsidiary of the Company (*i*) that is a Captive Insurance Subsidiary or (*ii*) whose primary purpose and activity is the assumption of self-insurance risks and activities reasonably related thereto.

"*Intercreditor Agreements*" means, collectively, the Base Intercreditor Agreement, the Pari Passu Intercreditor Agreement and any other intercreditor agreement entered into from time to time in accordance with the Indenture (including, without limitation, any Junior Lien Intercreditor Agreement).

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, future agreement, option agreement, swap agreement, cap agreement, collar agreement, hedge agreement or other *similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or a beneficiary.*

"*Inventory*" means goods held for sale, lease or use by a Person in the ordinary course of business, net of any reserve for goods that have been segregated by such Person to be returned to the applicable vendor for credit, as determined in accordance with GAAP.

"*Investment*" in any Person by any other Person means any direct or indirect advance, loan or other extension of credit (other than to customers, dealers, distributors, licensees, franchisees, suppliers, consultants, directors, officers or employees of any Person in the ordinary course of business) or capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "—Certain Covenants—Limitation on

Restricted Payments" only, (*i*) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary, *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (*x*) the Company's "Investment" in such Subsidiary at the time of such redesignation *less* (*y*) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation, (*ii*) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value (as determined in good faith by the Company, which determination shall be conclusive) at the time of such transfer and (*iii*) for purposes of clause (3)(C) of paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," the amount resulting from the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary shall be the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of such redesignation. Guarantees shall not be deemed to be Investments. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; *provided* that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"*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 any equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means (*i*) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents); (*ii*) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; (*iii*) investments in any fund that invests exclusively in investments of the type described in clauses (i) and (ii) above, which fund may also hold cash pending investment or distribution; and (*iv*) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"*Investors*" is as defined in the definition of "Equity Contribution."

"*IPO Vehicle*" means (a) an entity formed or designated for the purpose of facilitating an issuance or sale of common equity interests (which represent an indirect economic and/or voting interest in the Company or a Parent and through which investors shall indirectly hold their equity interests in the Company or a Parent) in an underwritten public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering) and such equity interests are listed on a nationally-recognized stock exchange in the U.S., (b) any SPAC IPO Entity and (c) any Wholly Owned Subsidiary of the entity referred to in clause (a) or (b) above other than a Parent or any Subsidiary of a Parent (unless the entity in clause (a) is a Parent, in which case other than the Company or any Subsidiary thereof).

"*Issue Date*" means the first date on which Secured Notes were issued.

"*Junior Capital*" means, collectively, any Indebtedness of any Parent or IPO Vehicle or the Company that (*i*) is not secured by any asset of the Company or any Restricted Subsidiary, (*ii*) is expressly subordinated to the prior payment in full of the Notes on terms consistent with those for senior subordinated high yield debt securities issued by U.S. companies sponsored by CD&R (as determined in good faith by the Company, which determination shall be conclusive), (*iii*) has a final maturity date that is not earlier than, and provides for no scheduled payments of principal prior to, the date that is 91 days after the final Stated Maturity of the Notes (other than through conversion or exchange of any such Indebtedness for Capital Stock (other than Disqualified Stock) of the Company, Capital Stock of any Parent or IPO Vehicle or any other Junior Capital), (*iv*) has no mandatory redemption or prepayment obligations other than (*x*) obligations that are subject to the prior payment in full in cash of the Notes and (*y*) pursuant to an escrow or similar arrangement with respect to the proceeds of such Junior Capital and (*v*) does not require the payment of cash interest until the date that is 91 days after the final Stated Maturity of the Notes.

"*Junior Lien Intercreditor Agreement*" means an intercreditor agreement in form and substance substantially consistent with the "Junior Lien Intercreditor Agreement" as defined in the Senior Cash Flow Agreement as in effect on the Issue Date.

"*Junior Lien Priority*" means with respect to specified Indebtedness, secured by a Lien on specified Collateral ranking junior to the Lien on such Collateral securing the Notes, the Parent Guarantee or any Subsidiary Guarantee, as applicable, either pursuant to the Base Intercreditor Agreement, any Junior Lien Intercreditor Agreement or one or more other intercreditor agreements having terms no less favorable to the Holders with respect to such Collateral than the terms of the Intercreditor Agreement applicable to the Collateral, as determined in good faith by the Company (which determination shall be conclusive).

"*Liabilities*" means, collectively, any and all claims, obligations, liabilities, causes of action, actions, suits, proceedings, investigations, judgments, decrees, losses, damages, fees, costs and expenses (including, without limitation, interest, penalties and fees and disbursements of attorneys, accountants, investment bankers and other professional advisors), in each case whether incurred, arising or existing with respect to third parties or otherwise at any time or from time to time.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*LOI 2 Acquisition*" means the acquisition of all of the outstanding equity interests of Skanem Stavanger AS, Skanem Skurup AB, Skanem Hobro AS, Skanem Poznan sp. z.o.o., Skanem UK Ltd., and Skanem Bangkok Co. Ltd, in accordance with the LOI 2 Acquisition Agreement.

"*LOI 2 Acquisition Agreement*" means the Share Purchase Agreement, dated September 30, 2021, by and between Skanem AS and Multi-Color Corporation, as the same may be amended, restated, supplemented, waived or otherwise modified from time to time.

"*Management Advances*" means (*1*) loans or advances made to directors, management members, officers, employees or consultants of any Parent, IPO Vehicle, the Company or any Restricted Subsidiary (*x*) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business, (*y*) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility, or (*z*) in the ordinary course of business and (in the case of this clause (z)) not exceeding the greater of $50.0 million and 7.0% of Four Quarter Consolidated EBITDA in the aggregate outstanding at any time, (*2*) promissory notes of Management Investors acquired in connection with the issuance of Management Stock to such Management Investors, (*3*) Management Guarantees, or (*4*) other Guarantees of borrowings by Management Investors in connection with the purchase of Management Stock, which Guarantees are permitted under the covenant described under "—Certain Covenants—Limitation on Indebtedness."

"*Management Guarantees*" means guarantees (*x*) of up to an aggregate principal amount outstanding at any time the greater of $50.0 million and 7.0% of Four Quarter Consolidated EBITDA of borrowings by Management Investors in connection with their purchase of Management Stock or (*y*) made on behalf of, or in respect of loans or advances made to, directors, officers, employees or consultants of any Parent, IPO Vehicle, the Company or any Restricted Subsidiary (*1*) in respect of travel, entertainment and moving related expenses incurred in the ordinary course of business, or (*2*) in the ordinary course of business and (in the case of this clause (2)) not exceeding the greater of $30.0 million and 4.0% of Four Quarter Consolidated EBITDA in the aggregate outstanding at any time.

"*Management Indebtedness*" means Indebtedness Incurred to (*a*) any Person other than a Management Investor of up to an aggregate principal amount outstanding at any time of the greater of $50.0 million and 7.0% of Four Quarter Consolidated EBITDA and (*b*) any Management Investor, in each case, to finance the repurchase or other acquisition of Management Stock from any Management Investor, which repurchase or other acquisition of Capital Stock is permitted by the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"*Management Investors*" means the current or former management members, officers, directors, employees and other members of the management of any Parent, the Company or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (*provided* that, solely for purposes of the definition of "Permitted Holders," such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the Company, which determination shall be conclusive), or trusts, partnerships or limited liability companies for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent or IPO Vehicle (including any options, warrants or other rights in respect thereof).

"*Management Stock*" means Capital Stock of the Company, any Restricted Subsidiary or any Parent or IPO Vehicle (including any options, warrants or other rights in respect thereof) held by any of the Management Investors.

"*Margin Stock*" is as defined in Regulation U of the Federal Reserve Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"*Market Capitalization*" means an amount equal to (*i*) the total number of issued and outstanding shares of capital stock of the Company or any Parent or IPO Vehicle (including all shares of Capital Stock of such Parent or IPO Vehicle reserved for issuance upon conversion or exchange of Capital Stock of another Parent or IPO Vehicle outstanding on such date) on the date of declaration of the relevant dividend or making of any other Restricted Payment, as applicable, multiplied by (*ii*) the arithmetic mean of the closing prices per share of such capital stock on the New York Stock Exchange (or, if the primary listing of such capital stock is on another exchange, on such other exchange) for the 30 consecutive trading days immediately preceding such date.

"*Minority Business*" means any business unit of the Company that represents less than 50.0% of the Consolidated EBITDA of the Company and its Restricted Subsidiaries for and as of the end of the last four Fiscal Quarters of the Company for which financial statements have been delivered pursuant to the covenant described under "—Certain Covenants—SEC Reports."

"*Minority Business Assets*" means the assets of the Company and its Subsidiaries, including Capital Stock of Subsidiaries, that relate to or form part of a Minority Business.

"*Minority Business Disposition*" means (*i*) any sale or other disposition of Capital Stock of any Minority Business Subsidiary (whether by issuance or sale of Capital Stock, merger, or otherwise) to one or more Persons (other than the Company or a Restricted Subsidiary) in any transaction or series of related transactions following the consummation of which such Minority Business Subsidiary is no longer a Restricted Subsidiary of the Company (excluding any Minority Business Offering) or (*ii*) any sale or other disposition of any assets of any Minority Business Subsidiary or other Minority Business Assets, including all or substantially all of the assets of any Minority Business Subsidiary, to one or more Persons (other than the Company or a Restricted Subsidiary) in any transaction or series of related transactions.

"*Minority Business Disposition Condition*" means at any date of determination after giving effect to the Minority Business Disposition or Minority Business Offering, either (*1*) the Company could Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) or paragraph (b)(xvii) of the covenant described under "—Certain Covenants—Limitation on Indebtedness", (*2*) the Consolidated Coverage Ratio of the Company would equal or exceed the Consolidated Coverage Ratio of the Company immediately prior to giving effect thereto or (3) the Consolidated Total Leverage Ratio of the Company would equal or be less than the Consolidated Total Leverage Ratio of the Company immediately prior to giving effect thereto.

"*Minority Business Offering*" means a public offering of Capital Stock of any Minority Business Subsidiary pursuant to a registration statement filed with the SEC.

"*Minority Business Subsidiary*" means any of the Company's Subsidiaries and successors in interest thereto to the extent any of such Subsidiaries form part of the relevant Minority Business.

"*Monarch Acquisition*" means the acquisition of LABL Holding Corporation in accordance with the Monarch Acquisition Agreement.

"*Monarch Acquisition Agreement*" means the Agreement and Plan of Merger, dated as of July 1, 2021, by and among Labels Buyer, LLC, Labels Merger Sub, LLC, Holdings and Platinum Equity Advisors, LLC, as the same may be amended, restated, supplemented, waived or otherwise modified from time to time in accordance with this Agreement.

"*Monarch Business*" means LABL Holding Corporation and its Subsidiaries.

"*Moody's*" means Moody's Investors Service, Inc., and its successors.

"*Net Available Cash*" from an Asset Disposition means an amount equal to the cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (*i*) all legal, title and recording tax expenses, commissions and other fees and expenses incurred and (without duplication) all federal, state, provincial, foreign and local taxes required to be paid or to be accrued as a liability under GAAP, in each case, as a consequence of, or in respect of, such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock"), (*ii*) all payments made, and all installment payments required to be made, on any Indebtedness (other than Indebtedness secured by Liens on the Collateral that are required by the express terms of the Indenture to be pari passu with or junior to the Liens on the Fixed Asset Collateral securing the Notes) (*x*) that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or (*y*) that must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition, including but not limited to any payments required to be made to increase borrowing availability under any revolving credit facility, (*iii*) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition, or to any other Person (other than the Company or a Restricted Subsidiary) owning a beneficial interest in the assets disposed of in such Asset Disposition, (*iv*) any liabilities or obligations associated with the assets disposed of in such Asset Disposition and retained, indemnified or insured by the Company or any Restricted Subsidiary after such Asset Disposition, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters, and liabilities relating to any indemnification obligations associated with such Asset Disposition, and (*v*) the amount of any purchase price or similar adjustment (*x*) claimed by any Person to be owed by the Company or any Restricted Subsidiary, until such time as such claim shall have been settled or otherwise finally resolved, or (*y*) paid or payable by the Company or any Restricted Subsidiary, in each case in respect of such Asset Disposition.

"*Net Cash Proceeds*" means, with respect to any issuance or sale of any securities of, or the Incurrence of Indebtedness by, the Company or any Subsidiary, or any capital contribution to the Company or any Subsidiary, the cash proceeds of such issuance, sale, Incurrence or contribution received by the Company or such Subsidiary net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance, sale, contribution or Incurrence and net of all taxes paid or payable as a result, or in respect, thereof.

"*Net Short Holder*" means any Notes Beneficial Owner (alone or together with its Affiliates (but subject to clause (vi) below)) (other than (*x*) any Notes Beneficial Owner that is a Regulated Bank and (*y*) any Initial Purchaser and any Affiliate of an Initial Purchaser that is not a Regulated Bank) that, as a result of its (or its Affiliates' (but subject to clause (vi) below)) interest, whether held directly or through any intermediary, in any total return swap, total rate of return swap, credit default swap or other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities), has a net short position with respect to either (*1*) the Notes or (*2*) any other Indebtedness and/or commitments in respect thereof of the Company or Subsidiary Guarantors (any such Indebtedness and/or commitments under this clause (2), the "*Covered Indebtedness*"). For purposes of determining whether a Notes Beneficial Owner (alone or together with its Affiliates (but subject to clause (vi) below)) has a "net short position" on any date of determination: (*i*) derivative contracts with respect to the Notes and/or any Covered Indebtedness and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in Dollars, (*ii*) notional amounts in other currencies shall be converted to the dollar equivalent thereof by such Notes Beneficial Owner in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (*iii*) derivative contracts in respect of an index that includes the Company or any of the Subsidiary Guarantors or any instrument issued or guaranteed by the Company or any of the Subsidiary Guarantors shall not be deemed to create a short position with respect to either (*1*) the Notes and/or (*2*) the Covered Indebtedness, so long as (*x*) such index is not created, designed, administered or requested by such Notes Beneficial Owner or its Affiliates (other than its Excluded Affiliates) and (*y*) the Company and Subsidiary Guarantors and any instrument issued or guaranteed by the Company or any of the Subsidiary Guarantors, collectively, shall represent less than 5% of the components of such index, (*iv*) derivative transactions that are documented using either the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (collectively, the "*ISDA CDS Definitions*") shall be deemed to create a short position with respect to either (*1*) the Notes and/or (*2*) the Covered Indebtedness if such Notes Beneficial Owner or its Affiliates (other than its Excluded Affiliates) is a protection buyer or the equivalent thereof for such derivative transaction and (*x*) the Notes and/or any such Covered Indebtedness are a "Reference Obligation" under the terms of such derivative transaction (whether specified by name in the related documentation, included as a "Standard Reference Obligation" on the most recent list published by Markit, if "Standard Reference Obligation" is specified as applicable in the relevant documentation or in any other manner), (*y*) the Notes and/or any such Covered Indebtedness would be a "Deliverable Obligation" under the terms of such derivative transaction or (*z*) the Company or any of the Subsidiary Guarantors (or any of their successors) is designated as a "Reference Entity" under the terms of such derivative transactions, (*v*) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS Definitions shall be deemed to create a short position with respect to either (*1*) the Notes and/or (*2*) the Covered Indebtedness if such transactions are functionally equivalent to a transaction that offers such Notes Beneficial Owner or its Affiliates (other than its Excluded Affiliates) protection in respect of the Notes and/or any such Covered Indebtedness, or as to the credit quality of the Company or any of the Subsidiary Guarantors (or any of their successors) other than, in each case, as part of an index so long as (*x*) such index is not created, designed, administered or requested by such Notes Beneficial Owner or its Affiliates (other than its Excluded Affiliates) and (*y*) the Company and Subsidiary Guarantors and any instrument issued or guaranteed by the Company or any of the Subsidiary Guarantors, collectively, shall represent less than 5% of the components of such index and (*vi*) in connection with any amendment, supplement, waiver or modification of the Indenture, the Notes, the Note Security Documents or the Intercreditor Agreements, as well as any other request, demand, authorization, direction, notice, consent or waiver under the Indenture, each Notes Beneficial Owner shall either (*A*) reasonably inquire as to whether its Ethically Screened Affiliates have any interest in the Notes, any such Covered Indebtedness and/or any applicable total return swap, total rate of return swap, credit default swap or other derivative contract, and such Ethically Screened Affiliates' interests therein shall only be included in determining whether such Notes Beneficial Owner (alone or together with its Affiliates) is a Net Short Holder to the extent determined from such reasonable inquiry or (*B*) provide a certification or deemed certification to the Trustee and the Company that such Notes Beneficial Owner is not coordinating or acting in concert with any of its Affiliates (other than any Affiliates designated in writing by such Notes Beneficial Owner whose interests in the Notes, any such Covered Indebtedness and/or any applicable total return swap, total rate of return swap, credit default swap or other derivative contract shall be included in determining whether such Notes Beneficial Owner is a Net Short Holder (each a "*Designated Affiliate*")) with respect to its interest in the Notes, any such Covered Indebtedness and/or any applicable total return swap, total rate of return swap, credit default swap or other derivative contract, in which case the interests of the Affiliates (other than any Designated Affiliates) of such Notes Beneficial Owner in any Notes, any such Covered Indebtedness and/or any applicable total return swap, total rate of return swap, credit default swap or other derivative contract shall not be included in determining whether such Notes Beneficial Owner is a Net Short Holder (any such Affiliate in clause (A) or (B) above (other than any Designated Affiliates) whose Notes, any Covered Indebtedness and/or any applicable total return swap, total rate of return swap, credit default swap or other derivative contract are not included in determining whether such Notes Beneficial Owner is a Net Short Holder, an "*Excluded Affiliate*").

"*Non-Controlling Collateral Agent*" means, at any time with respect to any Collateral, any authorized representative that is not the Controlling Collateral Agent at such time with respect to such Collateral.

"*Non-Controlling Collateral Agent Enforcement Date*" has the meaning set forth under "Security for the Notes—Description of the Intercreditor Agreements—Pari Passu Intercreditor Agreement."

"*Non-Controlling Secured Parties*" means, with respect to any Collateral, the Series of holders of Parity Lien Obligations which are not Controlling Secured Parties with respect to such Collateral.

"*Notes Beneficial Owner*" means a Person who is a beneficial owner of interests in the Notes (including Additional Notes, if any).

"*Note Security Documents*" means the Collateral Agreement and any mortgages, security agreements, pledge agreements or other instruments evidencing or creating Liens on the assets of the Company and the Guarantors to secure the obligations under the Notes and the Indenture, as amended, supplemented, waived or otherwise modified from time to time.

"*Obligations*" means, with respect to any Indebtedness, any principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Restricted Subsidiary whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, Guarantees of such Indebtedness (or of Obligations in respect thereof), other monetary obligations of any nature and all other amounts payable thereunder or in respect thereof.

"*Officer*" means, with respect to the Company or any other obligor upon the Notes, the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Chief Accounting Officer, the Controller, the Treasurer or the Secretary (*a*) of such Person or (*b*) if such Person is owned or managed by a single entity, of such entity (or any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors).

"*Officer's Certificate*" means, with respect to the Company or any other obligor upon the Notes, a certificate signed by one Officer of such Person. Unless otherwise specified, any requirement to provide an Officer's Certificate in the Indenture shall mean an Officer's Certificate of the Company.

"*Opinion of Counsel*" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

"*Outstanding*" or "*outstanding*," when used with respect to Indenture Notes means, as of the date of determination, all Indenture Notes theretofore authenticated and delivered under the Indenture, except:

(i) Indenture Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Indenture Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any paying agent in trust for the Holders of such Indenture Notes, *provided* that, if such Indenture Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor reasonably satisfactory to the Trustee has been made; and

(iii) Indenture Notes in exchange for or in lieu of which other Indenture Notes have been authenticated and delivered pursuant to the Indenture.

An Indenture Note does not cease to be Outstanding because the Company, any Affiliate of the Company or any Net Short Holder holds the Indenture Note (and such Indenture Note shall be deemed to be Outstanding for purposes of the Indenture), *provided* that in determining whether the Holders of the requisite amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Indenture Notes owned by the Company, any Affiliate of the Company or any Net Short Holder shall be disregarded and deemed not to be Outstanding (except in the case of a Net Short Holder if otherwise agreed to by the Company), except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Indenture Notes which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Indenture Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right to act with respect to such Notes and that the pledgee is not the Company, an Affiliate of the Company or a Net Short Holder.

"*Parent*" means any of Topco, Holdings and any Other Parent and any other Person that is a Subsidiary of Topco, Holdings or any Other Parent and of which the Company is a Subsidiary, in each case, solely for so long as the Company is a Subsidiary of such Person. As used herein, "*Other Parent*" means a Person (which may be an IPO Vehicle) of which the Company is or becomes a Subsidiary after the Issue Date that is designated by the Company as an "Other Parent"; *provided* that either (*x*) immediately after the Company first becomes a Subsidiary of such Person, more than 50.0% of the Voting Stock of such Person shall be held by one or more Persons that held more than 50.0% of the Voting Stock of the Company or a Parent of the Company immediately prior to the Company first becoming such Subsidiary, (*y*) such Person shall be deemed not to be an Other Parent for the purpose of determining whether a Change of Control shall have occurred by reason of the Company first becoming a Subsidiary of such Person or (z) in the case of an IPO Vehicle, no Change of Control shall have occurred in treating such IPO Vehicle as if it were a Parent both before and after giving effect to the Company becoming a Subsidiary of such IPO Vehicle. The Company shall not in any event be deemed to be a "*Parent*."

"*Parent Expenses*" means (*i*) costs (including all professional fees and expenses) incurred by any Parent or IPO Vehicle in connection with maintaining its existence or in connection with its reporting obligations under, or in connection with compliance with, applicable laws or applicable rules of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, the Exchange Act or the respective rules and regulations promulgated thereunder, (*ii*) expenses incurred by any Parent or IPO Vehicle in connection with the acquisition, development, maintenance, ownership, prosecution, protection and defense of its intellectual property and associated rights (including but not limited to trademarks, service marks, trade names, trade dress, patents, copyrights and similar rights, including registrations and registration or renewal applications in respect thereof; inventions, processes, designs, formulae, trade secrets, know-how, confidential information, computer software, data and documentation, and any other intellectual property rights; and licenses of any of the foregoing), or assertions of infringement, misappropriation, dilution or other violation of third-party intellectual property or associated rights, to the extent such intellectual property and associated rights or assertions relate to the business or businesses of the Company or any Subsidiary thereof, (*iii*) indemnification obligations of any Parent or IPO Vehicle owing to directors, officers, employees or other Persons under its charter or by-laws (or the equivalent) or pursuant to written agreements with or for the benefit of any such Person (including the CD&R Indemnification Agreement), or obligations in respect of director and officer insurance (including premiums therefor), (*iv*) other administrative and operational expenses of any Parent or IPO Vehicle incurred in the ordinary course of business, (*v*) fees and expenses incurred by any Parent or IPO Vehicle in connection with maintenance and implementation of any management equity incentive plan associated with the management of the Company and its Subsidiaries, and (*vi*) fees and expenses incurred by any Parent or IPO Vehicle in connection with any offering of Capital Stock or Indebtedness, (*w*) which offering is not completed, or (*x*) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Company or a Restricted Subsidiary, or (*y*) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received, contributed or loaned, or (*z*) otherwise on an interim basis prior to completion of such offering so long as any Parent or IPO Vehicle shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Parent Guarantee*" means the Guarantee executed and delivered by Holdings as described under "—Parent Guarantee."

"*Parent Subordinated Obligations*" means, with respect to Holdings, any Indebtedness of Holdings (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of Holdings under its Parent Guarantee pursuant to a written agreement.

"*Pari Passu Intercreditor Agreement*" means the First Lien Intercreditor Agreement, dated as of July 1, 2019, between Bank of America, N.A., as collateral agent for the Credit Agreement Secured Parties (as defined therein) and Wilmington Trust, National Association, as collateral agent for the Indenture Secured Parties (as defined therein) and acknowledged by the Company and certain of the Guarantors, as modified by the Joinder Agreement (as defined therein) dated as of the Effective Date by the Note Collateral Agent and the Senior Cash Flow Collateral Agent, as the same may be further amended, restated, supplemented, waived or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Parity Lien*" means a Lien granted to the Note Collateral Agent or other Parity Lien Representative under any Parity Lien Indebtedness for the benefit of the holders thereof, at any time, upon the Collateral to secure Parity Lien Obligations.

"*Parity Lien Documents*" means, collectively, the Indenture, the Notes, the Note Security Documents, the Intercreditor Agreements, Senior Cash Flow Agreement, the Existing Secured Notes Indenture, the Existing Secured Notes and any indenture, credit agreement or other agreement governing other Parity Lien Indebtedness and the security documents related to the foregoing.

"*Parity Lien Indebtedness*" means:

(1) Indebtedness represented by the Secured Notes initially issued by the Company under the Indenture on the Issue Date;

(2) Indebtedness incurred by the Company or any of the Guarantors under the Senior Cash Flow Agreement and/or other obligations secured ratably thereunder that is intended by the Company to be secured equally and ratably with the Parity Lien Obligations by a Parity Lien that is permitted to be incurred and/or secured by a Parity Lien under the Indenture;

(3) Indebtedness represented by the Existing Secured Notes initially issued by the Company under the Existing Secured Notes Indenture;

(4) any other Indebtedness of the Company or any Guarantor (including the Notes and Additional Notes but, for the avoidance of doubt, excluding Priority Lien Obligations) that is intended by the Company to be secured equally and ratably with the Parity Lien Obligations by a Parity Lien that is permitted to be incurred and secured by a Parity Lien under the Indenture; provided that in the case of any Indebtedness referred to in this clause (4):

(a) on or before the date on which such Indebtedness is incurred by the Company or such Guarantor, such Indebtedness is designated by the Company, in accordance with the terms and conditions of the Pari Passu Intercreditor Agreement, as "Additional First Lien Obligations" for the purposes of the Pari Passu Intercreditor Agreement; *provided* that no series of debt may be designated as both Parity Lien Indebtedness and Priority Lien Obligations; and

(b) the Parity Lien Representative of such Indebtedness becomes a party to the Intercreditor Agreements in accordance with the terms thereof; and

(5) guarantees by any Guarantor in respect of any of the Obligations described in the foregoing clauses (1) through (4).

"*Parity Lien Obligations*" means Parity Lien Indebtedness and all other Obligations in respect thereof.

"*Parity Lien Representative*" means (1) the Note Collateral Agent, in the case of the Indenture Notes, (2) the Senior Cash Flow Collateral Agent, in the case of the Senior Cash Flow Agreement, and (3) in the case of any other series of Parity Lien Indebtedness, including the Existing Secured Notes, the trustee, agent or representative of the holders of such series of Parity Lien Indebtedness who is appointed as a representative of such series of Parity Lien Indebtedness (for purposes related to the administration of the applicable security documents related thereto) pursuant to the indenture, credit agreement or other agreement governing such series of Parity Lien Indebtedness.

"*Permitted Holders*" means any of the following: (*i*) any of the CD&R Investors; (*ii*) any of the Management Investors, CD&R and its Affiliates; (*iii*) any investment fund or vehicle managed, sponsored or advised by CD&R or any Affiliate thereof, and any Affiliate of or successor to any such investment fund or vehicle; (i*v*) any limited or general partners of, or other investors in, any CD&R Investor or any Affiliate thereof, or any such investment fund or vehicle; (*v*) any "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date) of which any of the Persons specified in clause (i), (ii), (iii) or (iv) above is a member (*provided* that (without giving effect to the existence of such "group" or any other "group") one or more of such Persons collectively have beneficial ownership, directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of the Company or the Parent held by such "group"), and any other Person that is a member of such "group"; (*vi*) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Capital Stock of any Parent or the Company or IPO Vehicle and (vii) unless and until it constitutes a Parent, any IPO Vehicle (provided that no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date), other than one or more "Permitted Holders" described in the preceding clauses (i) through (vi), has beneficial ownership (as defined in Rules 13d-3 and 13-d5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of more than 50.0% of the total voting power of voting stock of such IPO Vehicle). In addition, any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date) whose status as a "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date) constitutes or results in a Change of Control in respect of which a Change of Control Offer or an Alternate Offer is made in accordance with the requirements of the Indenture, together with its Affiliates, shall thereafter constitute Permitted Holders.

"*Permitted Investment*" means an Investment by the Company or any Restricted Subsidiary in, or consisting of, any of the following:

(i) a Restricted Subsidiary, the Company, or a Person that will, upon the making of such Investment, become a Restricted Subsidiary (and any Investment held by such Person that was not acquired by such Person, or made pursuant to a commitment by such Person that was not entered into, in contemplation of so becoming a Restricted Subsidiary);

(ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, or is liquidated into, the Company or a Restricted Subsidiary (and, in each case, any Investment held by such other Person that was not acquired by such Person, or made pursuant to a commitment by such Person that was not entered into, in contemplation of such merger, consolidation or transfer);

(iii) Temporary Cash Investments, Investment Grade Securities or Cash Equivalents;

(iv) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business;

(v) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock";

(vi) securities or other Investments received in settlement of debts created in the ordinary course of business and owing to, or of other claims asserted by, the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments, including in connection with any bankruptcy proceeding or other reorganization of another Person;

(vii) Investments in existence or made pursuant to legally binding written commitments in existence on the Issue Date (or, with respect to the Fortune Business, Investments in existence or made pursuant to legally binding written commitments in existence on the Effective Date), and, in each case, any extension, modification, replacement, reinvestment or renewal thereof; *provided* that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (*x*) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (or, with respect to the Fortune Business, Investments in existence or made pursuant to legally binding written commitments in existence on the Effective 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 (*y*) as otherwise permitted by the Indenture;

(viii) Currency Agreements, Interest Rate Agreements, Commodities Agreements and related Hedging Obligations, which obligations are Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(ix) pledges or deposits (*x*) with respect to leases or utilities provided to third parties in the ordinary course of business or (*y*) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—Certain Covenants—Limitation on Liens";

(x) (*1*) Investments in or by any Special Purpose Subsidiary, or in connection with a Financing Disposition by, to, in or in favor of any Special Purpose Entity, including Investments of funds held in accounts permitted or required by the arrangements governing such Financing Disposition or any related Indebtedness, (*2*) any promissory note issued by the Company or any Parent; *provided* that if such Parent receives cash from the relevant Special Purpose Entity in exchange for such note, an equal cash amount is contributed by any Parent to the Company or (*3*) Investments in notes receivable in connection with a transaction described in clause (iv) of the definition of "Asset Disposition";

(xi) bonds secured by assets leased to and operated by the Company or any Restricted Subsidiary that were issued in connection with the financing of such assets so long as the Company or any Restricted Subsidiary may obtain title to such assets at any time by paying a nominal fee, canceling such bonds and terminating the transaction;

(xii) the Notes;

(xiii) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock), Capital Stock of any Parent or IPO Vehicle or Junior Capital as consideration;

(xiv) Management Advances;

(xv) Investments in Related Businesses in an aggregate amount outstanding at any time not to exceed an amount equal to the greater of $365.0 million and 50.0% of Four Quarter Consolidated EBITDA;

(xvi) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Transactions with Affiliates" (except transactions described in clauses (i), (v) and (vi) of such paragraph), including any Investment pursuant to any transaction described in clause (ii) of such paragraph (whether or not any Person party thereto is at any time an Affiliate of the Company);

(xvii) any Investment by any Insurance Subsidiary in connection with the provision of insurance to the Company or any of its Subsidiaries;

(xviii) other Investments in an aggregate amount outstanding at any time not to exceed an amount equal to the greater $365.0 million and 50.0% of Four Quarter Consolidated EBITDA;

(xix) 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 of the Company and its Subsidiaries in the ordinary course of business or consistent with past practice;

(xx) Investments consisting of purchases or other acquisitions of inventory, supplies, services, material or equipment or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(xxi) any Investment in 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; and

(xxii) Investments made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing client contracts and loans or advances made to distributors in the ordinary course of business or consistent with past practice.

If any Investment pursuant to clause (xv) or (xviii) above, or clause (vii) or (xii) of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," as applicable, is made in any Person that is not a Restricted Subsidiary and such Person thereafter (*A*) becomes a Restricted Subsidiary or (*B*) is merged or consolidated into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary, then such Investment shall thereafter be deemed to have been made pursuant to clause (i) or (ii) above, respectively, and not clause (xv) or (xviii) above, or clause (vii) or (xii) of paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," as applicable.

"*Permitted Liens*" means:

(a) Liens for taxes, assessments or other governmental charges or claims not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Company and its Restricted Subsidiaries, taken as a whole, or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or a Subsidiary thereof, as the case may be, in accordance with GAAP;

(b) Liens with respect to outstanding motor vehicle fines, and carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations that are not known to be overdue for a period of more than 60 days or that are bonded or that are being contested in good faith and by appropriate proceedings or which in the aggregate would not reasonably be expected to have a material adverse effect on the Company and its Restricted Subsidiaries, taken as a whole;

(c) pledges, deposits or Liens in connection with workers' compensation, professional liability insurance, insurance programs, unemployment insurance and other social security and other similar legislation or other insurance-related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(d) pledges, deposits or Liens to secure the performance of bids, tenders, trade, government or other contracts (other than for borrowed money), obligations for utilities, leases, licenses, statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature incurred in the ordinary course of business;

(e) (*i*) easements (including reciprocal easement agreements), rights-of-way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges, and other similar encumbrances or title defects or irregularities incurred, (*ii*) any other matters that would be disclosed in an accurate survey affecting real property or (*iii*) leases or subleases granted, licenses or sublicenses granted, or occupancy agreements granted to others, whether or not of record and whether now in existence or hereafter entered into which do not in the aggregate materially interfere with the ordinary conduct of the business of the Company and its Subsidiaries, taken as a whole;

(f) Liens existing on, or provided for under written arrangements existing on, the Issue Date, or (in the case of any such Liens securing Indebtedness of the Company or any of its Subsidiaries existing or arising under written arrangements existing on the Issue Date) (or, with respect to the Fortune Business, Liens existing on, or provided for under written arrangements existing on, the Effective Date, or (in the case of any such Liens securing Indebtedness of the Company or any of its Subsidiaries existing or arising under written arrangements existing on the Effective Date)) securing any Refinancing Indebtedness in respect of such Indebtedness (other than Indebtedness Incurred under clause (b)(i) of the covenant described under "—Certain Covenants—Limitation on Indebtedness" and secured under clause (k)(1) of this definition) so long as the Lien securing such Refinancing Indebtedness is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or under such written arrangements could secure) the original Indebtedness;

(g) (*i*) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar agreements relating thereto and (*ii*) any condemnation or eminent domain or compulsory purchase rights or proceedings affecting any real property;

(h) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Hedging Obligations, Bank Products Obligations, Purchase Money Obligations or Financing Lease Obligations Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(i) Liens arising out of judgments, decrees, orders or awards in respect of which the Company or any Restricted Subsidiary shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired;

(j) leases, subleases, licenses, sublicenses or occupancy agreements to or from third parties;

(k) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of (*1*) Indebtedness Incurred in compliance with clause (b)(i), (b)(iv), (b)(v), (b)(vii), (b)(viii) or (b)(xv) of the covenant described under "— Certain Covenants—Limitation on Indebtedness," or clause (b)(iii) thereof (other than Refinancing Indebtedness Incurred in respect of Indebtedness described in paragraph (a) or clause (b)(xvii) thereof), (*2*) Acquired Indebtedness Incurred in compliance with clause (b)(x) or (b)(xi) of the covenant described under "—Certain Covenants—Limitation on Indebtedness"; *provided* that (*x*) such Liens are limited to all or part of the same property or assets, including Capital Stock (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) acquired, or of any Person acquired or merged or consolidated with or into the Company or any Restricted Subsidiary, in any transaction to which such Acquired Indebtedness relates or (y) on the date of the Incurrence of such Indebtedness after giving effect to such Incurrence, the Consolidated Secured Leverage Ratio would equal or be less than the Consolidated Secured Leverage Ratio immediately prior to giving effect thereto, (*3*) the Secured Notes (other than the Notes or Additional Notes), (*4*) Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor or (*5*) obligations in respect of Management Advances or Management Guarantees; in each case under the foregoing clauses (1) through (5) including Liens securing any Guarantee of any thereof;

(l) Liens existing on property or assets of a Person at, or provided for under written arrangements existing at, the time such Person becomes a Subsidiary of the Company (or at the time the Company or a Restricted Subsidiary acquires such property or assets, including any acquisition by means of a merger or consolidation with or into the Company or any Restricted Subsidiary); *provided*, *however*, that such Liens and arrangements are not created in connection with, or in contemplation of, such other Person becoming such a Subsidiary (or such acquisition of such property or assets), and that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate; *provided*, *further*, that for purposes of this clause (l), if a Person other than the Company is the Successor Company with respect thereto, any Subsidiary thereof shall be deemed to become a Subsidiary of the Company, and any property or assets of such Person or any such Subsidiary shall be deemed acquired by the Company or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(m) Liens on Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary or any joint venture that secure Indebtedness or other obligations of such Unrestricted Subsidiary or joint venture, respectively;

(n) any encumbrance or restriction (including, but not limited to, pursuant to put and call agreements or buy/sell arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(o) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness (other than any Indebtedness Incurred under clause (b)(i) of the covenant described under "— Certain Covenants—Limitation on Indebtedness" and secured under clause (k)(1) of this definition) secured by, or securing any refinancing, refunding, extension, renewal or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens; *provided* that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(p) Liens (*1*) arising by operation of law (or by agreement to the same effect) in the ordinary course of business, including Liens arising under or by reason of the Perishable Agricultural Commodities Act of 1930, as amended from time to time, (*2*) on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets, (*3*) on Margin Stock, if and to the extent the value of all Margin Stock of the Company and its Subsidiaries exceeds 25.0% of the value of the total assets subject to the covenant described under "—Certain Covenants—Limitation on Liens," (*4*) on receivables (including related rights), (*5*) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose, (*6*) securing or arising by reason of any netting or set-off or customer deposit arrangement entered into in the ordinary course of banking or other trading activities (including in connection with purchase orders and other agreements with customers), (*7*) in favor of the Company or any Subsidiary (other than Liens on property or assets of the Company or any Subsidiary Guarantor in favor of any Subsidiary that is not a Subsidiary Guarantor), (*8*) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business, (*9*) on inventory or other goods and proceeds securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods, (*10*) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft, cash pooling or similar obligations incurred in the ordinary course of business, (*11*) attaching to commodity trading or other brokerage accounts incurred in the ordinary course of business, (*12*) arising in connection with repurchase agreements permitted under the covenant described under "—Certain Covenants—Limitation on Indebtedness" on assets that are the subject of such repurchase agreements, (*13*) in favor of any Special Purpose Entity in connection with any Financing Disposition, (*14*) on any amounts (including the proceeds of the applicable Indebtedness and any cash, Cash Equivalents and Temporary Cash Investments deposited to cover interest and premium in respect of such Indebtedness) held by a trustee or escrow agent under any indenture or other debt agreement governing Indebtedness issued in escrow pursuant to customary escrow arrangements (as determined by the Company in good faith, which determination shall be conclusive) pending the release thereof, or on the proceeds deposited to discharge, redeem or defease Indebtedness under any indenture or other debt agreement pursuant to customary discharge, redemption or defeasance provisions (as determined by the Company in good faith, which determination shall be conclusive), pending such discharge, redemption or defeasance and after irrevocable notice thereof has been delivered to the applicable trustee or agent, (*15*) on equipment of the Company or any of its Restricted Subsidiaries granted in the ordinary course of business to the Company's or a Restricted Subsidiary's customers, (*16*) (*x*) on accounts receivable or notes receivable (including any ancillary rights pertaining thereto) purported to be sold or disposed of in connection with any factoring agreement or similar arrangements to secure obligations owed under such factoring agreement or similar arrangements and (*y*) any bank accounts used by the Company or any Restricted Subsidiary in connection with any factoring agreement or any similar arrangements or (*17*) arising in connection with overage provisions in respect of any purchase of any interest in real property permitted under the Indenture;

(q) other Liens securing Indebtedness or other obligations that in the aggregate at any time outstanding do not exceed an amount equal to the greater of $255.0 million and 35.0% of Four Quarter Consolidated EBITDA at the time of Incurrence of such Indebtedness or other obligations;

(r) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) or other obligations of, or in favor of, any Special Purpose Entity, or in connection with a Special Purpose Financing or otherwise, Incurred pursuant to clause (b)(ix) of the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(s) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Indebtedness Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness"; *provided* that on the date of Incurrence of such Indebtedness after giving effect to such Incurrence (or, at the Company's option, on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving pro forma effect to the Incurrence of the entire committed amount of such Indebtedness (such committed amount, a "*Liens Secured Leverage Ratio Tested Committed Amount*"), in which case such Liens Secured Leverage Ratio Tested Committed Amount may thereafter be borrowed and reborrowed in whole or in part, from time to time, without further compliance with this clause), the Consolidated Secured Leverage Ratio would be equal to or less than 4.50:1.00;

(t) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) consisting of Indebtedness Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness"; *provided* that any Lien on any Collateral securing any Indebtedness or other Obligations pursuant to this clause (t) shall rank junior in right of payment to the Liens securing the Obligations under the Notes;

(u) Liens on (x) Vendor Collateral securing Vendor Financing Arrangements and (y) inventory and accounts receivable (together with, in each case, the proceeds thereof, including any proceeds thereof held in any deposit accounts) securing Vendor Financing Arrangements;

(v) any Lien mandatorily required under applicable law to be granted in favor of creditors as a consequence of (i) any consolidation or merger of the Company or any Restricted Subsidiary with or into the Company or any Restricted Subsidiary or (ii) the termination of a domination and/or profit and loss pooling agreement; and

(w) any escrow arrangements not prohibited under the Indenture and entered into in relation to (i) an Asset Disposition or (ii) any acquisition of assets (including Capital Stock), business or Person, or any merger or consolidation of any Person with or into the Company or any Restricted Subsidiary, or any other Investment permitted by the Indenture.

For purposes of determining compliance with this definition, (*t*) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category), (*u*) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Company shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, (*v*) the principal amount of Indebtedness secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness, (*w*) any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness shall also be permitted to secure any increase in the amount of such Indebtedness in connection with the accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness and the payment of dividends on Capital Stock constituting Indebtedness in the form of additional shares of the same class of Capital Stock, (*x*) in the event that a portion of Indebtedness secured by a Lien could be classified in part pursuant to clause (s) above (giving effect to the Incurrence of such portion of Indebtedness), the Company, in its sole discretion, may classify such portion of Indebtedness (and any Obligations in respect thereof) as having been secured pursuant to clause (s) above and the remainder of the Indebtedness as having been secured pursuant to one or more of the other clauses or subclauses of this definition, (*y*) if any Liens securing Indebtedness or other obligations are Incurred to refinance Liens securing Indebtedness or other obligations initially Incurred (or, to refinance Liens Incurred to refinance Liens initially Incurred) in reliance on any category of Permitted Liens measured by reference to a percentage of Four Quarter Consolidated EBITDA at the time of Incurrence of such Indebtedness or other obligation, and is refinanced by any Indebtedness or other obligation secured by any Lien incurred by reference to such category of Permitted Liens, and such refinancing (or any subsequent refinancing) would cause the percentage of Four Quarter Consolidated EBITDA to be exceeded if calculated based on the Four Quarter Consolidated EBITDA on the date of such refinancing, such percentage of Four Quarter Consolidated EBITDA shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness or other obligation does not exceed an amount equal to the principal amount of such Indebtedness or other obligation being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such refinancing and (*z*) if any Indebtedness or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a dollar amount, and is refinanced by any Indebtedness or other obligation secured by any Lien incurred by reference to such category of Permitted Liens, and such refinancing (or any subsequent refinancing) would cause such dollar amount to be exceeded, such dollar amount shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Indebtedness or other obligation does not exceed an amount equal to the principal amount of such Indebtedness being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such refinancing.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, business trust, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity of whatever nature.

"*Post-Petition Interest*" 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.

"*Preferred Stock*" as applied to the Capital Stock of any corporation or company means Capital Stock of any class or classes (however designated) that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation or company, over Capital Stock of any other class of such corporation or company.

"*Priority Lien Obligations*" means the Obligations under the Senior ABL Facility and Obligations secured pursuant to the Security Documents (as defined in the Senior ABL Agreement).

"*Purchase*" is as defined in clause (4) of the definition of "Consolidated Coverage Ratio."

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified IPO*" means (*x*) the issuance, sale or listing of common equity interests of the Company or any Parent or IPO Vehicle pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act or the Exchange Act (whether alone, in connection with an underwritten or secondary public offering or otherwise) and such equity interests are listed on a nationally-recognized securities exchange in the U.S. or over-the-counter market or (y) the acquisition, purchase, merger or other combination of the Company or any Parent, 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 interest of the Company, any Parent or such SPAC IPO Entity (or its successor by merger, amalgamation or other combination) being publicly traded on any nationally recognized securities exchange in the U.S. or over-the-counter market.

"*Rating Agency*" means Moody's or S&P or, if Moody's or S&P or both shall not make a rating on the applicable security or instrument, including, without limitation, the Notes, publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company which shall be substituted for Moody's or S&P or both, as the case may be.

"*Real Property*" means real property owned in fee simple by the Company or any of its Subsidiaries, including the land, and all buildings, structures and other improvements now or subsequently located thereon, fixtures now or subsequently attached thereto, and rights, privileges, easements and appurtenances now or subsequently related thereto, and related property interests.

"*Receivable*" means a right to receive payment pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay, as determined in accordance with GAAP.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell or extend (including pursuant to any defeasance or discharge mechanism); and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refinance any Indebtedness (or unutilized commitments in respect of Indebtedness) existing on the date of the Base Indenture or Incurred (or established) in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness (or unutilized commitments in respect of Indebtedness) of the Company or any Restricted Subsidiary (to the extent permitted in the Indenture) and Indebtedness of any Restricted Subsidiary that refinances Indebtedness (or unutilized commitments in respect of Indebtedness) of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, and Indebtedness Incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment; *provided*, that (*1*) if the Indebtedness being refinanced is Subordinated Obligations or Guarantor Subordinated Obligations, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced (or, if earlier, the Notes), (*2*) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or, if issued with original issue discount, with an aggregate issue price) that is equal to or less than the sum of (*x*) the aggregate principal amount then outstanding of the Indebtedness being refinanced, *plus* (*y*) an amount equal to any unutilized commitment relating to the Indebtedness being refinanced or otherwise then outstanding under a Credit Facility or other financing arrangement being refinanced to the extent the unutilized commitment being refinanced could be drawn in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness" immediately prior to such refinancing, *plus* (*z*) fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing and (*3*) Refinancing Indebtedness shall not include (*x*) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor that refinances Indebtedness of the Company or a Subsidiary Guarantor that could not have been initially Incurred by such Restricted Subsidiary pursuant to the covenant described under "—Certain Covenants—Limitation on Indebtedness" or (*y*) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

"*Regulated Bank*" means (x) a banking organization with a consolidated combined capital and surplus of at least $5.0 billion 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 of the Federal Reserve System 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 or (y) any Affiliate of a Person set forth in clause (x) to the extent that (1) all of the Capital Stock of such Affiliate is directly or indirectly owned by either (I) such Person set forth in clause (x) or (II) a parent entity that also owns, directly or indirectly, all of the Capital Stock of such Person set forth in clause (x) and (2) such Affiliate is a securities broker or dealer registered with the SEC under Section 15 of the Exchange Act.

"*Related Business*" means those businesses in which the Company or any of its Subsidiaries is engaged on the Effective Date, or that are similar, related, complementary, incidental or ancillary thereto or extensions, developments or expansions thereof.

"*Related Taxes*" means (*x*) any taxes, charges or assessments, including but not limited to sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, net worth, gross receipts, excise, occupancy, intangibles or similar taxes, charges or assessments (other than federal, state or local taxes measured by income and federal, state or local withholding imposed by any government or other taxing authority on payments made by any Parent or IPO Vehicle other than to another Parent or IPO Vehicle), required to be paid by any Parent or IPO Vehicle by virtue of its being incorporated or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than the Company, any of its Subsidiaries or any Parent or IPO Vehicle), or being a holding company parent of the Company, any of its Subsidiaries or any Parent or IPO Vehicle or receiving dividends from or other distributions in respect of the Capital Stock of the Company, any of its Subsidiaries or any Parent or IPO Vehicle, or having guaranteed any obligations of the Company or any Subsidiary thereof, or having received any payment in respect of any of the items for which the Company or any of its Subsidiaries is permitted to make payments to any Parent or IPO Vehicle pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," or acquiring, developing, maintaining, owning, prosecuting, protecting or defending its intellectual property and associated rights (including but not limited to receiving or paying royalties for the use thereof), or assertions of infringement, misappropriation, dilution or other violation of third-party intellectual property or associated rights, to the extent relating to the business or businesses of the Company or any Subsidiary thereof, (*y*) any taxes attributable to any taxable period (or portion thereof) ending on or prior to the Effective Date, or to the consummation of any of the Transactions, or to any Parent's or IPO Vehicle's receipt of (or entitlement to) any payment in connection with the Transactions, including any payment received after the Effective Date pursuant to any agreement related to the Transactions or (*z*) any other federal, state, foreign, provincial or local taxes measured by income for which any Parent or IPO Vehicle is liable up to an amount not to exceed, with respect to federal taxes, the amount of any such taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis as if the Company had filed a consolidated return on behalf of an affiliated group (as defined in Section 1504 of the Code) of which it were the common parent, or with respect to state, foreign, provincial and local taxes, the amount of any such taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis, or on a consolidated, combined, unitary or affiliated basis as if the Company had filed a consolidated, combined, unitary or affiliated return on behalf of an affiliated group (as defined in the applicable state, foreign, provincial or local tax laws for filing such return) consisting only of the Company and its Subsidiaries. Taxes include all interest, penalties and additions relating thereto.

"*Restricted Payment Transaction*" means any Restricted Payment permitted pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any Permitted Payment, any Permitted Investment, or any transaction specifically excluded from the definition of the term "Restricted Payment" (including pursuant to the exception contained in clause (i) of such definition and the parenthetical exclusions contained in clauses (ii) and (iii) of such definition).

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Financial Services LLC, a division of S&P Global, Inc., and its successors.

"*Sale*" is as defined in clause (3) of the definition of "Consolidated Coverage Ratio."

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended from time to time.

"*Senior ABL Agreement*" means the Credit Agreement, dated as of the Issue Date, among the Company, the subsidiary borrowers party thereto from time to time, the lenders party thereto from time to time and Barclays Bank PLC (and/or one of its Affiliates), as administrative agent and collateral agent thereunder, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior ABL Agreement or one or more other credit agreements or otherwise), except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior ABL Agreement. Any reference to the Senior ABL Agreement hereunder shall be deemed a reference to each Senior ABL Agreement then in existence.

"*Senior ABL Collateral Agent*" means Barclays Bank PLC, in its capacity as collateral agent for the lenders and other secured parties under the Senior ABL Agreement, together with its successors and permitted assigns under the Senior ABL Agreement.

"*Senior ABL Facility*" means the collective reference to the Senior ABL Agreement, any Loan Documents (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark and copyright security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior ABL Agreement or one or more other credit agreements, indentures (including the Indenture) or financing agreements or otherwise) except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior ABL Facility. Without limiting the generality of the foregoing, the term "Senior ABL Facility" shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (*iii*) increasing or decreasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

"*Senior Cash Flow Agreement*" means the Credit Agreement, dated as of the Issue Date, among the Company, the lenders party thereto from time to time and Barclays Bank PLC, as administrative agent and collateral agent thereunder, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Cash Flow Agreement or one or more other credit agreements or otherwise), except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior Cash Flow Agreement. Any reference to the Senior Cash Flow Agreement hereunder shall be deemed a reference to each Senior Cash Flow Agreement then in existence.

"*Senior Cash Flow Collateral Agent*" means Barclays Bank PLC, in its capacity as collateral agent for the lenders and other secured parties under the Senior Cash Flow Agreement, together with its successors and permitted assigns under the Senior Cash Flow Agreement.

"*Senior Cash Flow Facility*" means the collective reference to the Senior Cash Flow Agreement, any Loan Documents (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent, trademark and copyright security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased, decreased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Cash Flow Agreement or one or more other credit agreements, indentures (including the Indenture) or financing agreements or otherwise) except to the extent such agreement, instrument or document expressly provides that it is not intended to be and is not a Senior Cash Flow Facility. Without limiting the generality of the foregoing, the term "Senior Cash Flow Facility" shall include any agreement (*i*) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (*ii*) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (*iii*) increasing or decreasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (*iv*) otherwise altering the terms and conditions thereof.

"*Senior Cash Flow Obligations*" means Obligations under the Senior Cash Flow Facility and Obligations secured pursuant to the Security Documents (as defined in the Senior Cash Flow Agreement).

"*Senior Credit Facilities*" means, collectively, the Senior ABL Facility and the Senior Cash Flow Facility.

"*Senior Indebtedness*" means any Indebtedness of Holdings, the Company or any Restricted Subsidiary other than, (*x*) in the case of Holdings, Parent Subordinated Obligations, (*y*) in the case of the Company, Subordinated Obligations and (*z*) in the case of any Subsidiary Guarantor, Guarantor Subordinated Obligations.

"*Series*" means with respect to any Parity Lien Obligations, each of (1) the Obligations in respect of the Indenture Notes, (2) the Senior Cash Flow Obligations, (3) the Obligations in respect of the Existing Secured Notes and (4) the Obligations in respect of other Parity Lien Indebtedness which, pursuant to a joinder agreement, are to be represented under the Pari Passu Intercreditor Agreement by a common collateral agent (in its capacity as such for such other Parity Lien Indebtedness).

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as such Regulation is in effect on the Issue Date.

"*SPAC IPO Entity*" is defined in the definition of "Qualified IPO".

"*Special Purpose Entity*" means (*x*) any Special Purpose Subsidiary or (*y*) any other Person that is engaged in the business of (*i*) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code or any analogous law, as in effect in any applicable jurisdiction from time to time), other accounts and/or other receivables, and/or related assets, (*ii*) acquiring, selling, leasing, financing or refinancing Real Property and/or related rights (including under leases and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets) and/or (*iii*) financing or refinancing in respect of Capital Stock of any Special Purpose Subsidiary.

"*Special Purpose Financing*" means any financing or refinancing of assets consisting of or including Receivables and/or Real Property of the Company or any Restricted Subsidiary that have been transferred to a Special Purpose Entity or made subject to a Lien in a Financing Disposition (including any financing or refinancing in respect of Capital Stock of a Special Purpose Subsidiary held by another Special Purpose Subsidiary).

"*Special Purpose Financing Expense*" means for any period, (*a*) the aggregate interest expense for such period on any Indebtedness of any Special Purpose Subsidiary that is a Restricted Subsidiary, which Indebtedness is not recourse to the Company or any Restricted Subsidiary that is not a Special Purpose Subsidiary (other than with respect to Special Purpose Financing Undertakings), and (*b*) Special Purpose Financing Fees.

"*Special Purpose Financing Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Special Purpose Financing.

"*Special Purpose Financing Undertakings*" means representations, warranties, covenants, indemnities, guarantees of performance and (subject to clause (y) of the proviso below) other agreements and undertakings entered into or provided by the Company or any of its Restricted Subsidiaries that the Company determines in good faith (which determination shall be conclusive) are customary or otherwise necessary or advisable in connection with a Special Purpose Financing or a Financing Disposition; *provided* that (*x*) it is understood that Special Purpose Financing Undertakings may consist of or include (*i*) reimbursement and other obligations in respect of notes, letters of credit, surety bonds and similar instruments provided for credit enhancement purposes, (*ii*) Hedging Obligations, or other obligations relating to Interest Rate Agreements, Currency Agreements or Commodities Agreements entered into by the Company or any Restricted Subsidiary, in respect of any Special Purpose Financing or Financing Disposition, or (*iii*) any Guarantee in respect of customary recourse obligations (as determined in good faith by the Company, which determination shall be conclusive) in connection with any collateralized mortgage-backed securitization or any other Special Purpose Financing or Financing Disposition in respect of Real Property, including in respect of Liabilities in the event of any involuntary case commenced with the collusion of any Special Purpose Subsidiary or any Affiliate thereof, or any voluntary case commenced by any Special Purpose Subsidiary, under any applicable bankruptcy law, and (*y*) subject to the preceding clause (x), any such other agreements and undertakings shall not include any Guarantee of Indebtedness of a Special Purpose Subsidiary by the Company or a Restricted Subsidiary that is not a Special Purpose Subsidiary.

"*Special Purpose Subsidiary*" means any Subsidiary of the Company that (*a*) is engaged solely in (*x*) the business of (*i*) acquiring, selling, collecting, financing or refinancing Receivables, accounts (as defined in the Uniform Commercial Code or any analogous law, as in effect in any applicable jurisdiction from time to time) and other accounts and receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, (*ii*) acquiring, selling, leasing, financing or refinancing Real Property and/or related rights (including under leases and insurance policies) and/or assets (including managing, exercising and disposing of any such rights and/or assets), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and/or (*iii*) owning or holding Capital Stock of any Special Purpose Subsidiary and/or engaging in any financing or refinancing in respect thereof, and (*y*) any business or activities incidental or related to such business, and (*b*) is designated as a "Special Purpose Subsidiary" by the Company.

"*Stated Maturity*" means, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the payment of principal of such Indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such Indebtedness at the option of the holder thereof upon the happening of any contingency).

"*Subordinated Obligations*" means any Indebtedness of the Company (whether outstanding on the Effective Date or thereafter Incurred) that is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subsidiary*" of any Person means any corporation, association, partnership, limited liability company or other entity (*a*) of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned by such Person or (*b*) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person and, in the case of this clause (b), which is treated as a consolidated subsidiary for accounting purposes. Unless otherwise qualified, all references to a "*Subsidiary*" or to "*Subsidiaries*" in the Indenture shall refer to a Subsidiary or Subsidiaries of the Company.

"*Subsidiary Guarantee*" means any guarantee of the Notes that may from time to time be entered into by a Restricted Subsidiary of the Company on the Effective Date or after the Effective Date pursuant to the covenant described under "—Certain Covenants—Future Subsidiary Guarantors." As used in the Indenture, "*Subsidiary Guarantee*" refers to a Subsidiary Guarantee of the Notes.

"*Subsidiary Guarantor*" means any Restricted Subsidiary of the Company that enters into a Subsidiary Guarantee, in each case, unless and until such Subsidiary is released from such Subsidiary Guarantee in accordance with the terms of the Indenture.

"*Successor Company*" shall have the meaning assigned thereto in clause (i) of the first paragraph under "—Merger and Consolidation."

"*Tax Sharing Agreement*" means the Tax Sharing Agreement between the Company and Topco to be entered into on or prior to the Effective Date, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"*Temporary Cash Investments*" means any of the following: (*i*) any investment in (*x*) direct obligations of the United States of America, Canada, the United Kingdom, Switzerland, a member state of the European Union or any country in whose currency funds are being held pending their application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country or with such funds, or any agency or instrumentality of any thereof, or obligations Guaranteed by the United States of America, Canada, the United Kingdom, Switzerland or a member state of the European Union or any country in whose currency funds are being held pending their application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country or with such funds, or any agency or instrumentality of any of the foregoing, or obligations guaranteed by any of the foregoing or (*y*) direct obligations of any foreign country recognized by the United States of America rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (*ii*) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by (*x*) any bank or other institutional lender under a Credit Facility or any affiliate thereof or (*y*) a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital and surplus aggregating in excess of $250.0 million (or the foreign currency equivalent thereof) and whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization) at the time such Investment is made, (*iii*) repurchase obligations for underlying securities or instruments of the types described in clause (i) or (ii) above entered into with a bank meeting the qualifications described in clause (ii) above, (*iv*) Investments in commercial paper, maturing not more than 24 months after the date of acquisition, issued by a Person (other than that of the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (*v*) Investments in securities maturing not more than 24 months after the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (*vi*) Indebtedness or Preferred Stock (other than of the Company or any of its Subsidiaries) having a rating of "A" or higher by S&P or "A2" or higher by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any nationally recognized rating organization), (*vii*) investment funds investing at least 90.0% of their assets in securities of the type described in clauses (i) through (vi) above (which funds may also hold cash pending investment and/or distribution), (*viii*) any money market deposit accounts issued or offered by a domestic commercial bank or a commercial bank organized and located in a country recognized by the United States of America, in each case, having capital and surplus in excess of $250.0 million (or the foreign currency equivalent thereof), or investments in money market funds subject to the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the Investment Company Act of 1940, as amended, and (*ix*) similar investments approved by the Board of Directors in the ordinary course of business.

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§77aaa-77bbbb) as in effect on the date of the Indenture, except as otherwise provided therein.

"*Topco*" CD&R Labels Holdings, L.P., a Delaware limited partnership, and any successor in interest thereto.

"*Trade Payables*" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"*Transaction Agreements*" means, collectively, (*i*) the Fortune Acquisition Agreement, (*ii*) the Monarch Acquisition Agreement, (*iii*) the Hexagon Acquisition Agreement, (*iv*) the LOI 2 Acquisition Agreement, (*v*) the CD&R Expense Reimbursement Agreement, (*vi*) the CD&R Indemnification Agreement, and (*vii*) any agreement primarily providing for indemnification and/or contribution for the benefit of any Permitted Holder in respect of Liabilities resulting from, arising out of or in connection with, based upon or relating to (*a*) any management, consulting or advisory services, or any financing, underwriting or placement services or other investment banking activities to, for or in respect of any Parent or any of its Subsidiaries, (*b*) any offering of securities or other financing activity or arrangement of or by any Parent or any of its Subsidiaries or (*c*) any action or failure to act of or by any Parent or any of its Subsidiaries (or any of their respective predecessors), in each case as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"*Transactions*" means, collectively, any or all of the following (whether taking place prior to, on or following the Effective Date): (*i*) the entry into the Fortune Acquisition Agreement and the consummation of the transactions contemplated thereby, including the Fortune Acquisition, (*ii*) the entry into the Monarch Acquisition Agreement and the consummation of the transactions contemplated thereby, including the Monarch Acquisition, (*iii*) the entry into the Hexagon Acquisition Agreement and the consummation of the transactions contemplated thereby, including the Hexagon Acquisition, (*iv*) the entry into the LOI 2 Acquisition Agreement and the consummation of the transactions contemplated thereby, including the LOI 2 Acquisition, (*v*) the entry into the Indenture, and the offer and issuance of the Secured Notes, (*vi*) the entry into the Unsecured Notes Indenture, and the offer and issuance of the Unsecured Notes, (*vii*) the entry into the Senior Cash Flow Credit Facility and incurrence of Indebtedness thereunder on the Effective Date, (*viii*) the entry into the Senior ABL Facility and any incurrence of Indebtedness thereunder on the Effective Date, (*ix*) the Equity Contribution, (*x*) the repayment of certain existing Indebtedness of the Company and the Fortune Business entities, and (*xi*) all other transactions relating to any of the foregoing (including payment of fees, premiums and expenses related to any of the foregoing).

"*Trust Officer*" means any corporate trust officer or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such corporate trust officers who shall have direct responsibility for the administration of the Indenture, or any other officer of the Trustee to whom a corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"*Trustee*" means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

"*Uniform Commercial Code*" means, except as otherwise provided herein, the Uniform Commercial Code as in effect in the State of New York from time to time.

"*Unrestricted Subsidiary*" means (*i*) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary, as designated by the Board of Directors in the manner provided below, and (*ii*) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Restricted Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; *provided*, that (*A*) such designation was made at or prior to the Effective Date, or (*B*) the Subsidiary to be so designated has total consolidated assets of $1,000 or less or (*C*) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments." The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (*w*) the Company could Incur at least $1.00 of additional Indebtedness under paragraph (a) the covenant described under "—Certain Covenants—Limitation on Indebtedness" or (*x*) the Consolidated Coverage Ratio would be equal to or greater than it was immediately prior to giving effect to such designation or (*y*) such Subsidiary shall be a Special Purpose Subsidiary with no Indebtedness outstanding other than Indebtedness that can be Incurred (and upon such designation shall be deemed to be Incurred and outstanding) pursuant to paragraph (b) of the covenant described under "—Certain Covenants—Limitation on Indebtedness." Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Company's Board of Directors giving effect to such designation and an Officer's Certificate of the Company certifying that such designation complied with the foregoing provisions.

"*Unsecured Notes*" shall mean the senior notes issued under the Unsecured Notes Indenture and outstanding as of the Issue Date.

"*Unsecured Notes Indenture*" shall mean that certain Indenture, dated as of October 29, 2021 (as amended, restated, supplemented or otherwise modified from time to time), by and among the Company, as issuer, the other guarantors party thereto and the Unsecured Notes Trustee, pursuant to which $460.0 million aggregate principal amount of 8.250% Senior Notes due 2029 were issued.

"*Unsecured Notes Trustee*" shall mean, Wilmington Trust, National Association, as trustee, under the Unsecured Notes Indenture.

"*U.S. Government Obligation*" means (*x*) any security that is (*i*) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (*ii*) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (i) or (ii) is not callable or redeemable at the option of the issuer thereof, and (*y*) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation that is so specified and held, *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 depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

"*Vendor Collateral*" means with respect to a Vendor Financing Arrangement, the goods, services or equipment (and any proceeds thereof) of the Company and the Subsidiary Guarantors, now owned or hereafter acquired, that were financed with such Vendor Financing Arrangement.

"*Vendor Financing Arrangement*" means any supply chain financing arrangement, structured vendor payable program, payables financing arrangement, reverse factoring arrangement or any other similar arrangement or program pursuant to which the Company or any of its Restricted Subsidiaries provides a vendor an option to factor such vendor's receivables from the Company or such Restricted Subsidiary to a bank or financial institution.

"*Voting Stock*" of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled to vote in the election of directors or all interests in such entity with the ability to control the management or actions of such entity.

"*Wholly Owned Domestic Subsidiary*" means as to any Person, any Domestic Subsidiary of such Person of which such Person owns, directly or indirectly through one or more Wholly Owned Domestic Subsidiaries, all of the Capital Stock of such Domestic Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

The Global Notes

The Notes will be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof, without interest coupons, which we refer to as the "global notes," as follows:

- Notes sold to qualified institutional buyers under Rule 144A will be represented by one or more Rule 144A global notes; and

- Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will initially be represented by the temporary Regulation S global note and, following the expiration of the Resale Restriction Period (as defined below), may be exchanged for beneficial interests in a permanent Regulation S global note as described below.

Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC, which we refer to as DTC participants, or persons who hold beneficial interests through DTC participants.

We expect that under procedures established by DTC:

- upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the initial purchasers; and

- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the Regulation S global notes will initially be credited within DTC to Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Luxembourg, société anonyme ("Clearstream") on behalf of the owners of these interests.

During the Resale Restriction Period described below, beneficial interests in the Regulation S global notes may be held only through Euroclear and Clearstream unless transferred to a person that takes delivery through a Rule 144A global note in accordance with the certification requirements described below.

After the Resale Restriction Period ends, beneficial interests in the temporary Regulation S global notes may be exchanged for beneficial interests in the permanent Regulation S global notes upon certification that those interests are owned either by non-U.S. persons or by U.S. persons who purchased those interests pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

Investors may hold their interests in the permanent Regulation S global note directly through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems. After the Resale Restriction Period ends, investors may also hold their interests in the permanent Regulation S global notes through organizations other than Euroclear or Clearstream that are DTC participants.

Each of Euroclear and Clearstream will appoint a DTC participant to act as its depositary for the interests in the Regulation S global notes that are held within DTC for the account of each settlement system on behalf of its participants.

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under "Notice to Investors."

These restrictions on transfer 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 issue date and the last date that we or any of our affiliates were the owner of the Notes or any predecessor of the Notes, which period we refer to as the "Resale Restriction Period," and will not apply after the Resale Restriction Period ends.

Exchanges Among the Global Notes

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the Resale Restriction Period, and to which global note the transfer is being made, the trustee may require the seller to provide certain written certifications in the form provided in the indenture that will govern the Notes.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer, the trustee or the initial purchasers, or any agent of the foregoing parties, is responsible for those operations or procedures.

DTC has advised us that it 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 State 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 under Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the Notes represented by that global note for all purposes under the indenture that will govern the Notes.

Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have Notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the Notes under the indenture that will govern the Notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture that will govern the Notes (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) and interest with respect to the Notes represented by a global note will be made by the paying agent to DTC's nominee as the registered holder of the global note. Neither we nor the trustee (nor our or its agents) will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the trustee (nor our or its agents) will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 120 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 120 days; or
- certain other events provided in the indenture that will govern the Notes should occur.

NOTICE TO INVESTORS

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to (a) persons reasonably believed to be qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) non-U.S. persons in offshore transactions in reliance on Regulation S.

Each purchaser of the Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a qualified institutional buyer or (B) is not a U.S. person and is purchasing the Notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) to us or any of our subsidiaries, (ii) inside the United States to a person whom the seller reasonably believes is a qualified institutional buyer in compliance with Rule 144A, (iii) inside the United States to an "institutional" accredited investor (as defined in Rule 501(a)(1), (2), (3) or (7) under Regulation D promulgated under the Securities Act) in a minimum principal amount of $250,000, in accordance with such further requirements as described in the legend set out below, (iv) outside the United States in an offshore transaction in compliance with Regulation S under the Securities Act, (v) pursuant to the exemption from registration provided by Rule 144 (if available), (vi) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the company requests), or (vii) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (vii) in accordance with any applicable securities laws of any State of the United States and other jurisdictions and such further requirements as described in the legend, and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.

(3) The purchaser understands that the Notes will, until the expiration of the applicable holding period with respect to the Notes set forth in Rule 144 under the Securities Act, unless otherwise agreed by the Company and the holder thereof, bear a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT.

BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (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 OR (C) IT

IS AN "INSTITUTIONAL" ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT) (AN "ACCREDITED

INVESTOR") AND (2) AGREES THAT IT WILL NOT WITHIN [ONE YEAR—FOR NOTES ISSUED PURSUANT TO RULE 144A][40 DAYS—FOR NOTES ISSUED IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S] AFTER THE LATEST OF THE DATE OF THE ORIGINAL ISSUANCE OF THIS NOTE, THE DATE OF THE ORIGINAL ISSUANCE OF ANY ADDITIONAL NOTES AND THE DATE ON WHICH THE COMPANY OR ANY OF ITS RESPECTIVE AFFILIATES OWNED THIS NOTE, OFFER, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) (I) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (II) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (III) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT IS ACQUIRING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR THE OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, AND THAT PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE FOR THIS NOTE), (IV) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT (IF AVAILABLE), (V) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (VI) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), OR (VII) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE FURTHER AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE PURSUANT TO SUBCLAUSES (III) TO (VI) OF CLAUSE (A) ABOVE, AND THAT, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

The relevant Resale Restriction Period may be extended, in the Issuer's sole discretion, in the event of one or more issuances of Notes, as described under "Description of Notes— Principal, Maturity and Interest."

Each purchaser and transferee of the Notes will be deemed to have represented and agreed as follows:

Either: (A) it is not, and is not acting on behalf of, a "Plan" (which term is defined as (i) employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("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"), and (iii) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements) or other plan subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws"), and it is not purchasing the Notes or any interest therein on behalf of, or with the "plan assets" of, any Plan or other plan subject to Similar Laws; or (B)(i) its purchase, holding and subsequent disposition of the Notes or any interest therein shall not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a similar violation under any applicable Similar Laws and (ii) none of the Issuer, the initial purchasers nor any of their respective affiliates (the “Transaction Parties”) is its fiduciary, nor has been relied upon by it for any investment recommendation or investment advice with respect to its decision to invest in the Notes pursuant to the offering described in this offering circular.

It acknowledges that the Issuer, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer and the initial purchasers. If it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations, and agreements on behalf of each account.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders and Non-U.S. Holders (each as defined below) that purchase such Notes at their issue price (generally the first price at which a substantial amount of the Notes is sold, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) pursuant to this offering and hold such Notes as capital assets. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific Holders (as defined below) in light of their particular circumstances (including Holders that are directly or indirectly related to us and accrual method Holders that have an "applicable financial statement") or to Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other Holders that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, Holders that hold a Note as part of a straddle, hedge, conversion or other integrated transaction or U.S. Holders that have a "functional currency" other than the U.S. dollar). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations.

As used in this discussion, the term "U.S. Holder" means a beneficial owner of a Note that, for U.S. federal income tax purposes, is (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

As used in this discussion, the term "Non-U.S. Holder" means a beneficial owner of a Note that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes, and the term "Holder" means a U.S. Holder or a Non-U.S. Holder.

If an entity treated as a partnership for U.S. federal income tax purposes invests in a Note, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax considerations applicable to it and its partners relating to the purchase, ownership and disposition of a Note.

EACH PERSON CONSIDERING AN INVESTMENT IN THE NOTES SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

Certain Additional Payments

In certain circumstances, we are required to make payments on the Notes other than stated principal and interest. For example, we are required to pay 101% of the principal amount of any Note purchased by us at the Holder's election after a change of control, as described above under the headings "Description of Notes—Change of Control."

U.S. Treasury regulations provide special rules for contingent payment debt instruments that, if applicable, could cause the timing, amount and character of a Holder's income, gain or loss with respect to the Notes to be different from those described below. We intend to treat the possibility of our making any of the above payments as not causing the Notes to be contingent payment debt instruments. Our treatment will be binding on all Holders, except a Holder that discloses its differing treatment in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which such Holder acquired its Notes. However, our treatment is not binding on the U.S. Internal Revenue Service (the "IRS"). If the IRS were to challenge our treatment, a Holder might be required to accrue income on the Notes in excess of stated interest and original issue discount (as described below) and to treat as ordinary income, rather than capital gain, gain recognized on the disposition of the Notes. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

U.S. Holders

Interest on the Notes

In general, interest payable on a Note will be taxable to a U.S. Holder as ordinary interest income when it is received or accrued, in accordance with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. If the aggregate amount of payments (other than stated interest) on the Notes exceeds the issue price of the Notes by more than a de minimis amount, the Notes will be treated as having been issued with original issue discount ("OID") for U.S. federal income tax purposes in the amount of such excess. Each U.S. Holder generally will be required to include OID in income (as interest) as it accrues, regardless of its regular method of accounting for U.S. federal income tax purposes, using a constant yield method, before such U.S. Holder receives any payment attributable to such income.

Sale, Exchange, Retirement or Other Disposition of the Notes

Upon the sale, exchange, retirement or other disposition of a Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between the amount realized on such sale, exchange, retirement or other disposition (other than any amount attributable to accrued stated interest, which, if not previously included in such U.S. Holder's income, will be taxable as interest income to such U.S. Holder) and such U.S. Holder's "adjusted tax basis" in such Note. A U.S. Holder's adjusted tax basis in a Note generally is the amount such U.S. Holder paid for such Note, increased by the amount of any OID previously included in income (including in the year of disposition) with respect to such Note by such U.S. Holder and decreased by the aggregate amount of payments (other than stated interest) on such Note previously made to such U.S. Holder. Any gain or loss so recognized generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held such Note for more than one year at the time of such sale, exchange, retirement or other disposition. Net long-term capital gain of certain non-corporate U.S. Holders generally is subject to preferential rates of tax. The deductibility of capital losses is subject to limitations.

Medicare Tax

In addition to regular U.S. federal income tax, certain U.S. Holders who are individuals, or that are estates or trusts, are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their interest income (including accrued OID) on a Note and net gain from the sale, exchange, retirement or other disposition of a Note.

Information Reporting and Backup Withholding

Information reporting generally will apply to payments to a U.S. Holder of interest (and accruals of OID) on, or proceeds from the sale, exchange, retirement or other disposition of, a Note, unless such U.S. Holder is an entity that is exempt from information reporting and, when required, demonstrates this fact. Any such payment to a U.S. Holder that is subject to information reporting generally will also be subject to backup withholding, unless such U.S. Holder provides the appropriate documentation (generally, IRS Form W-9) to the applicable withholding agent certifying that, among other things, its taxpayer identification number is correct, or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by such U.S. Holder on a timely basis to the IRS.

Non-U.S. Holders

General

Subject to the discussion below under "—Information Reporting and Backup Withholding" and "FATCA Withholding":

(a) payments of principal, interest and premium with respect to a Note owned by a Non-U.S. Holder generally will not be subject to U.S. federal withholding tax; provided that, in the case of amounts treated as payments of interest (which term, for purposes of this discussion of the tax consequences to Non-U.S. Holders, also includes any payment to the extent of any OID that accrued on such Note while held by such Non-U.S. Holder and that has not been previously taken into account for this purpose):

(i) such amounts are not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder;

(ii) such Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of the Issuer's stock entitled to vote;

(iii) such Non-U.S. Holder is not a controlled foreign corporation described in section 957(a) of the Code that is related to the Issuer through stock ownership;

(iv) such Non-U.S. Holder is not a bank whose receipt of such amounts is described in section 881(c)(3)(A) of the Code; and

(v) the certification requirements described below are satisfied; and

(b) a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized on the sale, exchange, retirement or other disposition of a Note, unless (i) such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such gain generally will be subject to U.S. federal income tax in the manner described below, or (ii) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of such sale, exchange, retirement or other disposition and certain other conditions are met, in which event such gain (net of certain U.S. source losses) generally will be subject to U.S. federal income tax at a rate of 30% (except as provided by an applicable tax treaty).

The certification requirements referred to in clause (a)(v) above generally will be satisfied if the Non-U.S. Holder provides the applicable withholding agent with a statement (generally on IRS Form W-8BEN or W-8BEN-E), signed under penalties of perjury, stating, among other things, that such Non-U.S. Holder is not a U.S. person. U.S. Treasury regulations provide additional rules for a Note held through one or more intermediaries or pass-through entities.

If the requirements set forth in clause (a) above are not satisfied with respect to a Non-U.S. Holder, amounts treated as payments of interest generally will be subject to U.S. federal withholding tax at a rate of 30%, unless another exemption is applicable. For example, an applicable tax treaty may reduce or eliminate this withholding tax if such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) to the applicable withholding agent.

If a Non-U.S. Holder is engaged in the conduct of a trade or business in the United States, and if amounts treated as interest on a Note or gain recognized on the sale, exchange, retirement or other disposition of a Note are effectively connected with such trade or business, such Non-U.S. Holder generally will not be subject to U.S. federal withholding tax on such interest or gain; provided that, in the case of amounts treated as interest, such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, such Non-U.S. Holder generally will be subject to U.S. federal income tax (but not the Medicare Tax described above) on such interest or gain in substantially the same manner as a U.S. Holder (except as provided by an applicable tax treaty). In addition, a Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes may be subject to a branch profits tax at a rate of 30% (or a lower rate if provided by an applicable tax treaty) on its effectively connected income for the taxable year, subject to certain adjustments.

Information Reporting and Backup Withholding

Amounts treated as payments of interest on a Note to a Non-U.S. Holder and the amount of any U.S. federal tax withheld from such payments generally will be reported annually to the IRS and to such Non-U.S. Holder by the applicable withholding agent.

The information reporting and backup withholding rules that apply to payments of interest (and accruals of OID) to certain U.S. Holders generally will not apply to amounts treated as payments of interest to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Proceeds from the sale, exchange, retirement or other disposition of a Note by a Non-U.S. Holder effected outside the United States through a non-U.S. office of a non-U.S. broker generally will not be subject to the information reporting and backup withholding rules that apply to payments to certain U.S. Holders; provided that the proceeds are paid to the Non-U.S. Holder outside the United States. However, proceeds from the sale, exchange, retirement or other disposition of a Note by a Non-U.S. Holder effected through a non-U.S. office of a non-U.S. broker with certain specified U.S. connections or of a U.S. broker generally will be subject to these information reporting rules (but generally not to these backup withholding rules), even if the proceeds are paid to such Non-U.S. Holder outside the United States, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption. Proceeds from the sale, exchange, retirement or other disposition of a Note by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to these information reporting and backup withholding rules, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability if the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

FATCA Withholding

Under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance ("FATCA"), a withholding tax of 30% will be imposed in certain circumstances on payments of interest on the Notes. In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution and, in either case, such institution provides the withholding agent with a certification as to its FATCA status.

In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity). If a Note is held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA. Each Holder should consult its own tax advisor regarding the application of FATCA to the Notes.

CERTAIN ERISA CONSIDERATIONS

The following summary regarding certain aspects of ERISA and the Code is based on ERISA, the Code, judicial decisions and United States Department of Labor and IRS regulations and rulings *that are in existence on the date of this offering circular.*

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under Section 4975 of the Code, with respect to such Plans. If we are a party in interest or disqualified person with respect to a Plan (either directly or by reason of our ownership of our subsidiaries), the purchase and holding of the Notes by or on behalf of the Plan may be a prohibited transaction under Section 406(a)(1) of ERISA or Section 4975(c)(1) of the Code, unless exemptive relief were available under an applicable administrative or statutory exemption. Any particular transaction involving a party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of a Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to these "prohibited transaction" rules of ERISA or Section 4975 of the Code, but may be subject to Similar Laws.

Each Plan and other plan subject to Similar Laws should consider the fact that none of the Transaction Parties will act as a fiduciary to any Plan or other plan subject to Similar Laws with respect to the decision to acquire Notes and is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to such decision.

Accordingly, each purchaser or transferee, by its purchase or holding of such Notes or any interest therein, shall be deemed to have represented and warranted that either (i) no portion of the assets used by it to acquire or hold the Notes or any interest therein constitutes assets of any Plan or other plan subject to Similar Laws or (ii)(A) the acquisition, holding and subsequent disposition of the Notes or any interest therein by it 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 Transaction Parties is its fiduciary, nor has been relied upon by it for any investment recommendation or investment advice, with respect to its decision to invest in the Notes pursuant to the offering described in this offering circular.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of the applicable rules, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of or with "plan assets" of any Plan or governmental, church or non-U.S. plan consult with their counsel regarding the relevant provisions of ERISA and the Code and any other provision under any Similar Laws and the availability of exemptive relief applicable to the purchase, holding and disposition of the Notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the purchase agreement among the Issuer, the guarantors party thereto and Goldman Sachs & Co. LLC, as representative of the several initial purchasers named below, the Issuer will agree to sell to the initial purchasers, and the initial purchasers have severally and not jointly agreed to purchase from the Issuer, the entire principal amount of the Notes set forth opposite their respective names below. The purchase agreement provides that the initial purchasers will purchase all the Notes being sold pursuant to the purchase agreement if any of them are purchased.

Initial Purchasers	Principal Amount of Notes
Goldman Sachs & Co. LLC	$
BofA Securities, Inc.	
Barclays Capital Inc.	
Wells Fargo Securities, LLC	
Deutsche Bank Securities Inc.	
RBC Capital Markets, LLC	
UBS Securities LLC	
HSBC Securities (USA) Inc.	
BNP Paribas Securities Corp.	
MUFG Securities Americas Inc.	
BMO Capital Markets Corp.	
Mizuho Securities USA LLC	
Truist Securities, Inc.	
U.S. Bancorp Investments, Inc.	
Citigroup Global Markets Inc.	
Credit Suisse Securities (USA) LLC	
Total	$300,000,000

The initial purchasers initially propose to offer the Notes for resale at the issue prices that appear on the cover of this offering circular. After the initial offering, the initial purchasers may change the offering price of the Notes and any other selling terms. The initial purchasers may offer and sell Notes through certain of their affiliates. The offering of the Notes by the initial purchasers is subject to receipt and acceptance of orders by the initial purchasers and subject to the initial purchasers' right to reject any order in whole or in part.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. Accordingly, the Notes are subject to restrictions on resale and transfer as described under "Notice to Investors." In the purchase agreement, each of the initial purchasers has agreed that:

- the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A or Regulation S under the Securities Act; and

- during the initial distribution of the Notes, it will offer or sell Notes only to persons reasonably believed to be qualified institutional buyers in compliance with Rule 144A and to non-U.S. persons outside the United States in compliance with Regulation S.

In addition, with respect to the Notes initially sold outside the United States in compliance with Regulation S, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

In the purchase agreement, the Issuer will agree that, subject to certain exceptions:

- during the period of 90 days following the issue date of the Notes, without the prior written consent of Goldman Sachs & Co. LLC, the Issuer will not, and will not allow any of its subsidiaries or other affiliates over which it exercises management or voting control, to offer, sell, contract to sell or otherwise dispose of, any securities of the Issuer that are of the same class as or substantially identical to the Notes or any of the Issuer's securities convertible or exchangeable for the securities of the Issuer of the same class as or substantially identical to the Notes (other than as contemplated by the purchase agreement); and

- the Issuer and the Guarantors will indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

We expect that delivery of the Notes will be made against payment therefor on or about , 2023, which will be the business day following the date of pricing of the Notes (such settlement cycle being herein referred to as "T+ "). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. 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 T+ , to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes during such period should consult their own advisor.

The Notes are new issues of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under "Notice to Investors." We do not intend to apply for the Notes to be listed on any securities exchange or to arrange for the inclusion of the Notes on any automated dealer quotation system. Certain of the initial purchasers have advised us that they intend to make markets in the Notes, but are not obligated to do so. The initial purchasers may discontinue any market making in the Notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market for the Notes will develop or be maintained, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable. 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. In addition, the ability of the initial purchasers to make a market in the Notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

In connection with the offering of the Notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time without notice. Neither we nor any of the initial purchasers make 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.

The initial purchasers and their affiliates have in the past engaged, currently engage in and may in the future engage in transactions with and perform services for us, including commercial banking, financial advisory and investment banking services, in the ordinary course of business for which they have received or will receive customary fees and expenses. The initial purchasers and/or their respective affiliates are lenders, agents and/or arrangers under the Senior Secured Credit Facilities and, as consideration therefor, have received or will receive customary fees and expenses in connection with the Senior Secured Credit Facilities. An affiliate of Barclays Capital Inc. acts as the administrative agent under the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility, and, in each case, the initial purchasers and/or their respective affiliates act as lender or agent thereunder and, as consideration therefor, have received or will receive customary fees and expenses in connection with the Senior Cash Flow Credit Facilities and the Senior ABL Revolving Credit Facility. See "Description of Other Indebtedness.". Certain of the initial purchasers and/or certain of their respective affiliates are lenders under the Senior ABL Revolving Credit Facility and may be lenders or holders of our other existing indebtedness and, as a result, will receive a portion of the net proceeds of this offering. See "Use of Proceeds."

If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. A typical hedging strategy would include these initial purchasers or their affiliates hedging 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.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. The initial purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

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 circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 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.

European Economic Area

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 (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the 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 circular has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

The above selling restriction is in addition to any other selling restrictions set out below.

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 United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the 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. This offering circular has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

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

Notice to Prospective Investors in Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this offering circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering circular is intended for distribution only to persons of a type specified in the Offered Securities Rules 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 offering circular nor taken steps to verify the information set forth herein and has no responsibility for the offering circular. The Notes to which this offering circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this offering circular you should consult an authorized financial advisor.

Notice to Prospective Investors in Hong Kong

The Notes (i) have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO; 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 thereunder.

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 Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, may not be circulated or distributed nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor.

Securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification—In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

LEGAL MATTERS

Debevoise & Plimpton LLP, New York, New York will pass upon the validity of the Notes. Debevoise & Plimpton LLP has in the past provided, and continues to provide, legal services to CD&R and its affiliates. Cahill Gordon & Reindel LLP, New York, New York advised the initial purchasers in connection with the offering of the Notes.

INDEPENDENT AUDITORS

The consolidated financial statements of LABL, Inc. as of December 31, 2022 (Successor) and 2021 (Successor), for the twelve-months ended December 31, 2022 (Successor), for the period from October 30, 2021 to December 31, 2021 (Successor) and for the period from January 1, 2021 to October 29, 2021 (Predecessor), included in this offering circular, have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing herein.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

LABL, Inc. and Subsidiaries

Report of Independent Auditors

The Board of Directors
LABL, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of LABL, Inc. and Subsidiaries (the Company) which comprise the consolidated balance sheets as of December 31, 2022 (Successor) and 2021 (Successor), and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for the twelve months ended December 31, 2022 (Successor), period from October 30, 2021 to December 31, 2021 (Successor), period from January 1, 2021 through October 29, 2021 (Predecessor), and the twelve months ended December 31, 2020 (Predecessor), and the related notes (collectively, referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 (Successor) and 2021 (Successor), and the results of its operations and its cash flows for the twelve months ended December 31, 2022 (Successor), period from October 30, 2021 to December 31, 2021 (Successor), period from January 1, 2021 through October 29, 2021 (Predecessor), and the twelve months ended December 31, 2020 (Predecessor), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

March 21, 2023

LABL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Net revenues	**$ 3,341,449**	$ 481,472	$ 1,853,062	$ 2,097,739
Cost of revenues	**2,713,016**	446,263	1,555,119	1,716,629
Gross profit	**628,433**	35,209	297,943	381,110
Selling, general and administrative expenses	**358,456**	59,932	189,150	182,978
Facility closure expenses	**10,359**	2,354	6,868	11,287
Transaction, integration and restructuring costs	**44,894**	51,278	74,934	23,984
Loss on impairment of intangible assets	**-**	-	-	39,874
Operating income (loss)	**214,724**	(78,355)	26,991	122,987
Interest expense	**359,466**	55,067	164,659	199,829
Other (income) expense, net	**(1,234)**	(1,457)	(3,188)	3,143
Loss before income taxes	**(143,508)**	(131,965)	(134,480)	(79,985)
Income tax expense (benefit)	**29,230**	(20,190)	(6,394)	9,191
Net loss	**(172,738)**	(111,775)	(128,086)	(89,176)
Less: Net (loss) income attributable to noncontrolling interests	**(51)**	(3)	30	1,020
Net loss attributable to LABL, Inc.	**$ (172,687)**	$ (111,772)	$ (128,116)	$ (90,196)

See accompanying Notes to Consolidated Financial Statements.

LABL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Net loss	**$ (172,738)**	$ (111,775)	$ (128,086)	$ (89,176)
Other comprehensive (loss) income:				
Unrealized foreign currency translation (loss) gain (1)	**(145,374)**	(22,836)	(29,053)	44,881
Unrealized gain on derivative contracts, net of tax (2)	**11,342**	-	-	497
Change in minimum pension liability, net of tax	**119**	10	-	(137)
Total other comprehensive (loss) income	**(133,913)**	(22,826)	(29,053)	45,241
Comprehensive loss	**(306,651)**	(134,601)	(157,139)	(43,935)
Less: Comprehensive (loss) income attributable to noncontrolling interests	**(51)**	(3)	30	955
Comprehensive loss attributable to LABL, Inc.	**$ (306,600)**	$ (134,598)	$ (157,169)	$ (44,890)

(1) The amounts for the twelve months ended December 31, 2022 (Successor), the period from October 30, 2021 to December 31, 2021 (Successor), the period from January 1, 2021 to October 20, 2021 (Predecessor) and the twelve months ended December 31, 2020 (Predecessor) include (losses) and gains on intra-entity foreign currency transactions that are of a long-term investment nature and external loans.

The amounts for the twelve months ended December 31, 2022 (Successor), the period from October 30, 2021 to December 31, 2021 (Successor), the period from January 1, 2021 to October 29, 2021 (Predecessor) and the twelve months ended December 31, 2020 (Predecessor) include tax expense (benefit) of $1,310, $(2,853), $(8,471) and $12,417, respectively.

(2) The amount for the twelve months ended December 31, 2022 (Successor) includes income tax expense of $3,506. The amounts for the period from October 30, 2021 to December 31, 2021 (Successor), the period from January 1, 2021 to October 29, 2021 (Predecessor) and the twelve months ended December 31, 2020 (Predecessor) include an immaterial amount of income tax expense (benefit).

See accompanying Notes to Consolidated Financial Statements.

LABL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	Successor	
	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	**$ 72,730**	$ 52,915
Accounts receivable, net of allowance for doubtful accounts of $7,267 and $1,936	**606,863**	546,686
Other receivables	**43,496**	38,175
Inventories, net	**357,787**	317,980
Prepaid expenses	**29,924**	47,614
Other current assets	**121,440**	80,319
Total current assets	**1,232,240**	1,083,689
Property, plant and equipment, net	**1,000,700**	1,033,863
Goodwill	**2,608,855**	2,659,253
Intangible assets, net	**1,937,334**	2,134,750
Operating lease assets, net	**160,970**	178,519
Other non-current assets	**42,030**	40,713
Total assets	**$ 6,982,129**	$ 7,130,787
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	**$ 38,976**	$ 39,245
Accounts payable	**451,744**	356,904
Accrued expenses and other liabilities	**219,096**	216,719
Current portion of operating lease liabilities	**28,095**	25,726
Total current liabilities	**737,911**	638,594
Long-term debt	**4,758,457**	4,702,435
Deferred income tax liabilities	**432,314**	446,501
Operating lease liabilities	**138,326**	144,278
Other liabilities	**16,968**	26,218
Total liabilities	**6,083,976**	5,958,026
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Paid-in capital	**1,339,405**	1,307,362
Retained deficit	**(284,459)**	(111,772)
Accumulated other comprehensive loss	**(156,739)**	(22,826)
Total stockholders' equity attributable to LABL, Inc.	**898,207**	1,172,764
Noncontrolling interests	**(54)**	(3)
Total stockholders' equity	**898,153**	1,172,761
Total liabilities and stockholders' equity	**$ 6,982,129**	$ 7,130,787

See accompanying Notes to Consolidated Financial Statements.

LABL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity Attributable to LABL, Inc.	Noncontrolling Interests	Total Stockholders' Equity
Balance as of January 1, 2020 (Predecessor)	$ 572,850	$ (184,550)	$ 3,896	$ 392,196	$ 4,991	$ 397,187
Net (loss) income	-	(90,196)	-	(90,196)	1,020	(89,176)
Distributions to stockholders	(18,000)	-	-	(18,000)	-	(18,000)
Other comprehensive income (loss)	-	-	45,306	45,306	(65)	45,241
Balance as of December 31, 2020 (Predecessor)	554,850	(274,746)	49,202	329,306	5,946	335,252
Net (loss) income	-	(128,116)	-	(128,116)	30	(128,086)
Other comprehensive loss	-	-	(29,053)	(29,053)	-	(29,053)
Purchase of noncontrolling interest	3,937	-	-	3,937	(3,937)	-
Stock-based compensation	25,677	-	-	25,677	-	25,677
Distributions to stockholders	(16,512)	-	-	(16,512)	-	(16,512)
Balance as of October 29, 2021 (Predecessor)	567,952	(402,862)	20,149	185,239	2,039	187,278
Net loss	-	(111,772)	-	(111,772)	(3)	(111,775)
Other comprehensive loss	-	-	(22,826)	(22,826)	-	(22,826)
Capital contribution	1,307,362	-	-	1,307,362	-	1,307,362
Balance as of December 31, 2021 (Successor)	1,307,362	(111,772)	(22,826)	1,172,764	(3)	1,172,761
Net loss	**-**	**(172,687)**	**-**	**(172,687)**	**(51)**	**(172,738)**
Other comprehensive loss	**-**	**-**	**(133,913)**	**(133,913)**	**-**	**(133,913)**
Adjustment to consideration transferred for the acquisition of Legacy LABL, Inc.	**(12,788)**	**-**	**-**	**(12,788)**	**-**	**(12,788)**
Stock-based compensation	**11,268**	**-**	**-**	**11,268**	**-**	**11,268**
Capital contributions	**33,563**	**-**	**-**	**33,563**	**-**	**33,563**
Balance as of December 31, 2022 (Successor)	**$ 1,339,405**	**$ (284,459)**	**$ (156,739)**	**$ 898,207**	**$ (54)**	**$ 898,153**

See accompanying Notes to Consolidated Financial Statements.

LABL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	**$ (172,738)**	$ (111,775)	$ (128,086)	$ (89,176)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation	**136,859**	22,416	80,214	98,331
Amortization of intangible assets	**136,461**	25,250	54,512	54,628
Amortization of debt issuance costs, premiums and discounts	**10,823**	1,766	12,282	14,617
Loss on extinguishment of debt	**-**	-	100	-
Amortization of inventory step-up	**1,229**	22,707	-	-
Loss on impairment of long-lived assets	**727**	-	222	44,561
Net loss on disposal or sale of property, plant and equipment	**3,283**	369	961	1,340
Stock-based compensation	**11,268**	-	25,677	-
Deferred income taxes, net	**(9,404)**	(15,636)	(35,094)	930
Changes in assets and liabilities, net of acquisitions:				
Accounts receivable, net	**(63,460)**	18,766	(41,147)	(5,963)
Inventories, net	**(64,613)**	(1,911)	(34,438)	(5,158)
Prepaid expenses and other assets	**(13,968)**	(12,522)	1,852	(19,466)
Accounts payable	**103,385**	(21,962)	57,096	(8,147)
Accrued expenses and other liabilities	**1,463**	32,025	19,207	19,626
Net cash provided by (used in) operating activities	**81,315**	(40,507)	13,358	106,123
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	**(92,329)**	(25,101)	(82,057)	(77,045)
Acquisitions, net of cash acquired	**(68,460)**	(3,119,345)	(297,546)	(5,100)
Return of cash consideration in escrow	**5,224**	-	-	-
Note receivable with a related party	**-**	-	-	(6,769)
Proceeds from sale of long-lived assets	**19,916**	1,424	2,248	1,767
Net cash used in investing activities	**(135,649)**	(3,143,022)	(377,355)	(87,147)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings under revolving lines of credit	**421,039**	113,684	150,358	97,357
Payments under revolving lines of credit	**(303,040)**	(10,651)	(58,086)	(97,922)
Borrowings of long-term debt	**-**	3,204,300	293,604	-
Repayments of long-term debt	**(39,699)**	(3,162)	(12,939)	(13,784)
Debt issuance costs	**(747)**	(133,230)	(7,408)	(706)
Payments of acquisition related deferred payments	**-**	-	(1,187)	(1,882)
Distributions to Legacy LABL, Inc. stockholders	**-**	-	-	(18,000)
Net cash provided by (used in) financing activities	**77,553**	3,170,941	364,342	(34,937)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	**(3,404)**	(976)	(1,389)	3,306
Net increase (decrease) in cash, cash equivalents and restricted cash	**19,815**	(13,564)	(1,044)	(12,655)
Cash, cash equivalents and restricted cash, beginning of period	**52,915**	66,479	67,523	80,178
Cash, cash equivalents and restricted cash, end of period	**$ 72,730**	$ 52,915	$ 66,479	$ 67,523

See accompanying Notes to Consolidated Financial Statements.
See Note 14 for Supplemental Cash Flow Disclosures.

LABL, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(in thousands)

1. The Company

LABL, Inc. and subsidiaries ("LABL", "we", "us", "our" or "the Company"), headquartered in Elk Grove Village, Illinois, is a leading global provider of label solutions supporting a number of the world's most prominent brands including leading producers of automotive & chemicals, beverage, durables & technical, food & dairy, healthcare, home care & laundry, personal care & beauty and wine & spirits products. LABL serves national and international brand owners in the North American, Latin American, EMEA (Europe, Middle East and Africa) and Asia Pacific regions with a comprehensive range of the latest label technologies including Pressure Sensitive, Cut and Stack, In-Mold, Shrink Sleeve, Heat Transfer, Roll Fed and Aluminum labels.

On October 29, 2021, Clayton, Dubilier & Rice ("CD&R"), through its wholly owned subsidiary, Labels Buyer, LLC, a Delaware limited liability company, completed a merger with LABL Holding Corporation, a Delaware corporation, pursuant to the terms of the Agreement and Plan of Merger, dated as of July 1, 2021. Effective October 29, 2021, LABL Holding Corporation, and its wholly owned operating company, LABL, Inc. ("Legacy LABL, Inc."), are wholly owned subsidiaries of the Company. The financial results for the twelve months ended December 31, 2022 and period from October 30, 2021 to December 31, 2021 are presented as the "Successor Period" and are reflective of the operations of the Company subsequent to the acquisition by CD&R. The financial results for the period from January 1, 2021 to October 29, 2021 and the twelve months ended December 31, 2020 represent the "Predecessor Period" and are reflective of the operations of Legacy LABL, Inc. prior to the acquisition by CD&R.

On October 29, 2021, CD&R, through Labels Buyer LLC, completed a merger with Fortress TopCo, Inc., a Delaware corporation, and its wholly owned operating company, Fort Dearborn Company ("FDC"). FDC is now a subsidiary of LABL, Inc. and the results of operations of FDC are included with the results of operations of the Company in the Successor Period.

The Company has accounted for the acquisitions of Legacy LABL, Inc. and FDC using the acquisition method of accounting as prescribed in Accounting Standards Codification ("ASC") Topic 805, "*Business Combinations"* ("Topic 805").

LABL, Inc, through various subsidiaries, owns 60% of a foreign subsidiary, W/S Packaging Mexico, S.A. de C.V. The ownership interest of W/S Packaging Mexico, S.A. de C.V. not held by the subsidiaries of LABL, Inc. is presented in "non-controlling interests" in the consolidated financial statements. This subsidiary no longer has active label-printing operations as of December 31, 2022.

Due to the change in the basis of accounting resulting from the application of the acquisition method of accounting on October 29, 2021, the Predecessor consolidated financial statements and the Successor consolidated financial statements are not comparable. See Note 5, *Acquisitions* for additional details.

2. Summary of Significant Accounting Policies

Basis of Presentation
The consolidated financial statements included herein have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of LABL, Inc. and its controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain prior year balances have been reclassified to conform to current year presentation.

In the Predecessor Period, Legacy LABL, Inc.'s operations were conducted through the Consumer Product Goods ("CPG"), Wine & Spirits ("W&S") and Food & Beverage ("F&B") operating segments, which were aggregated into one reportable segment in accordance with ASC Topic 280, "*Segment Reporting*" ("Topic 280"). In the Successor Period, our operating segments changed due to changes in the management reporting structure. The Company's operations are now conducted through the Global W&S, EMEA and Asia CPG ("EMEAA CPG"), North America F&B ("NA F&B"), North America Home & Personal Care ("NA HPC") and Global In-Mold Labels ("IML") operating segments, which are aggregated into one reportable segment in accordance with Topic 280. The metrics used by management to assess the performance of the Company's operating segments include, net revenues, gross profit margin and operating income (loss). The Company's operating segments had, and are expected to continue to have, similar economic characteristics.

Our products are sold in numerous countries across North America, Europe, South America, Asia Pacific and Africa, with more than 30% of our sales generated outside North America. As such, we are exposed to and impacted by global macroeconomic factors, U.S. and foreign government policies and foreign exchange fluctuations. Current macroeconomic factors remain dynamic, and any causes of market size contraction, such as the novel strain of coronavirus ("COVID-19"), related variants, or similar disruptions, or greater political unrest or instability outside North America (including the ongoing Russia-Ukraine War), could negatively impact our operating results. As of and for the twelve months ended December 31, 2022 (Successor), the effects of the Russia-Ukraine War, and related macroeconomic headwinds, have not had a material impact on the consolidated financial statements. Events and changes in circumstances arising after December 31, 2022 (Successor) will be reflected in management's estimates for future periods.

Use of Estimates in Consolidated Financial Statements

In preparing consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that could affect the reported amounts of assets, liabilities, net revenues and expenses for the periods presented. On an ongoing basis, the Company evaluates its estimates and assumptions based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions due to among other reasons, the continued uncertainty of general economic conditions around the Russia-Ukraine War and the ongoing COVID-19 pandemic that may have impacted, and may continue to impact, our sales channels, supply chain, manufacturing operations, workforce, or other key aspects of our operations.

Business Combinations

The Company allocates the purchase price of its acquisitions to the assets acquired and liabilities assumed based upon their respective fair values at the acquisition date. The Company utilizes management estimates and an independent third-party valuation firm to assist in determining these fair values. The excess of the acquisition price over the estimated fair value of the net assets acquired is recorded as goodwill. Goodwill is adjusted for any changes to acquisition date fair value amounts made within the measurement period. Acquisition-related transaction costs are recognized separately from the business combinations and expensed as incurred.

The Company is required to provide additional disclosures about fair value measurements as part of the consolidated financial statements for each major category of assets and liabilities measured at fair value on a nonrecurring basis (including business combination). The working capital assets and liabilities, as well as the property and equipment acquired and long term debt assumed, were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals, quoted market prices or established market values of comparable assets (market approach). Goodwill and identifiable intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). The internal estimates of cash flows are then discounted and the discount rates applied were benchmarked with reference to the implied rate of return to the respective acquisition pricing model and the weighted-average cost of capital (10.5%-11.5%). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement. Management used a third-party valuation firm to assist in the determination of the purchase accounting fair values and specifically those considered Level 3 measurements. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Company.

Revenue Recognition

Revenue is recognized when either services are performed or the performance obligation under the terms of a contract with a customer are satisfied. Net revenues are measured as the amount of consideration we expect to receive in exchange for the performance of the service or transfer of the inventory. See Note 4, *Revenue Recognition* for additional disclosure.

Cost of Revenues

Cost of revenues primarily consists of direct materials and supplies consumed in the manufacture of product, as well as manufacturing labor, depreciation expense and direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished product. Cost of revenues also includes inbound freight costs and costs to distribute products to customers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) primarily consist of sales and marketing costs, corporate and divisional administrative and other costs and depreciation and amortization expense related to non-manufacturing assets. Advertising costs are charged to expense as incurred and were minimal in all periods presented.

Research and Development Costs

Our product development group focuses on research and development and product commercialization. The group includes chemical, packaging and field engineers who are responsible for developing and commercializing innovative label and application solutions. Technical service personnel also assist our product development group, customers and manufacturers in improving container and label performance.

Research and development costs are charged to expense as incurred and were as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Research and development costs	**$ 10,877**	$ 1,896	$ 8,233	$ 7,817

Cash, Cash Equivalents and Restricted Cash

The Company records all highly liquid short-term investments with maturities of three months or less as cash equivalents. Cash equivalents are classified as Level 1 within the fair value hierarchy. The Company has $3,866 recorded as restricted cash in the consolidated balance sheets as of December 31, 2022 (Successor), which relates to the purchase price amount paid into an escrow amount for the Flexcoat acquisition. The Company did not have any restricted cash in the consolidated balance sheet as of December 31, 2021 (Successor).

Accounts Receivable and Allowance for Credit Losses

Our customers are primarily major consumer product, home & personal care, food & beverage, wine & spirits and container companies. Accounts receivable consist of amounts due from customers in connection with our normal business activities and are carried at sales value less an allowance for credit losses. The allowance for credit losses is recorded for amounts that may be uncollectible in the future based on an estimate of expected losses, current economic and market conditions and a review of the current status of each customer's accounts receivable. Write-offs are recorded against the allowance for credit allowances when all reasonable efforts for collection have been exhausted.

Inventories, Net

Inventories are stated at the lower of cost (using the first-in, first-out method) or net realizable value, and the majority is valued based on standard costs that approximate actual costs. The remainder of inventories are valued based on average actual costs. Standard costs are revised at the beginning of each fiscal year. The impact from annually resetting standards, as well as operating variances incurred throughout the Successor Period and Predecessor Period, are allocated to inventories and recognized in cost of revenues as product is sold.

The Company adjusts inventory to its estimated net realizable value through a reserve that is an estimate of obsolete and slow-moving inventory, primarily based on the age of the inventory, if necessary.

Property, Plant and Equipment, Net

As a result of the previously discussed acquisitions, property, plant and equipment is primarily stated at fair value (as a result of recent acquisition accounting), net of accumulated depreciation and includes equipment under finance lease agreements. Future capital purchases, post acquisition dates, will be recorded at cost. Maintenance and repair costs are expensed as incurred.

Depreciation expense, which includes the amortization of assets recorded under finance leases, is calculated using the straight-line method over the estimated useful lives of the assets, or the remaining terms of the leases, whichever is shorter, as follows:

Buildings	20-39 years
Building improvements	15 years
Machinery and equipment	3-15 years
Computers	3-5 years
Furniture and fixtures	5-10 years

Goodwill and Other Acquired Intangible Assets

Goodwill. Assets and liabilities acquired in business combinations are accounted for using the acquisition method and recorded at their respective fair values. Goodwill represents the excess of consideration paid over the net assets acquired and is assigned to the reporting unit based on the nature of the business acquired. A reporting unit is an operating segment as defined in Topic 280 or a business one level below an operating segment if discrete financial information for that business is prepared and regularly reviewed by operating segment management. The Company conducts annual impairment tests of goodwill in the fourth quarter or more frequently if events or circumstances indicate a reporting unit's fair value may be less than its carrying value. If an initial assessment indicates it is more likely than not goodwill may be impaired, it is evaluated by comparing the reporting unit's estimated fair value to its carrying value. If its carrying value exceeds its estimated fair value, goodwill impairment is recognized to the extent that recorded goodwill exceeds the fair value of goodwill. Estimated fair values of the reporting unit are Level 3 measures and are developed under an income approach that discounts estimated future cash flows using risk-adjusted interest rates and also the market approach.

Intangible Assets. Intangible assets with definite useful lives are amortized over periods of up to 28 years based on a number of assumptions including estimated period of economic benefit and utilization. Intangible assets are tested for impairment when events or changes in circumstances indicate that the assets' carrying values may be greater than their fair values. We test for impairment by comparing (i) estimates of undiscounted future cash flows included in our operating plans to (ii) the carrying values of the related assets. Tests are performed over asset groups at the lowest level of identifiable cash flows.

Impairment of Long-Lived Assets

We review long-lived assets for impairment when events or changes in circumstances indicate that assets might be impaired and the related carrying amounts may not be recoverable. Changes in market conditions and/or losses of a production line could have a material impact on the consolidated statements of operations. The determination of whether impairment exists involves various estimates and assumptions, including the determination of the undiscounted cash flows estimated to be generated by the assets involved in the review. The cash flow estimates are based upon our historical experience, adjusted to reflect estimated future market and operating conditions. Measurement of an impairment loss requires a determination of fair value. We base our estimates of fair values on quoted market prices when available, independent appraisals as appropriate and industry trends or other market knowledge. Tests are performed over asset groups at the lowest level of identifiable cash flows.

Income Taxes

The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. Income taxes are recorded based on the current year amounts payable or refundable. Deferred income taxes are recognized at the enacted tax rates for the expected future tax consequences related to temporary differences between amounts reported for income tax purposes and financial reporting purposes as well as any tax attributes. Deferred income taxes are not provided for the undistributed earnings of subsidiaries operating outside of the U.S. that have been permanently reinvested in foreign operations.

We regularly review our deferred income tax balances for each jurisdiction to estimate whether these deferred income tax balances are more likely than not to be realized based on the information currently available. Projected future taxable income is based on forecasted results and assumptions as to the jurisdiction in which the income will be earned. The timing of reversals of any existing temporary differences is based on our methods of accounting for income taxes and current tax legislation. Unless the deferred tax balances are more likely than not to be realized, a valuation allowance is established to reduce the carrying values of any deferred tax balances until circumstances indicate that realization becomes more likely than not.

The Company establishes reserves for income tax related uncertainties based on estimates of whether it is more likely than not that the tax uncertainty would be sustained upon challenge by the appropriate tax authorities. Provisions for and changes to these reserves and any related net interest and penalties are included in income tax expense (benefit) in the consolidated statements of operations. Judgment is required when evaluating our tax provision or benefit and determining our provision or benefit for income taxes. We regularly review our tax positions, and we adjust the reserves as circumstances change.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with ASC Topic 718, *Compensation-Stock Compensation* ("Topic 718"). Topic 718 requires all stock-based payments to employees, non-employees and directors, including restricted stock units, restricted common units and common unit options to be recognized in the consolidated statements of operations and stockholders' equity based on their fair values. Restricted common units consist of the Labels Buyer, LLC Series A Common Units that are subject to such conditions, restrictions and limitations as the Board of Directors determines to be appropriate. All the Company's restricted common units and common unit options are subject only to service-based vesting conditions.

The Company estimates the fair value of the common unit options using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including (a) the expected stock price volatility, (b) the expected term of the award, (c) the risk-free interest rate and (d) expected dividends.

Due to the lack of a public market for the trading of Labels Buyer, LLC Series A Common Units and a lack of company-specific historical and implied volatility data, the Company has based its estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The computation of expected volatility is based on the historical volatility of a representative group of companies with similar characteristics to the Company. The Company believes the group selected has sufficient similar economic and industry characteristics and includes companies that are most representative of the Company.

The Company uses the simplified method as prescribed by the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term, as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term for common unit options granted to employees and utilizes the contractual term for common unit options granted to employees and non-employees. The expected term is applied to the common unit option grant group as a whole, as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population. The expected term of the awards granted historically were assumed to be the contract life of the common unit option granted (ten years based upon the underlying arrangement). The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the common unit options.

Stock-based compensation expense related to awards to employees, non-employees and directors is calculated on a straight-line basis by recognizing the grant date fair value over the associated service period of the award, which is generally the vesting term. The Company recognizes forfeitures in the period in which the forfeiture is incurred.

Labels Buyer, LLC granted restricted common units at the fair value of its Series A Common Units as well as common unit options at exercise prices that represent the fair value of its Series A Common Units, as determined by the Board of Directors contemporaneously at the date such grants were made. The Board of Directors has determined the estimated fair value of Labels Buyer, LLC Series A Common Units based on a number of objective and subjective factors, including external market conditions affecting the Company's industry sector, the prices at which Labels Buyer, LLC sold shares of Series A Common Units and the superior rights and preferences of securities senior to Labels Buyer LLC's various Common Unit classes.

The Company utilized various valuation methodologies in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*, to estimate the fair value of Labels Buyer, LLC's Common Units. Each valuation methodology includes estimates and assumptions that require the Company's judgment. The grant date fair value of Series A Common Units was determined based on the Option-Pricing Method valuation model, with an adjustment for lack of marketability and liquidity ("ALOM") applied. Significant changes to the key assumptions used in the valuations could result in different fair values of Series A Common Units and other equity instruments at each valuation date.

Financial Instruments

The Company accounts for derivative financial instruments by recognizing derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value and recognizing the resulting gains or losses in the consolidated statements of operations or accumulated other comprehensive loss, as appropriate. Cash flows associated with derivative financial instruments are recognized in the operating activities section of the consolidated statements of cash flow. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated and qualify as cash flow hedges, the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive loss in stockholders' equity and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

For derivative instruments that hedge the exposure to changes in the fair value of an asset or a liability and that are designated and qualify as fair value hedges, both the net gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in earnings in the current period.

Derivatives that do not qualify as hedges are adjusted to fair value through earnings in the current period.

For non-derivative financial instruments that hedge the exposure to fluctuations in foreign exchange rates used for translation of our net investment in foreign operations and that are designated as a hedging instrument, gains or losses on the net investment hedge are recorded in accumulated other comprehensive loss ("AOCL") to offset changes in the value of the net investments being hedged. Any ineffective portion of the net investment hedge would be reclassified from AOCL into earnings.

Fair Value Measurements

The carrying value of financial instruments, which includes certain derivative contracts, approximates fair value. All of the Company's derivative assets and liabilities are measured at fair value and are classified as Level 2 within the fair value hierarchy. The Company determines the fair values of its derivatives based on valuation models which project future cash flows and discount the future amounts to a present value using market based observable inputs including interest rate curves, foreign currency rates, futures and basis point spreads, as applicable.

The carrying value approximates fair value for cash, cash equivalents, restricted cash, accounts receivable and accounts payable because of the relatively short-term maturity of these instruments.

The Company defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements, the Company uses a three-level hierarchy that prioritizes the use of observable inputs. The three levels are:

Level 1 – Quoted market prices in active markets for identical assets and liabilities
Level 2 – Observable inputs other than quoted market prices in active markets for identical assets and liabilities
Level 3 – Unobservable inputs

The determination of where an asset or liability falls in the hierarchy requires significant judgment.

Fair value measurements of nonfinancial assets and nonfinancial liabilities are primarily used in business combinations, common stock valuation, goodwill, other intangible assets and long-lived assets impairment analyses. Goodwill and intangible assets as well as common stock values, are typically valued using Level 3 inputs. A change in those significant unobservable inputs to a different amount might result in a significantly higher or lower fair value measurement at the reporting date.

Foreign Exchange

The functional currency of each of the Company's subsidiaries is generally the currency of the country in which the subsidiary operates or the U.S. Dollar. Assets and liabilities of foreign operations are translated using period end exchange rates, and net revenues and expenses are translated using average exchange rates. Translation (losses) gains are reported in AOCL as a component of stockholders' equity. Transaction (losses) gains are reported in other (income) expense, net in the consolidated statements of operations. Translation and transaction (losses) gains were as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Translation (losses) gains	**$ (145,374)**	$ (22,836)	$ (29,053)	$ 44,881
Transaction (losses) gains	**(553)**	1,449	1,105	(4,424)

Debt Issuance Costs, Discounts and Premiums

Debt issuance costs, discounts and premiums are amortized into interest expense over the terms of the related loan agreements using the effective interest method or other methods that approximate the effective interest method. Debt issuance costs related to debt instruments other than lines of credit are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the respective debt liability, consistent with discounts. Premiums are presented as a direct increase in the carrying amount of the respective debt liability. Debt issuance costs related to lines of credit are presented as prepaid expenses and other non-current assets in the consolidated balance sheets and are amortized on a straight line basis.

Commitments and Contingencies
Certain conditions may exist as of the date of the consolidated financial statements, which may result in a loss to the Company but will only be resolved when one or more future events occur or fail to occur. Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when the Company assesses that it is probable that a future liability has been incurred and the amount can be reasonably estimated. Recoveries of costs from third parties, which the Company assesses as being probable of realization, are recorded to the extent of related contingent liabilities accrued. Legal costs incurred in connection with matters relating to contingencies are expensed in the period incurred. The Company records gain contingencies when realized.

Recently Adopted Accounting Pronouncements
In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, "*Reference Rate Reform ("Topic 848"): Facilitation of the Effects of Reference Rate Reform on Financial Reporting."* ASU 2020-04 provides temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate ("SOFR"). In addition, it allows entities to make a one-time election to sell and/or reclassify held-to-maturity debt securities that reference an interest rate affected by reference rate reform. In January 2021, the FASB issued ASU 2021-01, "*Reference Rate Reform (Topic 848): Scope."* ASU 2021-01 provides guidance related to the discontinuance of LIBOR as a reference rate in hedging contractual agreements. ASU 2021-01 permits an entity to elect certain hedging relief if it has designated a derivative as a hedging instrument in a hedging relationship and the terms of the derivative (e.g., discount rate) have changed as a result of the sunset of the LIBOR rate. In December 2022, the FASB issued ASU 2022-06. *"Reference Rate Reform ("Topic 848"): Deferral of the Sunset Date of Topic 848."* ASU 2022-06 defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. As a result, ASU 2020-04 and ASU 2021-01 were effective upon issuance and generally can be applied through December 31, 2024.

During the fourth quarter of 2022, the Company entered into the first amendment to its asset-based credit agreement, which included modifying the applicable referenced rate from LIBOR to SOFR. See Note 9, *Debt* for further details. The Company is currently evaluating the impact of both ASU 2020-04 and ASU 2021-01 on the consolidated financial statements as the rates are updated on outstanding debt. The Company does not expect the adoption of these standards to have a material impact on the consolidated financial statements.

No other new accounting pronouncement recently issued or newly effective had or is expected to have a material impact on the consolidated financial statements.

3. Leases

Our leasing activity is primarily related to buildings used for manufacturing, warehousing, and administrative activities and machinery used for manufacturing. We determine if an arrangement is a lease at inception. Leases are classified as operating or finance leases at the commencement date of the lease. Many of our lease agreements contain renewal options; however, we do not recognize right-of-use ("ROU") assets or lease liabilities for renewal periods unless it is determined that we are reasonably certain of renewing the lease at inception or when a triggering event occurs. Some of our lease agreements contain rent escalation clauses, free-rent periods or other lease concessions that factored into the calculation of lease payments to the extent they are fixed and determinable at lease inception. Variable lease costs represent amounts that are not fixed in nature and are not tied to an index or rate and are recognized as incurred. Our variable lease costs are not material to the consolidated financial statements.

In determining our ROU assets and lease liabilities, we apply discount rates to the minimum lease payments within each lease agreement. When we cannot readily determine the discount rates implicit in the lease agreement, we utilize our fully collateralized incremental borrowing rates. To estimate our specific incremental borrowing rates, we consider, among other factors, interest rates on our existing credit facilities, risk-free rates and the terms of the leases.

The Company applies the practical expedient related to lease and non-lease components as an accounting policy election for all asset classes, which allows a lessee to not separate non-lease from lease components and instead account for consideration paid in a contract as a single lease component. In addition, the Company applies the short-term lease recognition exemption for all leases with a term of 12 months or less, therefore, we do not recognize ROU assets or lease liabilities for these leases.

The components of lease expense were as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Operating lease cost	**$ 37,150**	$ 6,064	$ 21,189	$ 31,259
Short term and variable lease expense	**7,462**	846	3,791	3,985
Finance lease cost:				
Amortization of ROU assets	**14,686**	1,632	6,759	2,690
Interest on lease liability	**3,970**	802	2,623	1,554
Total finance lease cost	**18,656**	2,434	9,382	4,244
Total lease cost	**$ 63,268**	$ 9,344	$ 34,362	$ 39,488

Supplemental consolidated balance sheet information related to leases was as follows:

	Successor	
	December 31, 2022	December 31, 2021
Operating leases		
Assets:		
Operating lease assets, net	**$ 160,970**	$ 178,519
Liabilities:		
Operating lease liabilities - current	**$ 28,095**	$ 25,726
Operating lease liabilities - long-term	**138,326**	144,278
Total operating lease liabilities	**$ 166,421**	$ 170,004
Finance leases		
Assets:		
Property, plant and equipment, net	**$ 103,101**	$ 104,509
Liabilities:		
Current portion of long-term debt	**$ 16,734**	$ 16,540
Long-term debt	**75,833**	91,137
Total finance lease liabilities	**$ 92,567**	$ 107,677

	Successor			
	December 31, 2022		December 31, 2021	
	Weighted-average remaining lease term	**Weighted-average discount rate**	Weighted-average remaining lease term	Weighted-average discount rate
Operating leases	**7.65 years**	**5.62%**	6.33 years	4.98%
Finance leases	**6.06 years**	**4.34%**	6.64 years	4.24%

As of December 31, 2022 (Successor), contractual future minimum lease payments of lease liabilities were as follows:

	Operating Leases	Finance Leases
January 2023 - December 2023	**$ 36,671**	**$ 20,768**
January 2024 - December 2024	**30,264**	**19,260**
January 2025 - December 2025	**26,735**	**17,469**
January 2026 - December 2026	**23,985**	**20,699**
January 2027 - December 2027	**21,405**	**9,966**
Thereafter	**77,133**	**21,018**
Total minimum lease payments	**216,193**	**109,180**
Less imputed interest	**(49,772)**	**(16,613)**
Total present value of lease payments	**$ 166,421**	**$ 92,567**

See Note 14, *Supplemental Cash Flow Disclosures* for additional details.

4. Revenue Recognition

Net revenues are generated through the sale of products created to meet the packaging needs of our customers, culminating in a single performance obligation to produce labels with no alternate use. Net revenues are recorded in an amount that reflects the net consideration that we expect to receive. Prices for our products are based on agreed upon rates with customers and do not include financing components or noncash consideration. The amount of consideration we receive and revenue we recognize is variable for certain customers and is impacted by incentives, including rebates, which are generally tied to achievement of certain sales volume levels.

We recognize net revenues when obligations under the terms of a contract with our customer are satisfied, in an amount that reflects the consideration we expect to receive in exchange for the product. The performance obligation is part of a contract that has an original expected duration of one year or less. Depending on the terms of the agreement with the customer, we recognize revenue either at a point-in-time (at shipment or delivery depending on agreed upon terms) or over-time when the Company has an enforceable right to payment for performance obligations completed to date.

Payment terms typically range from 30-90 days based on agreed upon terms with the customer.

Taxes assessed by a governmental authority that we collect from our customers that are both imposed on and concurrent with our revenue producing activities (such as sales tax, value-added tax and excise taxes) are excluded from net revenues. Shipping and handling costs incurred after control of the product is transferred to our customers are treated as fulfillment costs and not a separate performance obligation.

For net revenues recorded on an over-time basis, the Company records contract assets when net revenues are recognized but we have not yet invoiced the customer. This occurs when costs are incurred for the production of labels for over-time customers but the associated revenues have not been billed to the customer. Contract liabilities are recorded for arrangements where the Company has billed the customer but has not yet shipped the asset and fulfilled the performance obligation identified in the contract.

		Successor	
	Consolidated Balance Sheet Location	**December 31, 2022**	December 31, 2021
Contract assets	Other current assets	**$ 94,081**	$ 63,125
Contract liabilities	Accrued expenses and other liabilities	**(6,304)**	(5,493)
Net contract assets		**$ 87,777**	$ 57,632

Disaggregation of Revenue

The following tables present net revenues by geographic region:

	Successor				Predecessor			
	Twelve Months Ended December 31, 2022		Period from October 30, 2021 to December 31, 2021		Period from January 1, 2021 to October 29, 2021		Twelve Months Ended December 31, 2020	
Geographic Region	**Net Revenues**	**% of Total**	Net Revenues	% of Total	Net Revenues	% of Total	Net Revenues	% of Total
North America	**$ 2,111,193**	**63%**	$ 303,008	63%	$ 1,008,503	55%	$ 1,177,375	57%
Europe	**791,790**	**24%**	106,147	22%	579,805	31%	658,833	31%
Asia Pacific and Africa	**415,526**	**12%**	68,727	14%	243,500	13%	237,609	11%
South America	**22,940**	**1%**	3,590	1%	21,254	1%	23,922	1%
Total	**$ 3,341,449**	**100%**	$ 481,472	100%	$ 1,853,062	100%	$ 2,097,739	100%

The following tables present net revenues by timing of transfer:

	Successor				Predecessor			
	Twelve Months Ended December 31, 2022		Period from October 30, 2021 to December 31, 2021		Period from January 1, 2021 to October 29, 2021		Twelve Months Ended December 31, 2020	
Timing of Transfer	**Net Revenues**	**% of Total**	Net Revenues	% of Total	Net Revenues	% of Total	Net Revenues	% of Total
Point in tme	**$ 2,643,364**	**79%**	$ 367,145	76%	$ 1,618,927	87%	$ 1,834,021	87%
Over time	**698,085**	**21%**	114,327	24%	234,135	13%	263,718	13%
Total	**$ 3,341,449**	**100%**	$ 481,472	100%	$ 1,853,062	100%	$ 2,097,739	100%

5. Acquisitions

Lux Global Label Parent, LLC

On December 9, 2022, the Company completed its acquisition of: (1) Lux Global Label Company, LLC, (2) Lux Global Real Estate GP, LLC and (3) Eagle Realty Holdings, LP (collectively, "Lux"). Lux is an international company that manufactures pressure sensitive labels, shrink sleeves and security solutions. Lux has production facilities in the United States and Puerto Rico as well as offices around the globe. This acquisition gives the Company a physical footprint in Puerto Rico and enhances its portfolio and capabilities in the home and personal care and pharmaceuticals market segments. The results of Lux's operations are included in the results of operations of the Company from December 9, 2022 to December 31, 2022 and are not material to the consolidated financial statements for the twelve months ended December 31, 2022 (Successor).

The following table summarizes the net consideration transferred to acquire Lux.

Cash consideration paid for the repayment of Lux outstanding debt (1)	$	22,839
Cash consideration paid for seller expenses (2)		3,078
Total cash consideration		25,917
Cash acquired (3)		(250)
Net cash consideration transferred	$	25,667
Capital contribution from Labels Buyer, LLC (4)		12,543
Total consideration transferred	$	38,210

(1) Cash consideration to repay Lux's outstanding third-party long-term debt. The amount repaid includes principal and interest outstanding on the obligations as of December 9, 2022.
(2) Pursuant to the transaction agreement, the Company paid transaction related expenses incurred by Lux in connection with the acquisition. These expenses primarily related to third-party consulting services.
(3) Represents the Lux cash balance acquired on December 9, 2022.
(4) Represents equity issued by Labels Buyer, LLC to the seller, which is presented as a capital contribution from Labels Buyer, LLC at the Company reporting level.

Purchase Price Allocation and Other Items

The preliminary purchase price allocation may change in future periods as the fair value estimates of assets and liabilities and the valuation of the related tax assets and liabilities are still being completed. Any necessary adjustments will be finalized within one year of the date of acquisition. The Company expects to continue to obtain information for the purpose of determining the fair value of the assets acquired and liabilities assumed at the acquisition date throughout the remainder of the measurement period. Based on current fair value estimates, the preliminary purchase price for Lux has been allocated to individual assets acquired and liabilities assumed as follows:

Assets acquired:		
Accounts receivable	$	6,176
Inventories		7,087
Property, plant and equipment		22,967
Goodwill		8,939
Deferred tax asset		63
Other assets		583
Total assets acquired		45,815
Liabilities assumed:		
Finance leases		352
Accounts payable		6,015
Accrued expenses and other liabilities		1,238
Total liabilities assumed		7,605
Net assets acquired attributable to Lux	$	38,210

The goodwill for Lux is attributable to combining Lux's footprint with the Company's existing customer base to give the Company broader access to health and beauty, pharmaceutical and other specialty markets. Goodwill arising from the Lux acquisition is not deductible for income tax purposes. The Company recorded $605 in acquisition expenses related to the Lux acquisition during the twelve months ended December 31, 2022 (Successor), which are recorded in transaction, integration and restructuring costs in the consolidated statement of operations.

Flexcoat Produtos Auto-Adesivos S/A ("Flexcoat")

On October 31, 2022, the Company completed its acquisition of Flexcoat. Flexcoat is a Brazil-based label and lamination manufacturer that has built trusted relationships with some of the most notable and respected brands in Brazil and around the globe. This acquisition gives the Company a physical footprint in Brazil and enhances its customer base, particularly in the food and beverage, home care, healthcare, pharmaceutical, hygiene, and automotive market segments. The results of Flexcoat's operations are included in the results of operations of the Company from October 31, 2022 to December 31, 2022 and are not material to the consolidated financial statements for the twelve months ended December 31, 2022 (Successor).

The following table summarizes the net cash consideration transferred to acquire Flexcoat.

Cash consideration paid to the seller	$	43,267
Cash consideration paid to escrow (1)		3,946
Total cash consideration		47,213
Cash acquired (2)		(877)
Net cash consideration transferred	$	46,336

(1) The escrow contains cash held back from the seller, primarily to cover general liability and claims obligations that may arise over the 12 months following the transaction. On October 31, 2023, the balance remaining in the escrow account will be disbursed to the sellers in accordance with the provisions of the related escrow agreement. The escrow balance is reported in cash, cash equivalents and restricted cash in the consolidated balance sheet as of December 31, 2022 (Successor).
(2) Represents the Flexcoat cash balance acquired at October 31, 2022.

Purchase Price Allocation and Other Items

The preliminary purchase price allocation may change in future periods as the fair value estimates of assets and liabilities and the valuation of the related tax assets and liabilities are still being completed. Any necessary adjustments will be finalized within one year from the date of acquisition. The Company expects to continue to obtain information for the purpose of determining the fair value of the assets acquired and liabilities assumed at the acquisition date throughout the remainder of the measurement period. Based on current fair value estimates, the preliminary purchase price for Flexcoat has been allocated to individual assets acquired and liabilities assumed as follows:

Assets acquired:		
Accounts receivable	$	5,663
Inventories		6,870
Property, plant and equipment		13,344
Operating lease assets		2,246
Intangible assets		4,248
Goodwill		23,033
Other assets		338
Total assets acquired		55,742
Liabilities assumed:		
Accounts payable		751
Obligations under lease agreements		2,246
Accrued expenses and other liabilities		1,447
Accrued income taxes payable		430
Deferred tax liabilities		4,532
Total liabilities assumed		9,406
Net assets acquired attributable to Flexcoat	$	46,336

The preliminary fair value of the identifiable intangible asset acquired and its estimated useful life is as follows:

		Fair Value	Useful Life
Customer relationships	$	4,248	14 years
Total identifiable intangible asset	$	4,248	

The identifiable intangible asset will be amortized over its useful life based upon a number of assumptions including the estimated period of economic benefit and utilization. The fair value of the identifiable intangible asset has been estimated using the income approach through a discounted cash flow analysis. The cash flows are based on estimates used to price the Flexcoat acquisition, and the discount rate applied was benchmarked with reference to the implied rate of return to the Company's pricing model and weighted-average cost of capital.

The goodwill for Flexcoat is attributable to combining Flexcoat's footprint with the Company's existing customer base to give the Company broader access to Brazilian market. Goodwill arising from the Flexcoat acquisition is not deductible for income tax purposes. The Company recorded $785 in acquisition expenses related to the Flexcoat acquisition during the twelve months ended December 31, 2022 (Successor), which are recorded in transaction, integration and restructuring costs in the consolidated statement of operations.

Skanem Group ("Skanem")

On December 30, 2021, the Company completed its acquisition of Skanem's label operations in Europe and Thailand pursuant to the definitive agreement dated September 30, 2021. Skanem is a Stavanger, Norway-based provider of pressure sensitive labels. Skanem gives LABL broader access to home and personal care, regional food and beverage, and other specialty markets in these areas as well as an experienced team capable of building on existing and new growth opportunities. Skanem's operations in Thailand complement LABL Thailand's operations and provide scale in the Southeast Asian market.

The net cash consideration transferred for Skanem consisted of the following:

Cash payment to equity holders	$	136,618
Cash consideration paid to escrow		6,230
Total cash consideration		142,848
Cash acquired		(17,748)
Net cash consideration transferred	$	125,100

Upon closing, $6,230 of the purchase price was deposited into an escrow account. The escrow amount was to fund certain potential obligations of the seller with respect to the transaction. On December 30, 2022, the escrow amount was reduced to $1,450 in accordance with the provisions of the escrow agreement, and $4,780 was released to the seller. The remaining balance will continue to be held in escrow until the 5- year anniversary of the closing date.

Purchase Price Allocation and Other Items

The determination of the purchase price allocation to specific assets acquired and liabilities assumed was completed during the twelve months ended December 31, 2022 (Successor). The purchase price for Skanem has been allocated to individual assets acquired and liabilities assumed as follows:

	December 30, 2021 (as initially reported)	Measurement Period Adjustments	December 30, 2021 (final)
Assets acquired:			
Accounts receivable	$ 23,827	$ 12	$ 23,839
Inventories	13,501	(2,283)	11,218
Property, plant and equipment	19,308	17,905	37,213
Operating lease assets	-	8,912	8,912
Intangible assets	-	47,000	47,000
Goodwill	97,480	(52,848)	44,632
Other assets	4,236	2,654	6,890
Total assets acquired	158,352	21,352	179,704
Liabilities assumed:			
Finance leases	3,141	30	3,171
Accounts payable	21,342	3	21,345
Obligations under operating lease agreements	-	6,821	6,821
Accrued expenses and other liabilities	6,063	(94)	5,969
Deferred tax liabilities	3,109	14,189	17,298
Total liabilities assumed	33,655	20,949	54,604
Net assets acquired	$ 124,697	$ 403	$ 125,100

As a result of further refining its estimates and assumptions, the Company recorded measurement period adjustments to the initial opening balance sheet. During the measurement period, goodwill decreased by $52,848 due to measurement period adjustments, which primarily consisted of a $17,905 increase to the valuation of property, plant and equipment, a $47,000 increase in the valuation of intangible assets and an increase of $14,189 to the deferred tax liability. The net impact on earnings as a result of these measurement period adjustments were immaterial during the twelve months ended December 31, 2022 (Successor).

The fair value of the identifiable intangible asset acquired and its estimated useful life is as follows:

	Fair Value	Useful Life
Customer relationships	$ 47,000	14 years
Total identifiable intangible asset	$ 47,000	

The identifiable intangible asset is being amortized over its useful life based upon a number of assumptions including the estimated period of economic benefit and utilization. The fair value of the identifiable intangible asset has been estimated using the income approach through a discounted cash flow analysis. The cash flows are based on estimates used to price the Skanem acquisition, and the discount rates applied were benchmarked with reference to the implied rate of return to the Company's pricing model and weighted-average cost of capital.

The goodwill for Skanem is attributable to combining Skanem's footprint with the Company's existing customer base to give it broader access to European and southeast Asian home and personal care, regional food and beverage, and other specialty markets. Goodwill arising from the Skanem acquisition is not deductible for income tax purposes. The Company recorded $152, $582 and $3,181 in acquisition expenses related to the Skanem acquisition during the twelve months ended December 31, 2022 (Successor), the period from October 30, 2021 to December 31, 2021 (Successor) and the period from January 1, 2021 to October 29, 2021 (Predecessor), respectively, which are recorded in transaction, integration and restructuring costs in the consolidated statements of operations.

Legacy LABL, Inc.

On October 29, 2021, the Company completed its acquisition of Legacy LABL, Inc. pursuant to the Agreement and Plan of Merger dated July 1, 2021. The transaction was valued at $4,391,611 and included the purchase of all Legacy LABL, Inc. outstanding shares, repayment of certain existing long-term debt, payment to the prior stockholders and assumed long-term debt.

Prior to the acquisition, Legacy LABL, Inc. was a leading global provider of label solutions supporting a number of the world's most prominent brands, including leading producers of home & personal care, wine & spirits, food & beverage, healthcare, consumer durables and specialty products. Legacy LABL, Inc. served international brand owners in the North American, South American, EMEA and Asia Pacific regions with a comprehensive range of the latest label technologies in Pressure Sensitive, Cut and Stack, In-Mold, Shrink Sleeve, Heat Transfer, Roll Fed and Aluminum labels.

The Company believes that the acquisition, coupled with the FDC acquisition, creates a combined label company that has significant scale and end market, customer and product diversification.

The following table summarizes the final net cash consideration transferred to acquire Legacy LABL, Inc.

Cash consideration paid to the seller and Legacy LABL, Inc. stockholders (1)	$	1,396,406
Cash consideration paid for the repayment of Legacy LABL, Inc. outstanding debt (2)		1,598,326
Cash consideration paid to escrow, net (1)		4,712
Total cash consideration		2,999,444
Cash acquired (3)		(66,479)
Net cash consideration transferred	$	2,932,965

(1) Cash consideration paid to the seller and Legacy LABL, Inc. stockholders includes $1,289,862 that was paid directly from CD&R to the seller at the closing and $21,020 paid directly from CD&R to the seller subsequent to closing pursuant to the Agreement and Plan of Merger. In addition, the cash paid to escrow was paid directly from CD&R.
(2) The cash consideration to repay Legacy LABL, Inc's outstanding third-party long-term debt. The amount repaid includes principal and interest outstanding on the obligations as of October 29, 2021.
(3) Represents the Legacy LABL, Inc. cash balance acquired on October 29, 2021.

Upon closing, $17,500 of the purchase price was deposited into an escrow account in accordance with the purchase agreement. During the twelve months ended December 31, 2022 (Successor), $12,788 of the escrow balance was released back to CD&R, and the remaining balance of $4,712 was released to the seller. The escrow amount was to settle any final purchase price adjustments in accordance with the Agreement and Plan of Merger. The $12,788 was recorded as an adjustment to paid-in capital as it was an adjustment to cash consideration paid by CD&R. This transaction has no impact on the Company's consolidated statements of cash flows.

Purchase Price Allocation and Other Items

The determination of the purchase price allocation to specific assets acquired and liabilities assumed was completed during the twelve months ended December 31, 2022 (Successor). The purchase price for Legacy LABL, Inc. has been allocated to individual assets acquired and liabilities assumed as follows:

	October 29, 2021 (as initially reported)	Measurement Period Adjustments	October 29, 2021 (final)
Assets acquired:			
Accounts receivable	$ 417,186	$ (233)	$ 416,953
Inventories	229,195	(7,303)	221,892
Property, plant and equipment	799,851	(1,674)	798,177
Operating lease assets	144,726	(15,946)	128,780
Intangible assets	1,630,000	10,000	1,640,000
Goodwill	2,007,538	25,470	2,033,008
Deferred tax assets	2,168	41	2,209
Other assets	129,531	(10,522)	119,009
Total assets acquired	5,360,195	(167)	5,360,028
Liabilities assumed:			
Debt	1,456,168	-	1,456,168
Finance leases	68,443	-	68,443
Accounts payable	275,139	(2,505)	272,634
Obligations under operating lease agreements	136,036	(4,528)	131,508
Accrued expenses and other liabilities	159,608	(793)	158,815
Deferred tax liabilities	340,068	(573)	339,495
Total liabilities assumed	2,435,462	(8,399)	2,427,063
Net assets acquired	$ 2,924,733	$ 8,232	$ 2,932,965

As a result of further refining its estimates and assumptions, the Company recorded measurement period adjustments to the initial opening balance sheet. During the measurement period, goodwill increased by $25,470 due to measurement period adjustments, primarily resulting from a $15,946 decrease in the valuation of operating lease assets, a $7,303 decrease in the valuation of inventories, and a $10,522 decrease in the valuation of other assets, partially offset by a $10,000 increase in the valuation of intangible assets. The net impact on earnings as a result of these measurement period adjustments was immaterial during the twelve months ended December 31, 2022 (Successor).

The fair value of identifiable intangible assets acquired and their estimated useful lives are as follows:

	Fair Value	Useful Lives
Customer relationships	$ 1,270,000	14 years
Trade name	360,000	28 years
Technology	10,000	3 years
Total identifiable intangible assets	$ 1,640,000	

Identifiable intangible assets are amortized over their useful lives based upon a number of assumptions including the estimated period of economic benefit and utilization. The fair value of the identifiable intangible assets has been estimated using the income approach through a discounted cash flow analysis. The cash flows are based on estimates used to price the Legacy LABL, Inc. acquisition, and the discount rates applied were benchmarked with reference to the implied rate of return to the Company's pricing model and weighted-average cost of capital. The weighted-average amortization period for all identifiable intangible assets is 17.0 years in total. In addition to the identifiable intangible assets in the table above, the Company identified an approximate $6,054 off-market real property lease intangible asset which is recorded in operating lease assets. The off-market real property lease intangible asset will be amortized over the remaining lease terms of the respective leases (approximately 8.0 years in total).

The goodwill for Legacy LABL, Inc. is attributable to combining the acquired global footprint and operational strength in North America to enable Legacy LABL, Inc. to become the largest pure-play label solutions provider, with the largest global market share in food and beverage, wine and spirits, and in-mold and the second largest global market share in home and personal care. Goodwill arising from the Legacy LABL, Inc. acquisition is not deductible for income tax purposes. The Company recorded $53,548 in acquisition expenses related to the Legacy LABL, Inc. transaction from January 1, 2021 to October 29, 2021 (Predecessor) and $11,507 from October 30, 2021 to December 31, 2021 (Successor). The Company also recorded $1,162 in acquisition expenses related to the Legacy LABL, Inc. transaction during the twelve months ended December 31, 2022 (Successor). These expenses are recorded in transaction, integration and restructuring costs in the consolidated statements of operations.

FDC

On October 29, 2021, the Company completed its acquisition of FDC. Prior to the acquisition, FDC was a leading provider of label solutions in North America and supported several domestic and international customers. The Company believes that the acquisition, coupled with the Legacy LABL, Inc. acquisition, creates a combined label company that has significant scale and end market, customer and product diversification.

The following table summarizes the final net cash consideration transferred to acquire FDC.

Cash consideration paid to the seller	$	486,218
Cash consideration paid for the repayment of FDC outstanding debt (1)		788,256
Cash consideration paid to escrow, net		17,276
Seller expenses reimbursed by the buyer (2)		13,825
Total cash consideration	$	1,305,575

(1) The cash consideration to repay FDC's outstanding third party long-term debt. The amount repaid includes principal and interest outstanding on the obligations as of October 29, 2021.
(2) Pursuant to the Agreement and Plan of Merger, LABL reimbursed the sellers of FDC for transaction related expenses incurred by FDC in connection with the acquisition. These expenses primarily related to third-party consulting services.

Upon closing, $22,500 of the purchase price was deposited into an escrow account in accordance with the purchase agreement. During the twelve months ended December 31, 2022 (Successor), $5,224 of the escrow balance was released back to the Company and the remaining $17,276 was released to the seller. The escrow amount was to settle any final purchase price adjustments in accordance with the purchase agreement.

Purchase Price Allocation and Other Items

The determination of the purchase price allocation to specific assets acquired and liabilities assumed was completed during the twelve months ended December 31, 2022 (Successor). The purchase price for FDC has been allocated to individual assets acquired and liabilities assumed as follows:

		October 29, 2021 (as initially reported)		Measurement Period Adjustments		October 29, 2021 (final)
Assets acquired:						
Accounts receivable	$	133,335	$	(48)	$	133,287
Inventories		88,838		(19,520)		69,318
Property, plant and equipment		208,267		16,630		224,897
Operating lease assets		27,574		(2,130)		25,444
Intangible assets		530,000		(50,000)		480,000
Goodwill		561,270		24,857		586,127
Other assets		46,565		10,646		57,211
Total assets acquired		1,595,849		(19,565)		1,576,284
Liabilities assumed:						
Finance leases		30,802		(30)		30,772
Accounts payable		76,884		(1,866)		75,018
Obligations under operating lease agreements		27,574		-		27,574
Accrued expenses and other liabilities		45,943		(682)		45,261
Deferred tax liabilities		103,847		(11,763)		92,084
Total liabilities assumed		285,050		(14,341)		270,709
Net assets acquired	$	1,310,799	$	(5,224)	$	1,305,575

As a result of further refining its estimates and assumptions, the Company recorded measurement period adjustments to the initial opening balance sheet. During the measurement period, goodwill increased by $24,857 due to measurement period adjustments, primarily resulting from a $50,000 decrease in the valuation of intangible assets and a $19,520 decrease in the valuation of inventories, partially offset by a $16,630 increase in the valuation of property, plant and equipment, a $11,763 decrease in the valuation of deferred tax liabilities, and a $10,646 increase in the valuation of other assets. The net impact on earnings as a result of these measurement period adjustments were immaterial during the twelve months ended December 31, 2022 (Successor).

The fair value of the identifiable intangible asset acquired and its estimated useful life is as follows:

	Fair Value	Useful Life
Customer relationships	$ 480,000	14 years
Total identifiable intangible asset	$ 480,000	

The identifiable intangible asset is being amortized over its useful life based upon a number of assumptions including the estimated period of economic benefit and utilization. The fair value of the identifiable intangible asset has been estimated using the income approach through a discounted cash flow analysis. The cash flows are based on estimates used to price the FDC acquisition, and the discount rates applied were benchmarked with reference to the implied rate of return to the Company's pricing model and weighted-average cost of capital.

The goodwill for FDC is attributable to combining LABL's global footprint with FDC's strength in North America to enable LABL to become the largest pure-play label solutions provider, with the largest global market share in food & beverage, wine & spirits, and in-mold and the second largest global market share in home & personal care. Goodwill arising from the FDC acquisition is not deductible for income tax purposes. The Company recorded $26,498 in acquisition expenses related to the FDC acquisition in the period from October 30, 2021 to December 31, 2021 (Successor), which is recorded in transaction, integration and restructuring costs in the consolidated statement of operations.

Hexagon Label Group ("Hexagon")

On September 30, 2021, Legacy LABL, Inc. acquired 100% of New Zealand-based Hexagon for $283,431 less cash acquired of $4,008. Hexagon was a privately-owned group of businesses producing self-adhesive labels, shrink sleeves, linerless wraps and other solutions for customers across Australia and New Zealand. The Legacy LABL, Inc. and Hexagon businesses are highly complementary as combined businesses in the Australian and New Zealand markets. The results of Hexagon's operations were included in the results of operations of Legacy LABL, Inc. from September 30, 2021 through the remainder of the period from January 1, 2021 to October 29, 2021 (Predecessor) and throughout October 30, 2021 to December 31, 2021 (Successor).

Legacy LABL, Inc. recorded $6,024 in acquisition expenses related to the Hexagon acquisition. These expenses were recorded in transaction, integration and restructuring costs in the consolidated statement of operations in the January 1, 2021 to October 29, 2021, (Predecessor).

John Herrod and Associates Pty Ltd ("Herrods")

On March 31, 2021, Legacy LABL, Inc. acquired 100% of Herrods, located in Melbourne, Australia, for $19,826 plus net debt assumed of $3,204. Herrods, a leading producer of IML in Australia and New Zealand, allows the Company to expand its IML footprint in the Asia Pacific region and complements the Company's existing IML business currently in Europe and the U.S.

The results of Herrods' operations were included in the Legacy LABL Inc's results of operations from March 31, 2021 through the remainder of the period from January 1, 2021 to October 29, 2021 (Predecessor) and throughout October 30, 2021 to December 31, 2021 (Successor).

Legacy LABL, Inc. recorded $896 in acquisition expenses related to the Herrods acquisition. These expenses were recorded in transaction, integration and restructuring costs in the consolidated statement of operations in the January 1, 2021 to October 29, 2021, (Predecessor).

Pro Forma Information (Unaudited)

The following table provides the unaudited pro forma results of operations as if Legacy LABL, Inc., FDC, Skanem, Hexagon and Herrods had been acquired as of January 1, 2020. The following pro forma results include adjustments to reflect additional interest expense to fund the acquisitions, amortization of identifiable intangible assets associated with the acquisitions and effects of adjustments made to carrying values of certain assets. However, pro forma results do not include any anticipated synergies from the acquisitions and are not indicative of the results that would have occurred if the acquisition had occurred on the date indicated or that may result in the future.

	Successor	Predecessor	
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Net revenues	$ 500,605	$ 2,659,268	$ 3,058,204
Net loss attributable to LABL, Inc.	(81,581)	(176,225)	(58,039)

6. Inventories, Net

The Company's inventories, net consisted of the following as of:

	Successor	
	December 31, 2022	December 31, 2021
Finished goods	**$ 131,672**	$ 117,532
Work-in-process	**33,254**	41,930
Raw materials	**192,861**	158,518
Total inventories, net	**$ 357,787**	$ 317,980

Inventories are recorded net of reserves for obsolete and excess inventory of $13,749 and $0 as of December 31, 2022 (Successor) and 2021 (Successor), respectively.

7. Property, Plant and Equipment, Net

The Company's property, plant and equipment, net consisted of the following as of:

	Successor	
	December 31, 2022	December 31, 2021
Land	**$ 28,555**	$ 36,550
Buildings	**248,323**	223,906
Machinery and equipment	**815,760**	697,254
Furniture, fixtures, computer equipment and software	**27,886**	27,999
Construction in progress	**44,908**	105,652
Property, plant and equipment, gross	**1,165,432**	1,091,361
Accumulated depreciation	**(164,732)**	(57,498)
Property, plant and equipment, net	**$ 1,000,700**	$ 1,033,863

8. Goodwill and Intangible Assets, Net

The changes in the Company's goodwill consisted of the following:

Balance as of December 31, 2021 (Successor)	**$ 2,659,253**
Acquisition consideration and measurement period adjustments related to prior year acquisitions, net	(2,521)
Acquisition of Flexcoat	23,033
Acquisition of Lux	8,939
Currency translation	(79,849)
Balance as of December 31, 2022 (Successor)	**$ 2,608,855**

Testing for impairment of goodwill must be performed annually, or on an interim basis upon the occurrence of triggering events or substantive changes in circumstances that indicate that the fair value of a reporting unit may have decreased below its carrying value. The Company's annual goodwill impairment assessment is performed as of October 1st.

No events or changes in circumstances occurred in the twelve months ended December 31, 2022 (Successor) that required interim goodwill impairment testing. In conjunction with the annual impairment tests as of October 1, 2022, the Company performed quantitative assessments for all five of its reporting units.

When performing the annual goodwill impairment assessments, the Company estimated the fair value of each reporting unit using a combination of: (i) a market approach based on multiples of revenues and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") from recent comparable transactions and other market data; and (ii) an income approach based on expected future cash flows discounted at rates ranging between 10.5% and 11.5%. The discount rates reflect the risk associated with each respective reporting unit, including the industry and geographies in which they operate. The discount rate may be impacted by adverse changes in the macroeconomic environment, the ability of the Company to achieve its most recent forecasts and other factors not known at this time. These assumptions are typically not considered individually because assumptions used to select one variable should also be considered when selecting other variables; however, sensitivity of the overall fair value assessment to each significant variable was also considered.

The market and income approaches were weighted evenly based on judgment of the comparability of the recent transactions and the risks inherent in estimating future cash flows. The Company considered recent economic and industry trends, as well as risk in executing current plans from the perspective of a hypothetical buyer in estimating expected future cash flows in the income approach.

For all five reporting units, the impairment tests did not indicate impairment as the estimated fair value of each reporting unit exceeded the carrying amount as of October 1, 2022. However, as a result of the acquisitions previously discussed, the estimated fair value, as calculated, for all five of the Company's reporting units only ranged from approximately 4% to 38% greater than their carrying value. During the remainder of the twelve months ended December 31, 2022 (Successor), there were no significant adverse changes to the Company's previous forecasts or in macroeconomic conditions that triggered an interim impairment review.

During the twelve months ended December 31, 2020 (Predecessor), certain amounts of goodwill previously recorded on certain Legacy LABL, Inc. reporting units were fully or partially impaired. The aggregate goodwill impairment recorded during the twelve months ended December 31, 2020 (Predecessor) was $39,874, which was not deductible for income tax purposes. The impairment assessment consisted of determining each reporting unit's current fair value compared to its current carrying value.

The Company is required to provide additional disclosures about fair value measurements as part of the consolidated financial statements for each major category of assets and liabilities measured at fair value on a nonrecurring basis (including impairment assessments). Goodwill is valued using Level 3 inputs, which are unobservable by nature, and include internal estimates of future cash flows (income approach). Significant increases or decreases in any of those unobservable inputs in isolation would result in a significantly higher or lower fair value measurement. Future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill, including discount and tax rates or future cash flow projections, could result in significantly different estimates of the fair values for purposes of the annual goodwill impairment test. While the Company continues to mitigate adverse financial impacts that could result from future changes in the business, inability to successfully integrate newly acquired companies, or unforeseen market and economic conditions, such changes could significantly reduce estimated future cash flows that result in a material non-cash impairment loss of goodwill.

The Company's intangible assets, net consisted of the following as of:

	Successor					
	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	**$ 1,745,754**	**$ (144,619)**	**$ 1,601,135**	$ 1,790,000	$ (23,333)	$ 1,766,667
Trademarks and trade names	**344,982**	**(14,428)**	**330,554**	360,000	(1,917)	358,083
Technology	**9,239**	**(3,594)**	**5,645**	10,000	-	10,000
Total	**$ 2,099,975**	**$ (162,641)**	**$ 1,937,334**	$ 2,160,000	$ (25,250)	$ 2,134,750

The intangible assets were established in connection with completed acquisitions. They are amortized, using the straight-line method, over their estimated useful lives which were assigned based on a number of assumptions including customer attrition rates, percentage of revenue attributable to technologies, royalty rates and projected future revenue growth. The weighted-average amortization period for all intangible assets is 16.3 years as of December 31, 2022 (Successor). The Company recorded amortization of intangible assets in SG&A expenses in the consolidated statements of operations as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Amortization of intangible assets	**$ 136,461**	$ 25,250	$ 54,512	$ 54,628

The estimated useful lives for each intangible asset class are as follows:

Customer relationships	14 years
Trademarks and trade names	28 years
Technology	3 years

The estimated annual amortization expense for future years is as follows:

2023	$	140,171
2024		139,658
2025		137,091
2026		137,091
2027		137,091
Thereafter		1,246,232
Total	$	1,937,334

9. Debt

The components of the LABL's debt consisted of the following as of:

	Successor					
	December 31, 2022			December 31, 2021		
	Principal	**Unamortized Debt Issuance Costs, Premiums and Discounts**	**Debt Less Unamortized Debt Issuance Costs, Premiums and Discounts**	Principal	Unamortized Debt Issuance Costs and Discounts	Debt Less Unamortized Debt Issuance Costs and Discounts
10.50% Senior Notes (1)	**$ 690,000**	**$ 31,816**	**$ 721,816**	$ 690,000	$ 37,255	$ 727,255
8.25% Senior Notes (1)	**460,000**	**(16,074)**	**443,926**	460,000	(17,689)	442,311
6.75% Senior Secured Notes (1)	**700,000**	**19,134**	**719,134**	700,000	23,731	723,731
5.875% Senior Secured Notes (1)	**500,000**	**(11,465)**	**488,535**	500,000	(13,009)	486,991
Asset-Based Revolving Credit Facility	**221,000**	**-**	**221,000**	103,000	-	103,000
Cash Flow Credit Agreement						
Term Loan B-USD Facility (2)	**1,647,756**	**(49,132)**	**1,598,624**	1,664,400	(59,798)	1,604,602
Term Loan B-EUR Facility (2)	**529,799**	**(18,214)**	**511,585**	568,650	(22,948)	545,702
Finance leases	**92,567**	**-**	**92,567**	107,677	-	107,677
Other subsidiary debt	**246**	**-**	**246**	411	-	411
Total debt	**4,841,368**	**(43,935)**	**4,797,433**	4,794,138	(52,458)	4,741,680
Less current portion of long-term debt	**(38,976)**	**-**	**(38,976)**	(39,245)	-	(39,245)
Total long-term debt	**$ 4,802,392**	**$ (43,935)**	**$ 4,758,457**	$ 4,754,893	$ (52,458)	$ 4,702,435

(1) The 10.50% Senior Notes, 8.25% Senior Notes, 6.75% Senior Secured Notes and 5.875% Senior Secured Notes are due on July 15, 2027, November 1, 2029, July 15, 2026 and November 1, 2028, respectively.

(2) LABL is required to make regular principal payments on the outstanding borrowings under the Cash Flow Credit Agreement related to the Term Loan B-USD Facility and Term Loan B-EUR Facility. The principal payments are due on the last day of March, June, September and December of each year through the maturity date of October 29, 2028.

The fair values of the 10.50% Senior Notes, 8.25% Senior Notes, 6.75% Senior Secured Notes and the 5.875% Senior Secured Notes are based on observable inputs, including quoted market prices (Level 2). The fair values of these notes are as follows at:

	Successor	
	December 31, 2022	December 31, 2021
10.50% Senior Notes	**$ 633,075**	$ 715,875
8.25% Senior Notes	**365,700**	450,800
6.75% Senior Secured Notes	**659,750**	715,750
5.875% Senior Secured Notes	**425,000**	507,500

The carrying value of debt under the Asset-Based Revolving Credit Facility and Cash Flow Credit Agreement approximates fair value due to such borrowings bearing variable interest rates that correspond to current market rates.

The following is a schedule of future annual principal payments as of December 31, 2022 (Successor), excluding those related to finance lease obligations:

January 2023 - December 2023	$	22,242
January 2024 - December 2024		21,996
January 2025 - December 2025		21,996
January 2026 - December 2026		942,996
January 2027 - December 2027		711,996
Thereafter		3,027,575
Total	$	4,748,801

10.50% Senior Notes

On July 1, 2019, Legacy LABL, Inc. obtained senior unsecured note financing in the original aggregate principal amount of $690,000 (the "10.50% Senior Notes"). The 10.50% Senior Notes were assumed by LABL in the acquisition of Legacy LABL, Inc. on October 29, 2021. The 10.50% Senior Notes bear interest at a fixed rate of 10.50% annually, with interest payments of $36,225 due semi-annually beginning on January 15, 2020 and the principal due upon maturity on July 15, 2027. The indenture gives LABL optional early redemptions beginning July 15, 2022 at specified redemption prices plus accrued and unpaid interest to, but excluding, the date of redemption. As of December 31, 2022 (Successor), LABL has not redeemed any portion of the 10.50% Senior Notes.

The 10.50% Senior Notes are guaranteed by each wholly owned domestic subsidiary of LABL that guarantees the ABL Facility and the Cash Flow Facilities (defined below) and are unsecured obligations of LABL and such subsidiary guarantors.

The 10.50% Senior Notes are subject to covenants, including, among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to pay the 10.50% Senior Notes when due. There are also certain circumstances where certain covenants will not apply if LABL achieves an investment grade rating and in the absence of any default or event of default.

8.25% Senior Notes

On October 29, 2021, in connection with the acquisition of Legacy LABL, Inc. by CD&R, LABL obtained senior unsecured note financing in the original aggregate principal amount of $460,000 (the "8.25% Senior Notes"). The 8.25% Senior Notes bear interest at a fixed rate of 8.25% annually, and interest payments of $18,975 are due semi-annually on November 1 and May 1 of each year. The 8.25% Senior Notes mature on November 1, 2029.

The indenture governing the 8.25% Senior Notes gives LABL optional early redemption beginning on and after November 1, 2024, at specified redemption prices plus accrued and unpaid interest to, but excluding, the date of redemption. Prior to November 1, 2024, LABL may redeem some or all of the 8.25% Senior Notes at a price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the date of redemption, plus a "make-whole" premium. In addition, prior to November 1, 2024, LABL may redeem up to 40% of the 8.25% Senior Notes with the proceeds of one of more equity offerings, at a price equal to 108.25% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the date of redemption.

The 8.25% Senior Notes are guaranteed by each wholly owned domestic subsidiary of LABL that guarantees the ABL Facility and the Cash Flow Facilities (defined below) and are unsecured obligations of LABL.

The 8.25% Senior Notes are subject to covenants, including, among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to pay the 8.25% Senior Notes when due. There are also certain circumstances where certain covenants will not apply if LABL achieves an investment grade rating and in the absence of any default or event of default.

6.75% Senior Secured Notes

On July 1, 2019, Legacy LABL, Inc. obtained senior secured note financing in the original aggregate principal amount of $700,000 (the "6.75% Senior Secured Notes"). The 6.75% Senior Secured Notes were assumed by LABL in the acquisition of Legacy LABL, Inc. on October 29, 2021. The 6.75% Senior Secured Notes bear interest at a fixed rate of 6.75% annually, with interest payments of $23,625 due semi-annually on January 15 and July 15 of each year. The 6.75% Senior Secured Notes mature on July 15, 2026.

The indenture governing the 6.75% Senior Secured Notes permits optional early redemptions beginning July 15, 2022 at specified redemption prices plus accrued and unpaid interest to, but excluding, the date of redemption. As of December 31, 2022 (Successor), LABL has not redeemed any portion of the 6.75% Senior Secured Notes.

The 6.75% Senior Notes are guaranteed by each wholly owned domestic subsidiary of LABL that guarantees the ABL Facility and the Cash Flow Facilities (defined below) and are secured by substantially all of the assets of LABL and such subsidiary guarantors.

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The 6.75% Senior Secured Notes are subject to covenants including among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to pay the 6.75% Senior Secured Notes when due. There are also certain circumstances where certain covenants will not apply if LABL achieves an investment grade rating and in the absence of any default or event of default.

5.875% Senior Secured Notes

On October 29, 2021, in connection with the acquisition of Legacy LABL, Inc. by CD&R, LABL obtained senior secured note financing in the original aggregate principal amount of $500,000 (the “5.875% Senior Secured Notes”). The 5.875% Senior Secured Notes bear interest at a fixed rate of 5.875% annually, interest payments of $14,688 due semi-annually thereafter on May 1 and November 1 of each year. The 5.875% Senior Secured Notes mature on November 1, 2028.

The indenture governing the 5.875% Senior Secured Notes permits optional early redemptions beginning November 1, 2024, at specified redemption prices plus accrued and unpaid interest to, but excluding, the date of redemption. Prior to November 1, 2024, LABL may redeem some or all of the 5.875% Senior Secured Notes at a price equal to 100% of the principal amount redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption, plus a “make-whole” premium. In addition, prior to November 1, 2024, LABL may redeem (i) up to 40% of the 5.875% Senior Secured Notes with the proceeds of one or more equity offerings, at a price equal to 105.875% of the principal amount redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption and (ii) up to 10% of the 5.785% Senior Secured Notes during any 12 month period, at a price equal to 103.00% of the principal amount redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption.

The 5.875% Senior Notes are guaranteed by each wholly owned domestic subsidiary of LABL that guarantees the ABL Facility and the Cash Flow Facilities (defined below) and are secured by substantially all of the assets of LABL and such subsidiary guarantors.

The 5.875% Senior Notes are subject to covenants, including among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to pay the 5.875% Senior Secured Notes when due. There are also certain circumstances where certain covenants will not apply if LABL achieves an investment grade rating and in the absence of any default or event of default.

Asset-Based Revolving Credit Facility

On October 29, 2021, LABL entered into an asset-based credit agreement providing for revolving credit commitments in the aggregate principal amount of $500,000. On November 16, 2022, LABL entered into Amendment No. 1 to the asset-based credit agreement (as amended, the “ABL Facility”), which increased the aggregate principal amount from $500,000 to $590,000. In addition, Amendment No. 1 modifying the applicable reference rate from LIBOR to SOFR.

The ABL Facility consists of a $430,000 U.S. sub-facility, a $15,000 French sub-facility and a $145,000 global sub-facility, with letter of credit sub-limits of $80,000 under the U.S. sub-facility, $5,000 under the French sub-facility and $15,000 under the global sub-facility and swing-line loan sub-limits of $45,000 under the U.S. sub-facility and $5,000 under the global sub-facility. The revolving credit commitments under the ABL Facility expire on October 29, 2026 (except if the 10.50% Senior Notes or the 6.75% Senior Secured Notes mature prior to October 29, 2026 and if, on the date that is 91 days prior to October 29, 2026 (the “Existing Notes Springing Maturity Date”), there is at least the greater of $180,000 and 25% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of LABL are available of indebtedness outstanding under the 10.50% Senior Notes or the 6.75% Senior Secured Notes, in which case the ABL Facility will mature on the Existing Notes Springing Maturity Date. The ABL Facility is available for borrowings by LABL, certain U.S. subsidiaries of LABL (LABL and such U.S. subsidiaries, the “U.S. Borrowers”), certain French subsidiaries of LABL (the “French Borrowers”) and certain Belgian, Canadian, English, German, Irish, New Zealand and Scottish subsidiaries of LABL (the “Non-U.S. Borrowers”), subject to multiple separate U.S. and foreign borrowing bases each providing availability based on specified percentages of some or all of the following: specified percentages of eligible accounts receivable, eligible inventory, eligible credit card receivables (if applicable) and eligible cash, minus reserves.

The ABL Facility bears interest at a per-annum floating rate equal to, (a) in the case of U.S. dollar denominated loans, (i) the secured overnight financing rate published on the Federal Reserve Bank of New York’s website (“SOFR”) as of five business days prior to such date (the “Daily Simple SOFR Rate”), (ii) the forward-looking term rate based on SOFR for the relevant interest period published by the CME Group Benchmark Administration Limited (CBA) as of two business days prior to such date (the “Term SOFR Rate”) or (iii) the highest of the “Prime Rate” in the United States as published in the Wall Street Journal from time to time, the overnight federal funds rate plus 0.50% per annum and the one-month Term SOFR Rate plus 1.00% per annum (the “Base Rate”), (b) in the case of Canadian dollar denominated loans, (i) the higher of the PRIMCAN Index rate that appears on the Bloomberg screen on such date and the average annual yield rate for one-month Canadian dollar bankers’ acceptances plus 1.00% per annum (the “Canadian Prime Rate”) or (ii) the average rate applicable to Canadian dollar bankers’ acceptances for the applicable period adjusted for statutory reserve requirements, if any (“Adjusted CDOR Rate”), (c) in the case of Euro denominated loans, the Euro interbank offered rate for Euros for the relevant interest period, adjusted for statutory reserve requirements (“Adjusted EURIBOR”), (d) in the case of Pound Sterling denominated loans, the sterling overnight index average, simple rate methodology (with look back) (“SONIA”), (e) in the case of Australian dollar denominated loans, the average bid reference rate administered by ASX Benchmarks Pty Limited for Australian dollar bills of exchange for the relevant period adjusted for statutory reserve requirements, if any ("Adjusted AUD Rate") and (f) in the case of New Zealand dollar denominated loans, the New Zealand bank bill reference rate (bid) administered by the New Zealand Financial Benchmark Authority for the relevant period adjusted for statutory reserve requirements, if any ("Adjusted NZD Rate"), in each case subject to a "floor" of 0.00%, and in each case plus an applicable margin ranging, based on the average daily excess availability under the ABL Facility, from 0.25% to 0.75% in the case of Base Rate and Canadian Prime Rate loans and 1.25% to 1.75% in the case of Daily Simple SOFR Rate, Term SOFR Rate, Adjusted CDOR Rate, Adjusted EURIBOR, SONIA, Adjusted AUD Rate and Adjusted NZD Rate loans. The ABL Facility also bears a commitment fee of 0.25% per annum on the average daily undrawn portion of the revolving credit commitments, as well as customary letter of credit fees.

The ABL Credit Agreement permits optional prepayments of loans and terminations of revolving credit commitments from time to time, without premium or penalty but subject to breakage costs.

All obligations under the ABL Facility are guaranteed by (i) LABL Acquisition Corporation ("LABL Midco"), (ii) each direct and indirect wholly owned U.S. restricted subsidiary of LABL that is not a U.S. Borrower, subject to customary exceptions (the "U.S. Subsidiary Guarantors"), and (iii) each U.S. Borrower (other than with respect to its own primary obligations). Subject to local law limitations, all obligations under the French sub-facility under the ABL Facility are guaranteed by each direct and indirect wholly owned French restricted subsidiary of LABL that is not a French Borrower (the "French Subsidiary Guarantors"). Subject to local law limitations, all obligations under the French and global sub-facilities under the ABL Facility (other than borrowings to a U.S. Borrower under the global sub-facility) are guaranteed by (a) each direct and indirect wholly owned Australian, Belgian, Canadian, English, German, Irish, Mexican, New Zealand and Scottish restricted subsidiary of LABL that is not a Non-U.S. Borrower (collectively with the French Subsidiary Guarantors, the "Non-U.S. Subsidiary Guarantors ") and (b) each Non-U.S. Borrower other than the French Borrower (other than with respect to its own primary obligations), in each case subject to customary exceptions. All applicable obligations under the ABL Facility are secured by the equity interests in LABL owned by LABL Midco and by substantially all of the assets of the U.S. Borrowers, the French Borrowers, the Non-U.S. Borrowers, the U.S. Subsidiary Guarantors and the Non-U.S. Subsidiary Guarantors.

The ABL Facility is subject to covenants, including, among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to repay the ABL Facility when due. In addition, the ABL Credit Agreement requires that, during any period in which its liquidity cushion falls below a certain threshold and until such liquidity cushion has been above such threshold for at least 20 calendar days, LABL maintain a fixed charge coverage ratio of at least 1:00 to 1:00.

At both December 31, 2022 (Successor) and 2021 (Successor), there were $221,000 and $103,000 of outstanding borrowings under the ABL Facility, respectively. As of December 31, 2022 (Successor) and 2021 (Successor), available borrowings under the ABL Facility were $291,842 and $228,072, respectively.

Cash Flow Credit Facilities

On October 29, 2021, in connection with the acquisition of Legacy LABL, Inc. by CD&R, LABL entered into a credit agreement (the "Cash Flow Credit Agreement") providing for (i) a USD-denominated term loan B facility (the "Term Loan B-USD Facility") in the original aggregate principal amount of $1,644,400, (ii) EUR-denominated term loan B facility (the "Term Loan B-EUR Facility", and together with the Term Loan B-USD Facility, the "Term Loan Facilities") in an aggregate original principal amount of approximately $579,900, and (iii) a cash flow revolving credit facility (the "Cash Flow Revolver") and together with the Term Loan Facilities, (the "Cash Flow Facilities") in the aggregate principal amount of $200,000, with a letter of credit sub-limit of $100,000 and a swing-line loan sub-limit of $50,000, which is available for borrowings by the U.S. Borrowers. The Term Loan Facilities mature on October 29, 2028. The Cash Flow Revolver expires on October 29, 2026 (except if the 10.50% Senior Notes or the 6.75% Senior Secured Notes mature prior to October 29, 2026 and if, on the Existing Notes Springing Maturity date, there is at least the greater of $180,000 and 25% of pro forma EBITDA for the four most recently ended fiscal quarters for which financial statements of LABL are available of indebtedness outstanding under the 10.50% Senior Notes or the 6.75% Senior Secured Notes, in which case the Cash Flow Revolver will mature on the Existing Notes Springing Maturity Date).

The Term Loan B-USD Facility bears interest at a per-annum floating rate equal to (i) Adjusted LIBOR plus 5.00% subject to a "floor" of 0.50% or (ii) the Base Rate plus 4.00%. The Term Loan B-EUR Facility bears interest at a per-annum floating rate equal to Adjusted EURIBOR plus 5.00%, subject to a "floor" of 0.00% . The Cash Flow Revolver bears interest at a per-annum floating rate equal to (a) in the case of U.S. dollar denominated loans, (i) Adjusted LIBOR plus an applicable margin ranging from 3.50% to 4.00% based on LABL's senior secured leverage ratio, subject to a "floor" of 0.00%; or (ii) the Base Rate plus an applicable margin ranging from 2.50% to 3.00% based on LABL's senior secured leverage ratio, (b) in the case of Canadian dollar denominated loans, (i) the Canadian Prime Rate plus an applicable margin ranging from 2.50% to 3.00% based on LABL's senior secured leverage ratio or (ii) the Adjusted CDOR Rate plus an applicable margin ranging from 3.50% to 4.00% based on LABL's senior secured leverage ratio, subject to a "floor" of 0.00%, (c) in the case of Australian dollar denominated loans, the Adjusted AUD Rate plus an applicable margin ranging from 3.50% to 4.00% based on LABL's senior secured leverage ratio, subject to a "floor" of 0.00%, (d) in the case of Euro denominated loans, adjusted EURIBOR plus an applicable margin ranging from 3.50% to 4.00% based on LABL's senior secured leverage ratio, subject to a "floor" of 0.00%, and (e) in the case of Pound Sterling denominated loans, SONIA, plus an applicable margin ranging from 3.50% to 4.00% based on LABL's senior secured leverage ratio, subject to a "floor" of 0.00%. The Cash Flow Revolver also bears a commitment fee ranging from 0.25% to 0.50% per annum, based on LABL's senior secured leverage ratio, on the average daily undrawn portion of the revolving credit commitments, as well as customary letter of credit fees.

Beginning on March 31, 2022, the Term Loan Facilities amortize on the last business day of each fiscal quarter ending prior to the maturity date of Term Loan Facilities in an amount equal to 1.00% of the original aggregate principal amount thereof. The Cash Flow Credit Agreement permits optional prepayments of loans and terminations of revolving credit commitments from time to time and otherwise without premium or penalty but subject to breakage costs.

All obligations under the Cash Flow Facilities are guaranteed by (i) LABL Midco, (ii) the U.S. Subsidiary Guarantors, and (iii) each U.S. Borrower (other than with respect to its own primary obligations). All obligations under the Cash Flow Facilities are secured by the equity interests in LABL owned by LABL Midco and by substantially all of the assets of the U.S. Borrowers and the U.S. Subsidiary Guarantors.

The Cash Flow Facilities are subject to covenants, including, among others, restrictions on obtaining additional third-party debt, distributions to stockholders and conducting transactions with affiliates, all of which could limit the ability of LABL to repay the Cash Flow Facilities when due. In addition, the Cash Flow Credit Agreement requires that, if as of the last day of any fiscal quarter after the outstanding amount of loans and drawn letters of credit under the Cash Flow Revolver exceed 40% of the aggregate amount of the revolving credit commitments, LABL maintain a secured leverage ratio of at least 8:00 to 1.00.

At both December 31, 2022 (Successor) and 2021 (Successor), there were no outstanding borrowings under the Cash Flow Revolver and available borrowings under the Cash Flow Revolver were $200,000.

Foreign Uncommitted Lines

LABL also has various foreign uncommitted lines of credit available as of December 31, 2022 (Successor) and 2021 (Successor) in the aggregate amount of $16,584 and $17,361, respectively.

Variable Interest Rates

The interest rates on LABL's variable borrowings are as follows as of:

	Successor	
	December 31, 2022	December 31, 2021
Asset-Based Revolving Credit Facility	**5.88%**	1.66%
Term Loan B-USD Facility	**8.74%**	5.50%
Term Loan B-EUR Facility	**6.90%**	5.00%

Debt Issuance Costs, Premiums and Discounts

In conjunction with the issuance of debt, LABL incurred debt issuance costs, which are deferred and amortized over the term of the respective debt instrument. The debt issuance costs related to notes and term loan debt are recorded as a reduction in long-term debt in the consolidated balance sheets. The debt issuance costs related to revolving credit facilities are recorded to prepaid expenses and other non-current assets in the consolidated balance sheets.

The amount of debt issuance costs deferred and the remaining amount of unamortized issuance costs to be amortized are as follows as of:

		Remaining Debt Issuance Costs to be Amortized	
		Successor	
	Debt Issuance Costs Deferred	**December 31, 2022**	December 31, 2021
10.50% Senior Notes	$ 1,649	**$ 1,312**	$ 1,600
8.25% Senior Notes	17,987	**16,074**	17,689
6.75% Senior Secured Notes	1,673	**1,258**	1,614
5.875% Senior Secured Notes	13,301	**11,465**	13,009
Asset-Based Revolving Credit Facility	8,763	**6,822**	7,878
Cash Flow Revolver	5,088	**3,910**	4,913
Term Loan B-USD Facility	36,627	**29,215**	35,541
Term Loan B-EUR Facility	15,233	**12,153**	14,787

In conjunction with Amendment No. 1 to the Asset-Based Revolving Credit Facility, the Company incurred $565 in debt issuance costs, which were deferred and are being amortized over the remaining term of ABL Facility.

The Term Loan B-USD Facility and Term Loan B-EUR Facility were issued at discounts, which are being deferred and amortized over the term of the respective debt instruments. The discounts are recorded as a reduction of long-term debt in the consolidated balance sheets.

The 10.50% Senior Notes and 6.75% Senior Secured Notes were adjusted to fair value in conjunction with the acquisition of Legacy LABL, Inc. by CD&R resulting in a premium, which is recorded as an addition to long-term debt in the consolidated balance sheets and is being amortized into interest expense over the remaining terms of the 10.50% Senior Notes and 6.75% Senior Secured Notes.

The amount of discounts (premiums) deferred and the remaining amount of discounts (premiums) to be amortized are as follows as of:

		Remaining Discounts (Premiums) to be Amortized	
		Successor	
	Discounts (Premiums)	**December 31, 2022**	December 31, 2021
Term Loan B-USD Facility	$ 24,966	**$ 19,917**	$ 24,257
Term Loan B-EUR Facility	8,699	**6,061**	8,161
10.50% Senior Notes	(39,675)	**(33,128)**	(38,855)
6.75% Senior Secured Notes	(26,250)	**(20,392)**	(25,345)

LABL recorded amortization of debt issuance costs, premiums and discounts in interest expense in the consolidated statements of operations as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Amortization of debt issuance costs, premiums and discounts	**$ 10,823**	$ 1,766	$ 12,282	$ 14,617

10. Financial Instruments

Derivative Instruments

On April 29, 2022, the Company entered into a deferred premium interest rate cap (“interest rate cap”), which is designated as a cash flow hedge. The interest rate cap hedges the risk associated with variability in interest cash flows above the interest rate cap's strike rate (3.5%) due to changes in the contractually specified interest rate borrowings under the Term Loan B-USD Facility from hedge effective date of April 2022 until maturity in April 2026.

The objective of the Company's designated interest rate cap is to offset the variability of cash flows in LIBOR indexed debt interest payments attributable to changes in the benchmark interest rate related to the Term Loan B-USD Facility.

The following table presents the notional amount of the Company's outstanding derivatives that are designated as hedging instruments by type:

	Successor	
	December 31, 2022	December 31, 2021
Designated derivatives:		
Interest rate cap	**$ 1,200,000**	$ -

The following table presents the pre-tax gains recognized in AOCL related to designated derivative instruments:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Designated derivatives:				
Interest rate cap	**$ 10,429**	$ -	$ -	$ -

The following are the pre-tax effects of derivatives designated as hedging instruments on the consolidated statements of operations:

	Statements of Operations Classification	Amount of loss reclassified from AOCL into earnings				Amount of gain to be reclassified to consolidated statement of operations within the next 12 months
		Successor		Predecessor		
		Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	
Designated derivatives:						
Interest rate cap	Interest expense	**$ 4,419**	$ -	$ -	$ -	**$ 8,987**

The following table presents the Company's gross derivative assets designated as hedging instruments and measured on a recurring basis:

	Derivative Assets		
	Consolidated	Successor	
	Balance Sheet Classification	**December 31, 2022**	December 31, 2021
Designated derivatives:			
Interest rate cap	Other current assets	**$ 8,954**	$ -
Interest rate cap	Other non-current assets	**5,894**	-
	Total assets	**$ 14,848**	$ -

The fair value of the interest rate cap is determined based upon observable third-party SOFR and LIBOR rate curves, futures, volatilities and basis spreads, as applicable. Based on these valuation methodologies, the interest rate cap is classified as Level 2 in the fair value hierarchy.

Net Investment Hedge

The Company uses its Term Loan B – EUR Facility, a non-derivative financial instrument, to protect the value of our net investment in certain European operations. The Term Loan B – EUR Facility is designated and qualifies as a net investment hedge in foreign operations. As a result, changes in the carrying value of the Term Loan B – EUR Facility due to fluctuations in foreign exchange rates are recorded in other comprehensive (loss) income to offset changes in the value of the net investments being hedged. Any ineffective portions of the net investment hedge would be reclassified from AOCL into earnings.

The following table summarizes the notional value related to the net investment hedge:

	Successor	
	December 31, 2022	December 31, 2021
Notional value	**$ 529,799**	$ 568,650

The following table summarize the pre-tax gains (losses) recognized in other comprehensive (loss) income related to the net investment hedge:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Gains (losses) recognized in other comprehensive (loss) income	**$ 33,592**	$ 9,500	$ 32,650	$ (50,050)

The Company did not reclassify any gains or losses related to net investment hedges from AOCL into earnings or have any ineffectiveness related to net investment hedges during the twelve months ended December 31, 2022 (Successor), the period from October 30, 2021 to December 31, 2021 (Successor), the period from January 1, 2021 to October 29, 2021 (Predecessor) and the twelve months ended December 31, 2020 (Predecessor).

11. Accrued Expenses and Other Liabilities

The Company's accrued expenses and other liabilities consisted of the following at:

	Successor	
	December 31, 2022	December 31, 2021
Accrued payroll and benefits	**$ 83,997**	$ 79,402
Accrued severance	**1,519**	4,597
Accrued income taxes	**8,874**	8,513
Professional fees	**6,121**	8,196
Accrued taxes other than income taxes	**2,116**	3,689
Accrued interest	**68,656**	67,340
Customer rebates	**22,981**	19,357
Contract liabilities	**6,304**	5,493
Other	**18,528**	20,132
Total accrued expenses and other liabilities	**$ 219,096**	$ 216,719

Included within accrued payroll and benefits are balances related to our defined contribution postretirement plans. The Company maintains two 401K retirement savings plans (the "Plans") for U.S. employees who meet certain service requirements. The Plans provide for voluntary contributions by eligible U.S. employees up to a specified maximum percentage of gross pay. The Company also makes contributions to various retirement savings plans for Australian employees as required by law and to other voluntary and involuntary defined contribution plans in the United Kingdom, South Africa and other subsidiaries outside the U.S. The Company recorded defined contribution expense in the consolidated statements of operations as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Defined contribution expense	**$ 19,826**	$ 2,965	$ 10,765	$ 10,361

12. Income Taxes

(Losses) income before income taxes were as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
U.S.	**$ (17,338)**	$ (202,749)	$ 269,618	$ (98,292)
Foreign	**(126,170)**	70,784	(404,098)	18,307
Total	**$ (143,508)**	$ (131,965)	$ (134,480)	$ (79,985)

The income tax expense (benefit) includes the following components:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Current:				
Federal	**$ (861)**	$ 843	$ 1,695	$ (14,258)
State and local	**2,261**	-	864	1,928
Foreign	**33,351**	434	19,040	20,591
Total current	**34,751**	1,277	21,599	8,261
Deferred:				
Federal	**17,589**	(10,521)	(9,245)	11,699
State and local	**(4,522)**	(2,690)	(2,176)	2,321
Foreign	**(18,588)**	(8,256)	(16,572)	(13,090)
Total deferred	**(5,521)**	(21,467)	(27,993)	930
Total	**$ 29,230**	$ (20,190)	$ (6,394)	$ 9,191

The following is a reconciliation between the U.S. federal statutory income tax rate and the effective tax rate:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
U.S. federal statutory rate	**21.0%**	21.0%	21.0%	21.0%
State and local income taxes, net of federal income tax expense (benefit)	**3.6%**	2.7%	2.4%	-3.0%
Differences at rate other than statutory	**-0.4%**	1.4%	-1.0%	2.9%
Permanent differences	**0.7%**	0.5%	-0.5%	-0.4%
Non-deductible transaction costs	**-0.4%**	-0.8%	-3.8%	-0.1%
Goodwill impairment	**0.0%**	0.0%	0.0%	-14.0%
Valuation allowance	**-42.5%**	-9.1%	-11.9%	-22.8%
U.S. net operating loss ("NOL") carryback	**0.0%**	0.0%	0.0%	7.2%
Withholding tax	**-4.9%**	-0.8%	-1.2%	-1.9%
Credits	**0.8%**	0.9%	1.8%	3.3%
Uncertain tax positions	**3.1%**	0.1%	-0.3%	-3.5%
Other	**-1.4%**	-0.6%	-1.7%	-0.2%
Effective tax rate	**-20.4%**	15.3%	4.8%	-11.5%

The net deferred tax components consisted of the following as of:

	Successor			
	December 31, 2022		December 31, 2021	
Deferred tax liabilities				
Depreciation on property, plant and equipment	**$**	**(134,971)**	$	(136,474)
Intangible assets		**(465,404)**		(522,500)
Lease asset		**(59,719)**		(44,952)
Unrealized loss related to foreign debt		**(7,666)**		(2,853)
Other		**-**		(4,809)
Total deferred tax liabilities		**(667,760)**		(711,588)
Deferred tax assets				
Allowance for doubtful accounts		**1,352**		1,791
Inventories		**1,804**		3,139
Accrued expenses and other liabilities		**18,569**		19,627
Operating lease obligations		**58,244**		53,134
R&D and other credit carryforwards		**8,277**		8,042
NOL carryforwards		**64,522**		91,019
Deferred financing costs and bond step-up		**19,641**		22,417
Nondeductible business interest carryforwards		**193,054**		132,875
Other		**2,072**		-
Gross deferred tax assets		**367,535**		332,044
Valuation allowance		**(114,181)**		(49,892)
Net deferred tax assets		**253,354**		282,152
Net deferred tax liability	**$**	**(414,406)**	$	(429,436)

As of December 31, 2022 (Successor), the net deferred tax liability of $414,406 consists of $432,314 recorded in deferred income tax liabilities within long-term liabilities in the consolidated balance sheet, net of $17,908 in deferred tax assets recorded in other non-current assets in the consolidated balance sheet. As of December 31, 2021 (Successor), the net deferred tax liability of $429,436 consists of $446,501 recorded in deferred income tax liabilities within long-term liabilities in the consolidated balance sheet, net of $17,065 in deferred tax assets recorded in other non-current assets in the consolidated balance sheet.

As of December 31, 2022 (Successor), the overall net deferred income tax liability position movement of $15,030 is comprised of approximately $(6,183) recorded through goodwill as part of acquisitions (see *Note 5, Acquisitions*). As of December 31, 2021 (Successor), the overall net deferred income tax liability position movement of $219,804 is comprised of approximately $235,403 recorded through goodwill as part of acquisitions (see Note 5, *Acquisitions).*

As of December 31, 2022 (Successor), the Company had tax-effected federal net operating loss carryforwards of $24,766 with an indefinite carry-forward period. The Company had tax-effected state operating loss carryforwards of $13,262, which will expire between 2023 and 2042, and tax-effected foreign operating loss carryforwards of $26,432, which include losses of $15,277 with no expiration date, and the remainder will expire between 2023 and 2042.

As of December 31, 2022 (Successor) and 2021 (Successor), the Company had valuation allowances of $114,181 and $49,892, respectively. As of December 31, 2022 (Successor) and 2021 (Successor), $26,892 and $18,529, respectively, of the valuation allowances are related to certain deferred tax assets in foreign jurisdictions due to the uncertainty of the realization of future tax benefits from those assets. The increase in the valuation allowance during the twelve months ended December 31, 2022 (Successor) is primarily caused by an increase in certain U.S. federal and State interest carryforwards, which are not more likely than not to be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment. As of December 31, 2022 (Successor), the Company considers both negative and positive evidence that impacts the assessment of the realization of deferred tax assets.

The benefits of tax positions are not recorded unless it is more likely than not the tax position would be sustained upon challenge by the appropriate tax authorities. Tax benefits that are more likely than not to be sustained are measured at the largest amount of benefit that is cumulatively greater than a 50% likelihood of being realized.

The following liabilities are recorded as unrecognized tax benefits as of:

	Successor	
Unrecognized tax benefits	**December 31, 2022**	December 31, 2021
Unrecognized tax benefits - U.S. federal, state and foreign tax jurisdictions	**$ 6,325**	$ 14,048
Unrecognized tax benefits - interest and penalties	**3,431**	3,789

During the twelve months ended December 31, 2022 (Successor) and the period from October 30, 2021 to December 31, 2021 (Successor), the Company recognized $218 and $25, respectively, in income tax expense in the consolidated statements of operations for interest and penalties. During the period from January 1, 2021 to October 29, 2021 (Predecessor) and the twelve months ended December 31, 2020 (Predecessor), the Company recognized $495 and $1,427, respectively, in income tax expense in the consolidated statements of operations for interest and penalties. The liability for the gross amount of interest and penalties at December 31, 2022 (Successor) and 2021 (Successor) was $1,396 and $3,789, respectively. The liability for unrecognized tax benefits is classified in other noncurrent liabilities on the consolidated balance sheets for the portion of the liability where payment of cash is not anticipated within one year of the consolidated balance sheet date. During the twelve months ended December 31, 2022 (Successor) and the period from October 30, 2021 to December 31, 2021 (Successor), the Company released $1,405 and $180, respectively, of reserves related to uncertain tax positions for which the statutes of limitations have lapsed or there was a reduction in the tax position related to a prior year. During the period from January 1, 2021 to October 29, 2021 (Predecessor) and the year ended December 31, 2020 (Predecessor), the Company released $507 and $795, respectively, of reserves related to uncertain tax positions for which the statues of limitations have lapsed or there was a reduction in the tax position related to a prior year. The Company believes that it is reasonably possible that $820 of unrecognized tax benefits as of December 31, 2022 (Successor) could be released within the next 12 months due to lapse of statute of limitations and settlements of certain foreign and domestic income tax matters. The unrecognized tax benefits that, if recognized, would favorably impact the effective tax rate are $8,686.

A summary of the activity for the unrecognized tax benefits is as follows:

	Successor		Predecessor	
	December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	December 31, 2020
Beginning balance	**$ 14,048**	$ 7,370	$ 7,937	$ 5,966
Impact of acquisitions	**-**	7,495	-	1,956
Additions based on tax positions related to the current year	**240**	38	191	500
Additions of tax positions of prior years	**-**	(40)	42	502
Reductions of tax positions of prior years	**(2,252)**	-	-	-
Settlements	**(4,693)**	(292)	(476)	(385)
Lapse of applicable statues of limitations	**(1,405)**	(506)	(181)	(795)
Currency translation	**387**	(17)	(143)	193
Ending balance	**$ 6,325**	$ 14,048	$ 7,370	$ 7,937

The Company files income tax returns in the U.S. federal jurisdiction, various foreign jurisdictions, and various state and local jurisdictions where the statutes of limitations generally range from three to five years. As of December 31, 2022 (Successor), the Company is no longer subject to U.S. federal examinations by tax authorities for years before fiscal 2019. The Company is no longer subject to state and local examinations by tax authorities for years before fiscal 2018. In foreign jurisdictions, generally the Company is no longer subject to examinations by tax authorities for years before fiscal 2017.

The Company is indefinitely reinvested in the outside basis differences for its foreign subsidiaries. Determining the amount of the outside basis differences in the foreign subsidiaries is not considered since the Company has no plans to dispose of its investments in foreign subsidiaries in the foreseeable future. In addition, the Company has accrued withholding tax liabilities for expected future distributions in certain entities.

13. Commitments and Contingencies

Purchase Obligations

The Company has entered into purchase agreements for various raw materials, property, plant and equipment, uniforms, supplies, utilities, and other services. Total estimated purchase obligations are $26,530 and $26,209 as of December 31, 2022 (Successor) and 2021 (Successor), respectively.

Litigation

The Company is subject to various legal claims and contingencies that arise out of the normal course of business, including claims related to commercial transactions, product liability, health and safety, taxes, environmental matters, employee matters and other matters. Litigation is subject to numerous uncertainties and the outcome of individual claims and contingencies is not predictable. It is possible that some legal matters for which reserves have or have not been established could result in an unfavorable outcome for the Company and any such unfavorable outcome could be of a material nature or have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

Letters of Credit

The Company has issued letters of credit totaling $8,158 and $7,142 as of December 31, 2022 (Successor) and 2021 (Successor), respectively, primarily to its workers' compensation insurer. These letters of credit are renewed annually and are used to secure current and future claims.

14. Supplemental Cash Flow Disclosures

Supplemental disclosures with respect to cash flow information and non-cash operating, investing and financing activities are as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Supplemental Disclosures of Cash Flow Information:				
Interest paid	**$ 344,490**	$ 22,756	$ 167,033	$ 189,144
Income taxes paid, net	**26,902**	10,103	10,303	20,383
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	**37,883**	5,789	20,559	30,689
Operating cash flows from finance leases	**3,970**	803	2,623	1,554
Financing cash flows from finance leases	**17,343**	1,591	8,369	7,556
Supplemental Disclosures of Non-Cash Activities:				
Capital expenditures incurred but not yet paid	**$ 9,665**	$ 11,235	$ 2,030	$ 4,213
Change in derivative contracts fair value - asset position	**14,827**	26	(480)	471
Change in derivative contracts fair value - liability position	**286**	(96)	(140)	381
Operating leases acquired net of fair value adjustments in business combinations	**(5,250)**	48,554	20,747	-
Finance leases acquired in business combinations	**14,833**	37,718	4,058	-
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	**22,026**	12,868	5,509	5,857
Finance leases	**3,614**	1,004	38,466	2,598

15. Related Party Transactions

During the twelve months ended December 31, 2022 (Successor), the Company incurred related party integration related fees, which were paid to CD&R and included in transaction, integration and restructuring costs in the consolidated statements of operations. During the Predecessor period, the Company received certain corporate and advisory services from Platinum. Those services were provided pursuant to a corporate advisory services agreement between Platinum and the Company. During the Predecessor period, the Company incurred related-party monitoring fee expenses and acquisition and integration related fees, which were included in selling, general and administrative expenses and transaction, integration and restructuring costs, respectively, in the consolidated statements of operations. As summary of these related party expenses is as follows:

	Successor		Predecessor	
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020
Monitoring fee expenses	**$ -**	$ -	$ 4,167	$ 5,000
Transaction and integration related fees	**1,273**	-	42,686	240

During the period from October 30, 2021 to December 31, 2021 (Successor), $30,722 in transaction expenses were paid by LABL, Inc. on behalf of an affiliate of CD&R.

The Company declared a dividend to stockholders of $16,512 during the period from January 1, 2021 to October 29, 2021 (Predecessor), which was paid during the Successor Period. In addition, the Company paid a distribution to stockholders of $18,000 during the twelve months ended December 31, 2020.

In the Successor Period, the Company sold to and made purchases from certain other third parties who are also owned by CD&R. In the Predecessor Period, the Company sold to certain other third parties who are also owned by Platinum. These sales were immaterial to the consolidated financial statements of the Company in both the Successor and Predecessor periods.

16. Facility Closures

During the twelve months ended December 31, 2022 (Successor), the Company recorded $10,359 in facility closure expenses in the consolidated statements of operations. Facility closure expenses in the current year primarily related to the closure of our manufacturing facilities in Fulton, NY, Norwood, OH, Dallas, TX and Sparks, NV and the merger of our facilities in Bangkok and Chonburi, Thailand into one facility. These costs included costs to dismantle, transport and reassemble manufacturing equipment that was moved to other facilities, costs to maintain facilities until the building is sold or lease terminated, severance and other termination benefits, losses on disposal of fixed assets and additional costs incurred as a result of the plant closure. In addition, $525 in non-cash long-lived asset impairment was recorded related to changes in the estimated useful lives of certain assets as a result of plant closures. The amount of unpaid plant closure costs accrued as of December 31, 2022 (Successor) is immaterial.

During the period from October 30, 2021 to December 31, 2021 (Successor), the Company incurred $2,354 in facility closure expenses in the consolidated statement of operations. These costs primarily related to the closure of our manufacturing facilities in Wilton, NH, Fulton, NY and Reyrieux, France. During the period from January 1, 2021 to October 29, 2021 (Predecessor), the Company incurred $6,868 in facility closure expenses in the consolidated statement of operations. These costs primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH, Fulton, NY, Vittel, France, one of our facilities in Monterrey, Mexico, the former Tyson Print Shop business located in Springdale, AR and the merger of our facilities in Rawang, Balakong and Kuala Lumpur in Malaysia into one facility. These costs consisted of costs to dismantle, transport and reassemble manufacturing equipment that was moved to other facilities, costs to maintain facilities until the building is sold or lease terminated, severance and other termination benefits, asset impairment and disposal costs and additional costs incurred as a result of the plant closure.

The remaining unpaid plant closure costs of $1,271 as of December 31, 2021 (Successor) were recorded in accrued expenses and other liabilities on the consolidated balance sheet and were paid during the twelve months ended December 31, 2022 (Successor).

During the twelve months ended December 31, 2020 (Predecessor), the Company recorded $11,287 in facility closure expenses in the consolidated statement of operations. These costs included $4,648 in non-cash fixed asset impairment charges primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH and one of our facilities in Monterrey, Mexico. As a result of our decision to close these manufacturing facilities, the Company determined that it was more likely than not that certain fixed assets at these facilities would be sold or otherwise disposed of significantly before the end of their estimated useful lives. The land and building at the Franklin, PA facility were written down to their estimated fair values, less costs to sell, of $1,504, which were determined based on a third-party valuation utilizing prices for similar assets (a Level 2 measurement), and were sold during the period from January 1, 2021 to October 29, 2021 (Predecessor). The remaining impairment charges relate to fixed assets that were or are anticipated to be scrapped or abandoned upon closure of the related facility; therefore, the net book value of these fixed assets was written-off.

In addition, facility closure expenses during the twelve months ended December 31, 2020 (Predecessor) included $3,177 in severance and other termination benefits, primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH and one of our facilities in Monterrey, Mexico.

The remaining facility closure costs during the twelve months ended December 31, 2020 (Predecessor) primarily consisted of other associated costs related to the closures of our manufacturing facilities in Franklin, PA, Rochester, NY, the merger of our facilities in Jakarta and Bekasi, Indonesia and the merger of our facilities in Rawang, Balakong and Kuala Lumpur, Malaysia into one facility. Other associated costs consist of costs to dismantle, transport and reassemble manufacturing equipment that was moved to other facilities, costs to maintain facilities until the building is sold or lease terminated and additional costs incurred as a result of the plant closure.

17. Restructuring Costs

During the twelve months ended December 31, 2022 (Successor), the Company incurred $3,919 in restructuring costs, which were recorded in transaction, integration and restructuring costs in the consolidated statement of operations. These restructuring costs include $2,384 in severance, retention and other termination benefits primarily related to executive leadership changes. The remaining costs primarily relate to machinery and equipment relocations as a result of plant restructuring activities in EMEAA.

The remaining unpaid restructuring accrual of $1,408 as of December 31, 2022 (Successor) was recorded in accrued expenses and other liabilities on the consolidated balance sheet and will be substantially paid in 2023.

During the period from October 30, 2021 to December 31, 2021 (Successor), the Company incurred $1,605 in restructuring costs, which were recorded in transaction, integration and restructuring costs in the consolidated statement of operations. These restructuring costs include $1,082 in severance, retention and other termination benefits primarily related to various local and regional restructuring initiatives. The remaining costs primarily relate to plant relocations in Europe.

During the period from January 1, 2021 to October 29, 2021 (Predecessor), the Company incurred $3,341 in restructuring costs, which were recorded in transaction, integration and restructuring costs in the consolidated statement of operations. These restructuring costs include $2,001 in severance, retention and other termination benefits primarily related to various local and regional restructuring initiatives. The remaining costs primarily relate to plant relocations in Europe.

The remaining unpaid restructuring accrual of $1,490 as of December 31, 2021 (Successor) was recorded in accrued expenses and other liabilities on the consolidated balance sheet and was substantially paid during the twelve months ended December 31, 2022 (Successor).

During the twelve months ended December 31, 2020 (Predecessor), the Company incurred $4,996 in restructuring costs, which were recorded in transaction, integration and restructuring costs in the consolidated statement of operations. These restructuring costs include $4,081 in severance, retention and other termination benefits primarily related to the integration and consolidation of Legacy LABL, Inc.

18. Common Units

On October 29, 2021, Labels Buyer, LLC adopted the Labels Buyer, LLC Equity Incentive Plan (the "Plan"). The purpose of the Plan is to provide incentive compensation to officers, key employees and non-employee directors of Labels Buyer, LLC and the Company. The Plan provides for the issuance of Series A Common Units in the form of restricted stock units, restricted common units and common unit options.

The common unit options granted under the Plan may only be granted with an exercise price of not less than fair market value of Labels Buyer, LLC's common units on the date of grant. Common unit option awards under the Plan may be either vested or unvested options, and each award will specify the vesting period. The restricted common units vest over a specified period as defined in individual grant agreements. Upon the occurrence of a Change in Control (as defined in the Plan), all restricted common units and common unit options fully vest and participants with vested restricted common units and common units options are entitled to receive an amount equal to the excess of (i) the Change in Control Price over (ii) the Exercise Price (both as defined in the Plan), if any. Upon termination of employment without cause, all unvested restricted common units and common unit options are forfeited, except in the case of death or disability, as described in the Plan. Upon termination of employment for cause, all vested and unvested common unit options are forfeited.

For purposes of the Plan, all common units issued to management holders are Series A Common Units. The Plan provides for the issuance of up to 1,146,557 Series A Common Units in the form of restricted stock units, restricted common units and common unit options. As of December 31, 2022 (Successor) and 2021 (Successor), 776,959 and 25,000 Series A Common Units, respectively, were authorized for issuance under the Plan.

While the Plan and common unit awards under the Plan are legally authorized and issued by Labels Buyer, LLC, the common unit options and restricted common units are accounted for and expensed at the Company, as LABL, Inc. is the legal entity at which the operations and service requirements of the employee or non-employee director common unit holders are incurred. Therefore, the holders of the Series A Common Units have no specific voting, dividend or liquidation rights as it relates to the Company's stockholders' equity.

19. Stock-Based Compensation

The fair value of common unit options and restricted common units granted is generally recognized as expense, ratably, over the requisite service period.

Common Unit Options

Common unit options generally vest ratably over a five-year vesting period, and RSUs generally vest ratably over a three-year vesting period, subject to the employee's continuous service with the Company. The common unit options generally expire ten years after the date of grant. The fair value of each common unit option award granted during the twelve months ended December 31, 2022 (Successor) was estimated on the grant date using the Black-Scholes option pricing model using the following weighted average assumptions:

Exercise price	$	100
Expected term (years)		6.5
Risk-free interest rate		2.6%
Expected volatility		48.5%
Expected dividend yield		-

There is a high degree of subjectivity involved when using option-pricing models to estimate stock-based compensation. There are currently no market-based mechanisms or other practical applications to verify the reliability and accuracy of the estimates stemming from these models, nor is there a means to compare and adjust the estimates to actual values. Although the fair value of the common unit option awards is determined using an option-pricing model, the value may not be indicative of the fair value that would be observed in a market transaction between a willing buyer and a willing seller. If factors change and the Company employs different assumptions when valuing its common unit options, the stock-based compensation expense that the Company records in the future may differ significantly from what it has historically reported.

The following table summarizes common unit option activity for the twelve months ended December 31, 2022 (Successor):

	Common Unit Options		Weighted Average Exercise Price	Remaining Contractual Term (Years)
Outstanding at December 31, 2021 (Successor)	**-**	**$**	**-**	
Granted	791,000		100	
Forfeited or expired	(41,800)		100	
Outstanding at December 31, 2022 (Successor)	**749,200**	**$**	**100**	**8.9**
Exercisable at December 31, 2022 (Successor)	**143,300**	**$**	**100**	**8.8**
Expected to vest after December 31, 2022 (Successor)	**605,900**	**$**	**100**	**8.9**

As of December 31, 2022 (Successor), the total compensation cost related to nonvested common unit options not yet recognized and the weighted-average period over which it is expected to be recognized is $29,405 and 3.8 years, respectively.

The Company incurred $8,704 in stock-based compensation expense for common unit options issued to employees during the twelve months ended December 31, 2022 (Successor), which was recorded in SG&A expenses in the consolidated statement of operations. Aggregate intrinsic value represents the estimated fair value of the Company’s Series A Common Units at the end of the period in excess of the weighted average exercise price multiplied by the number of options outstanding or exercisable. The intrinsic value as of December 31, 2022 (Successor) is $0.

The weighted average grant date fair value of common unit options granted during the twelve months ended December 31, 2022 (Successor) was $50.90.

Restricted Common Units

Restricted common units consist of Labels Buyer, LLC Series A Common Units that are subject to such conditions, restrictions and limitations as the Board of Directors determines to be appropriate. The vesting period is generally three years after the grant date. Restricted common units are outstanding on the date of grant but are subject to a right of repurchase by the Company in certain circumstances until vested. The Company incurred $2,564 stock-based compensation expense for restricted stock units issued to directors and non-employees during the twelve months ended December 31, 2022 (Successor), which was recorded in SG&A expenses in the consolidated statement of operations.

The information presented in the following table relates to restricted common units granted and outstanding under the Plan:

	Restricted Common Units		Weighted Average Grant Date Fair Value
Outstanding non-vested at December 31, 2021 (Successor)	**25,000**	**$**	**100**
Granted	2,759		100
Vested	(25,000)		100
Outstanding non-vested at December 31, 2022 (Successor)	**2,759**	**$**	**100**

As of December 31, 2022 (Successor), the total compensation cost related to non-vested restricted common units not yet recognized and the weighted-average period over which it is expected to be recognized was $212 and 1.3 years. The total grant-date fair value of restricted common units vested during the twelve months ended December 31, 2022 (Successor) was $2,500.

Predecessor Participation Units

During 2019, LABL Holding Corporation (“HoldCo”) adopted the 2019 Participation Plan (the “2019 Plan”). The purpose of the 2019 Plan was to provide incentive compensation to key employees of the Company by granting performance units. Such incentive compensation was based upon the award of Participation Units (“Units”). The Units were valued on the date of grant by the Compensation Committee and matured over a specified period in individual grant agreements. Participants in the 2019 Plan were entitled to receive compensation for their matured Units in the event a qualifying event occurred. There were two qualifying events defined in the 2019 Plan: (1) a “qualifying sale event” in which there was a sale of some or all of the stock or assets of HoldCo, (2) a “qualifying distribution event” in which HoldCo paid a dividend to its shareholders. Upon the occurrence of a qualifying event, participants with matured Units were entitled to receive an amount equal to the difference between: (i) the value (as defined by the 2019 Plan) of the Units on the date of the qualifying event, and (ii) the value of the Units on the date of the grant. Upon termination of employment, with or without cause, all Units were forfeited, except in the case of death, as described in the 2019 Plan. The Company accounted for the 2019 Plan in accordance with ASC 505, "*Equity"*.

The sale of Legacy LABL, Inc. on October 29, 2021 met the definition of a qualifying sale event, and $26,511 in expense was recorded in SG&A expenses in the consolidated statements of operations during the period from January 1, 2021 to October 29, 2021 (Predecessor) related to the matured Units.

20. Accumulated Other Comprehensive Loss

The Company's unrealized foreign currency translation loss, unrealized gain on derivative contracts and change in minimum pension liability on the Company's defined benefit pension plan are reported in AOCL as a component of stockholders' equity. The changes in the Company's AOCL during the period from October 30, 2021 to December 31, 2021 (Successor) and the period from January 1, 2021 to October 20, 2021 (Predecessor) consisted only of unrealized foreign currency translation losses. The changes in the Company's AOCL by component consisted of the following during the twelve months ended December 31, 2022 (Successor):

	Unrealized foreign currency translation loss	Unrealized gain on derivative contracts	Change in minimum pension liability	Total
Other comprehensive (loss) income before reclassifications, net of taxes	$ (145,374)	$ 7,966	$ 119	$ (137,289)
Amounts reclassified from AOCL, net of taxes (1)	-	3,376	-	3,376
Accumulated other comprehensive (loss) income	$ (145,374)	$ 11,342	$ 119	$ (133,913)

(1) Reclassifications out of AOCL consisted of $4,419 gain on the interest rate cap, net of tax of $1,043, which was reclassified from AOCL into interest expense in the consolidated statements of operations.

21. Subsequent Events

The Company has evaluated subsequent events through March 21, 2023, which is the date the consolidated financial statements were issued.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Information included in these consolidated financial statements contains certain forward-looking statements that involve potential risks and uncertainties. LABL's future results could differ materially from those discussed herein. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date thereof.

Our products are sold in numerous countries across North America, Latin America, EMEA (Europe, Middle East and Africa) and the Asia Pacific region, with more than 30% of our sales generated outside North America. As such, we are exposed to and impacted by global macroeconomic factors, U.S. and foreign government policies and foreign exchange fluctuations. Current macroeconomic factors remain dynamic, and any causes of market size contraction, such as the novel strain of coronavirus ("COVID-19"), related variants, or similar disruptions, or greater political unrest or instability outside North America (including the ongoing Russia-Ukraine War), could negatively impact our operating results. As of and for the twelve months ended December 31, 2022 (Successor), the effects of the Russia-Ukraine War, and related macroeconomic headwinds, have not had a material impact on the consolidated financial statements. Events and changes in circumstances arising after December 31, 2022 (Successor) will be reflected in management's estimates for future periods.

In the discussion that follows, all amounts are in thousands (both tables and text), except statistical data and percentages.

Following is a discussion and analysis of the consolidated financial statements and other statistical data that management believes will enhance the understanding of the Company's financial condition and results of operations:

Executive Overview

We are a leading global provider of label solutions supporting a number of the world's most prominent brands including leading producers of automotive & chemicals, beverage, durables & technical, food & dairy, healthcare, home care & laundry, personal care & beauty and wine & spirits products. LABL serves national and international brand owners in the North American, Latin American, EMEA and Asia Pacific regions with a comprehensive range of the latest label technologies including Pressure Sensitive, Cut and Stack, In-Mold, Shrink Sleeve, Heat Transfer, Roll Fed and Aluminum labels.

On December 9, 2022, the Company purchased 100% of the outstanding shares of three wholly owned subsidiaries of Lux Global Label Parent, LLC ("Lux"). Lux manufactures pressure sensitive labels, shrink sleeves and security solutions and has production facilities in the United States and Puerto Rico. On October 31, 2022, the Company purchased 100% of the outstanding shares of Flexcoat Produtos Auto-Adesivos S/A ("Flexcoat"). Flexcoat is a Brazil-based label and lamination manufacturer. On December 30, 2021, the Company completed its acquisition of Skanem Group's ("Skanem") label operations in Europe and Thailand.

In 2022, we borrowed against our ABL Facility to finance a portion of the cost of the 2022 acquisitions above and may borrow under the ABL Facility or seek to raise additional indebtedness to finance future acquisitions. Furthermore, we will opportunistically evaluate raising additional debt for future M&A to preserve liquidity, and, among other things, to paydown a portion of the outstanding ABL Facility.

On October 29, 2021, Clayton, Dubilier & Rice ("CD&R"), through its wholly owned subsidiary, Labels Buyer, LLC, a Delaware limited liability company, completed a merger with LABL Holding Corporation, a Delaware corporation, pursuant to the terms of the Agreement and Plan of Merger, dated as of July 1, 2021. Effective October 29, 2021, LABL Holding Corporation, and its wholly owned operating company, LABL, Inc. ("Legacy LABL, Inc."), are wholly owned subsidiaries of the Company. The financial results for the twelve months ended December 31, 2022 and the period from October 30, 2021 to December 31, 2021 are presented as the "Successor Period" and are reflective of the operations of the Company subsequent to the acquisition by CD&R. The financial results for the period from January 1, 2021 to October 29, 2021 and the twelve months ended December 31, 2020 represent the "Predecessor Period" and are reflective of the operations of Legacy LABL Inc. prior to the acquisition by CD&R.

On October 29, 2021, CD&R, through Labels Buyer LLC, completed a merger with Fortress TopCo, Inc., a Delaware corporation, and its wholly owned operating company, Fort Dearborn Company ("FDC"). FDC is now a subsidiary of LABL, Inc. and the results of operations of FDC are included with the results of operations of the Company in the Successor Period.

On September 30, 2021, Legacy LABL, Inc. acquired 100% of New Zealand-based Hexagon Label Group ("Hexagon"), a privately-owned group of businesses producing self-adhesive labels, shrink sleeves, linerless wraps and other solutions for customers across Australia and New Zealand. On March 31, 2021, Legacy LABL, Inc. acquired 100% of John Herrod and Associates Pty Ltd ("Herrods"), a leading producer of In-mold labels ("IML") in Australia and New Zealand located in Melbourne, Australia.

Results of Operations

Twelve Months Ended December 31, 2022 compared to the twelve month period ended December 31, 2021 (the "2021 period"), which is a non-GAAP presentation:

Net Revenues

	Successor	2021 Period			
		Successor	Predecessor		
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Net revenues	**$ 3,341,449**	$ 481,472	$ 1,853,062	$ 1,006,915	43%

Net revenues were $3,341,449 during the twelve months ended December 31, 2022 (Successor) compared to $2,334,534 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $921,713 or 39% to the net revenues increase. Organic growth increased net revenues compared to the prior year by $191,133 or 8% primarily due to increased sales in Europe, North America and Latin America as a result of inflation recovery actions executed in recent quarters. This increase was partially offset by unfavorable foreign exchange of $115,354 or 5%.

Cost of Revenues and Gross Profit

	Successor	2021 Period			
		Successor	Predecessor		
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Cost of revenues	**$ 2,713,016**	$ 446,263	$ 1,555,119	$ 711,634	36%
% of Net revenues	**81.2%**	92.7%	83.9%		
Gross profit	**$ 628,433**	$ 35,209	$ 297,943	$ 295,281	89%
% of Net revenues	**18.8%**	7.3%	16.1%		

Cost of revenues were $2,713,016 during the twelve months ended December 31, 2022 (Successor) compared to $2,001,382 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $728,185 to the cost of revenues increase. Inventory purchase accounting adjustments increased cost of revenues by $22,590 in the 2021 period. The organic cost of revenues increase of $94,026 or 5% was primarily due to increased net revenues and raw materials inflation, partially offset by cost synergies. The increase was also partially offset by favorable foreign exchange of $96,551 or 5%.

Gross profit was $628,433 during the twelve months ended December 31, 2022 (Successor) compared to $333,152 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $193,528 to the gross profit increase. Inventory purchase accounting adjustments increased cost of revenues by $22,590 in the 2021 period. Organic gross profit increased by $97,107 or 29%, as a result of inflation recovery actions and cost synergies. The increase was partially offset by unfavorable foreign exchange of $18,803 or 6%. Gross margins were 18.8% of net revenues in the current year compared to 14.3% in the prior year period as a result of the gross profit impacts previously mentioned.

Operating Expenses

	Successor	Successor	Predecessor		
		2021 Period	2021 Period		
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Selling, general and administrative expenses	**$ 358,456**	$ 59,932	$ 189,150	$ 109,374	44%
% of Net revenues	**10.7%**	12.4%	10.2%		
Facility closure expenses	**$ 10,359**	$ 2,354	$ 6,868	$ 1,137	12%
% of Net revenues	**0.3%**	0.5%	0.4%		
Transaction, integration and restructuring costs	**$ 44,894**	$ 51,278	$ 74,934	$ (81,318)	(64%)
% of Net revenues	**1.3%**	10.7%	4.0%		

Selling, general and administrative (SG&A) expenses were $358,456 during the twelve months ended December 31, 2022 (Successor) compared to $249,082 in the 2021 period. The acquisitions of FDC, Skanem and Hexagon contributed $86,429 to the SG&A expenses increase. Amortization related to intangible assets increased by $26,364 related to the Legacy LABL, Inc. acquisition and favorable foreign exchange decreased SG&A expenses by $11,957. The remaining increase of $8,538 is primarily due to compensation costs in the current year period driven by the build out of the leadership team and higher incentive accruals based on improved current year results, partially offset by cost synergies. SG&A expenses were 10.7% of net revenues for the current year period compared to 10.6% in the prior year period as a result of the SG&A expenses impacts previously mentioned.

Facility closure expenses were $10,359 during the twelve months ended December 31, 2022 (Successor) compared to $9,222 in the 2021 period. Facility closure expenses in the current year primarily related to the closure of our manufacturing facilities in Fulton, NY, Norwood, OH, Dallas, TX and Sparks, NV and the merger of our facilities in Bangkok and Chonburi, Thailand into one facility. The prior year costs primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH, Fulton, NY, Vittel, France, Reyrieux, France, one of our facilities in Monterrey, Mexico, the former Tyson Print Shop business located in Springdale, AR and the merger of our facilities in Rawang, Balakong and Kuala Lumpur, Malaysia into one facility. Facility closure expenses fluctuate from period to period based on the facilities closed and the timing of closure activities.

During the twelve months ended December 31, 2022 (Successor), the Company incurred $44,894 of transaction, integration and restructuring costs compared to $126,212 in the 2021 period. In the current year period, these expenses primarily related the integration of the acquisitions of Legacy LABL, Inc., FDC and Skanem. In the 2021 period, these expenses primarily related to integration of the Legacy Label, Inc. business as well as the acquisition of Hexagon.

Non-Operating Expenses

	Successor	Successor	Predecessor		
		2021 Period	2021 Period		
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Interest expense	**$ 359,466**	$ 55,067	$ 164,659	$ 139,740	64%
Other income, net	**$ (1,234)**	$ (1,457)	$ (3,188)	$ 3,411	(73%)

Interest expense was $359,466 during the twelve months ended December 31, 2022 (Successor) compared to $219,726 in the 2021 period primarily due to increased debt related to the Legacy LABL, Inc., FDC, Skanem, Hexagon and Herrods acquisitions.

Other income, net was $(1,234) during the twelve months ended December 31, 2022 (Successor) compared to $(4,645) in the 2021 period, which includes gains and losses on foreign exchange.

Income Tax Expense (Benefit)

	2021 Period				
	Successor		Predecessor		
	Twelve Months Ended December 31, 2022	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	$ Change	% Change
Income tax expense (benefit)	**$ 29,230**	$ (20,190)	$ (6,394)	$ 55,814	(210%)

Income tax expense was $29,230 during the twelve months ended December 31, 2022 (Successor) compared to a benefit of $(26,584) in the 2021 period due to due to changes in the valuation allowance related to disallowed interest expense.

The twelve-month period ended December 31, 2021 (the "2021 period") is a non-GAAP presentation compared to the Twelve Months Ended December 31, 2020:

Net Revenues

	2021 Period				
	Successor	Predecessor			
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	$ Change	% Change
Net revenues	$ 481,472	$ 1,853,062	$ 2,097,739	$ 236,795	11%

Net revenues were $2,334,534 in the 2021 period compared to $2,097,739 in the twelve months ended December 31, 2020 (Predecessor). The acquisition of FDC contributed $135,102 to the revenue increase. Predecessor Period acquisitions of Hexagon and Herrods contributed $47,396 to the net revenues increase and organic growth was $3,743. Foreign exchange increased net revenues by $50,554 compared to the twelve months ended December 31, 2020 (Predecessor) primarily driven by the Euro.

Cost of Revenues and Gross Profit

	2021 Period				
	Successor	Predecessor			
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	$ Change	% Change
Cost of revenues	$ 446,263	$ 1,555,119	$ 1,716,629	$ 284,753	17%
% of Net revenues	92.7%	83.9%	81.8%		
Gross profit	$ 35,209	$ 297,943	$ 381,110	$ (47,958)	(13%)
% of Net revenues	7.3%	16.1%	18.2%		

Cost of revenues was $2,001,382 in the 2021 period compared to $1,716,629 in the twelve months ended December 31, 2020 (Predecessor). The acquisition of FDC contributed $98,658 to the cost of revenues increase. Predecessor Period acquisitions of Hexagon and Herrods contributed $39,348 to the cost of revenues increase. Inventory purchase accounting adjustments increased cost of revenues by $22,590. Unfavorable foreign exchange increased cost of revenues by $41,386. The remaining increase in cost of revenues was primarily due to raw material inflation, operating inefficiencies resulting from COVID-19 related absenteeism and prior consolidation activity primarily in North America.

Gross profit was $333,152 in the 2021 period compared to $381,110 in the twelve months ended December 31, 2020 (Predecessor). The acquisition of FDC contributed $36,444 to the gross profit increase. Acquisitions in the Predecessor Period contributed $8,048 to the gross profit increase. Inventory purchase accounting adjustments reduced gross profit by $22,590. Favorable foreign exchange increased gross profit by $9,168. The remaining reduction in gross profit was primarily driven by raw material inflation, net of price increases, as price pass-throughs lagged inflation, and operating inefficiencies resulting from COVID-19 related absenteeism and prior consolidation activity primarily in North America. Gross margins were 14.3% of net revenues driven by the price pass through inflation lag in the 2021 period compared to 18.2% in the twelve months ended December 31, 2020 (Predecessor).

Operating Expenses

	2021 Period				
	Successor	Predecessor			
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	$ Change	% Change
Selling, general and administrative expenses	$ 59,932	$ 189,150	$ 182,978	$ 66,104	36%
% of Net revenues	12.4%	10.2%	8.7%		
Facility closure expenses	$ 2,354	$ 6,868	$ 11,287	$ (2,065)	(18%)
% of Net revenues	0.5%	0.4%	0.5%		
Transaction, integration and restructuring costs	$ 51,278	$ 74,934	$ 23,984	$ 102,228	426%
% of Net revenues	10.7%	4.0%	1.1%		
Loss on impairment of intangible assets	$ -	$ -	$ 39,874	$ (39,874)	(100%)
% of Net revenues	0.0%	0.0%	1.9%		

SG&A expenses were $249,082 in the 2021 period compared to $182,978 in the twelve months ended December 31, 2020 (Predecessor). The acquisition of FDC contributed $34,018 to the SG&A increase. Predecessor Period acquisitions of Hexagon and Herrods contributed $2,498 to the SG&A increase. Amortization related to intangibles increased by $17,794 related to acquisition-related identifiable assets, and unfavorable foreign exchange increased SG&A by $3,640. The balance of the increase primarily related to recruiting and compensation expenses. SG&A expenses of 10.6% of net revenues for the 2021 period compared to 8.7% in the twelve months ended December 31, 2020 (Predecessor).

Facility closure expenses were $9,222 in the 2021 period compared to $11,287 in the twelve months ended December 31, 2020 (Predecessor) primarily related to the closure of our manufacturing facilities in Franklin, PA, Heath, OH, Wilton, NH, Fulton, NY, Vittel, France, Reyrieux, France, one of our facilities in Monterrey, Mexico, the former Tyson Print Shop business located in Springdale, AR and the merger of our facilities in Rawang, Balakong and Kuala Lumpur in Malaysia into one facility.

In the 2021 period, the Company incurred $126,212 of transaction, integration and restructuring costs compared to $23,984 in the twelve months ended December 31, 2020 (Predecessor) primarily related to the continued integration of the 2019 acquisition of Legacy LABL, Inc. by Platinum, the 2021 acquisition of Legacy LABL, Inc. by CD&R and subsequent integration of FDC into LABL in 2021.

Identifiable intangible asset impairment was $0 in the 2021 period compared to $39,874 in the twelve months ended December 31, 2020 (Predecessor). For certain legacy LABL, Inc. reporting units in 2020, an interim goodwill impairment charge was recorded as a result of macroeconomic conditions primarily driven by the continuing COVID-19 pandemic. As a result of the interim impairment assessment and the annual impairment assessment, the Company concluded that the carrying value for the Legacy LABL, Inc. Food & Beverage and Latin America Food & Beverage reporting units exceeded their fair value, resulting in goodwill impairment charges of $39,874 in the twelve months ended December 31, 2020 (Predecessor).

Non-Operating Expenses

	2021 Period				
	Successor	Predecessor			
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	$ Change	% Change
Interest expense	$ 55,067	$ 164,659	$ 199,829	$ 19,897	10%
Other (income) expense, net	$ (1,457)	$ (3,188)	$ 3,143	$ (7,788)	(248%)

Interest expense was $219,726 in the 2021 period compared to $199,829 in the twelve months ended December 31, 2020 (Predecessor) primarily due to increased debt to related to the CD&R acquisition of LABL and FDC, acquisition of Skanem and Predecessor Period acquisitions of Hexagon and Herrods and $2,488 in loan commitment fees related to the unused bridge loan related to acquisition financing incurred during the current 2021 period, partially offset by lower rates on our variable rate Term Loan B Facility in the in the earlier quarters of the year.

Other (income) expense, net was $(4,645) in the 2021 period compared to $3,143 in the twelve months ended December 31, 2020 (Predecessor) primarily related to primarily related to net (gains) losses on foreign exchange, including gains of $(2,649) in relation to intercompany loans in the current year and losses of $622 in relation to intercompany loans in the twelve months ended December 31, 2020 (Predecessor).

Income Tax (Benefit) Expense

	2021 Period				
	Successor	Predecessor			
	Period from October 30, 2021 to December 31, 2021	Period from January 1, 2021 to October 29, 2021	Twelve Months Ended December 31, 2020	$ Change	% Change
Income tax (benefit) expense	$ (20,190)	$ (6,394)	$ 9,191	$ (35,775)	(389%)

Income tax (benefit) expense was $(26,584) in the 2021 period compared to $9,191 in the twelve months ended December 31, 2020 (Predecessor) as a result of higher pre-tax losses resulting from transaction, integration and restructuring costs and higher interest expense.

Potential for Future Debt Repurchases

We may repurchase or otherwise retire our debt and take other steps to reduce our debt or otherwise improve our financial position. These actions could include open market debt repurchases, negotiated repurchases, other retirements of outstanding debt and opportunistic refinancing of debt. The amount of debt that may be repurchased or otherwise retired, if any, will depend on market conditions, trading levels of our debt, cash position, compliance with debt covenants and other considerations. Our affiliates, including CD&R and its affiliates, may also purchase debt from time to time, through open market purchases or other transactions. In such cases, our debt may not be retired, in which case we would continue to pay interest in accordance with the terms of the debt, and we would continue to reflect the debt as outstanding in our consolidated balance sheets.

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